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Author(s)	Conaty, Frank
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A STUDY OF PERFORMANCE MANAGEMENT AND MANAGEMENT CONTROL SYSTEMS IN NON-PROFIT ORGANISATIONS ENGAGED IN THE PROVISION OF PUBLIC HEALTH AND WELFARE SERVICES – A STAKEHOLDER SALIENCE PERSPECTIVE

FRANK CONATY

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FOREWORD

Publication In-Print

During the course of completing the analysis and writing up of this PhD monograph, the PhD student, Frank Conaty, together with the PhD supervisor, Dr. Geraldine Robbins submitted a paper drawn from the findings from the student's work to the journal '*Critical Perspectives on Accounting'*. In August 2018 the paper was accepted for publication and is currently 'in-print':

Conaty, F. C., & Robbins, G. (2018). A stakeholder salience perspective on performance and management control systems in NPO organisations. *Critical Perspectives on Accounting,* (In-print). https://doi.org/10.1016/j.cpa.2018.07.001

Elements of this monograph are therefore similar in content to the paper currently in-print. As the paper was written in parallel to the writing of this monograph, it has not been included as a cited source as this would have led to the monograph not representing the breadth and depth of the student's PhD research, his findings, and conclusions.

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Certificate of Authorship and Originality

I certify that the work in this thesis is all my own work and that I have not obtained a degree in this University, or elsewhere, on the basis of this work.

Signed

Frank Conaty

Abstract

Non-Profit Organisations (NPOs), characterised by a complex stakeholder profile, are increasingly important to the provision of public services, in particular health and welfare services. This study examines how management's perceptions of stakeholder salience informs the design and use of Management Control Systems (MCS) employed in the management of NPO performance. NPO performance as a construct of the objectives of multiple stakeholders underpinned the focus on management's perception of stakeholders as a basis of exploration.

The study was conducted as a single sectoral case study, the Irish disability sector, through the examination of four exemplar NPOs. Stakeholder salience theory provided the framework of analysis, with four relevant stakeholders identified as the subject stakeholders for the study: Service Users, the Funder, The Regulator, and the Board.

Contributions to MCS research, stakeholder salience theory and qualitative research methods are made. First, while service users are identified by management as centrally important to organisational mission, they emerge as having relatively lower salience compared to other stakeholders, largely due to the absence of 'power'. These salience perceptions point to lower levels of management attention being afforded to service users, notwithstanding their centrality to organisational mission, providing evidence of a disparity between mission and management operational attention and a risk of mission drift. Reinforcing service user salience through improved MCS 'accountability' and MCS embedded 'internal advocacy' emerge as potential interventions in MCS design and use to redress the identified disparity and to enhance the management of performance. The study also contributes to the development of stakeholder salience theory, suggesting that complexity in stakeholder salience gives rise to a co-existence, or duality, in stakeholder typologies, and pointing to 'risk' as a potentially significant factor in perceptions of salience. Drawing on these findings and observations in relation to the relative perceptions of salience attributes, a synthesised model of stakeholder salience formation as a process is presented. Finally synergies between stakeholder salience theory and stakeholder agency theory are suggested, as well as contributions to qualitative research methodology and an agenda for future research.

Key words

Chapter 1. Introduction

1.1. Motivation and Research Question

This study sets out to examine how management's perceptions of stakeholder salience informs the design and use of Management Control Systems (MCS) employed in the management of NPO performance.

This study was motivated by the increasing role of NPOs in the provision of health and welfare services evident in most countries (Appleton, 2005). With MCS a central support to management of NPOs in managing their performance (Dacombe, 2011; B. T. Tucker & L. D. Parker, 2013), the objective was to investigate how management's perceptions of stakeholder salience informs the design and use of MCS in NPOs engaged in the provision of such services. The research focus on stakeholders and their salience to management was in turn motivated by the recognition that NPOs, and in particular those engaged in public service collaborations, have a complex and challenging stakeholder set (Bouillon, Ferrier, Stuebs Jr, & West, 2006; Gazley, 2010), and that NPO performance can be considered as a construct of the objectives of multiple stakeholders (Herman & Renz, 1998). The study is positioned within the broad domain of performance management and in this specific instance MCS design and use as a component of the NPO performance management systems.

The significance of NPOs involved in the provision of health, welfare and other social services, both in terms of number and size of organisations, has grown dramatically over recent decades (see: Agranoff, 2005; Appleton, 2005; Bryce, 2006; Henriksen, Smith, & Zimmer, 2012; Kendall & Knapp, 2000; Milward & Proven, 2000; Robbins & Lapsley, 2008; Selden, Sowa, & Sandfort, 2006; Young, 2000). Notwithstanding the recessionary years following the crash of 2008, evidence from the UK shows that, even with shrinking income and resources, the importance of NPOs in the provision of health and welfare services did not decline (Bernard et al., 2017; Clifford, 2017; Wilding, 2010) a trend also evidenced in Ireland (Eikenberry & Breeze, 2018; Gallo & Donnely-Cox, 2017).

The prevalence of NPOs involved in such service provision grew in the latter half of the twentieth century, driven in part in certain jurisdictions by the falling away of the influence of 'subsidiarity', a principle of Catholic social teaching that maintained that responsibility for the provision of social welfare was primarily that of agencies such as the family, schools and the church (Bryce, 2006; Donoghue, Anheier, & Salamon, 1998; Henriksen et al., 2012; Purcell, 2005). This, coupled with a widespread trend by western Governments faced with increased demands and diminishing resources to leverage the NPO sector in order to meet public and social service needs (Agranoff, 2005, 2006; Appleton, 2005; Brinton Milward & Provan, 2000; Henriksen et al., 2012), has resulted in a greatly increased role being played by the NPO sector in the provision of these services. In Ireland today NPOs constitute at least 10% of all organisations active in the State generating more that €10.9b in turnover annually, nearly half of which, €5.3b, is State funding amounting to 10% of all current expenditure by the Exchequer (Benefacts, 2017).

The key defining attributes of NPOs are that they do not have access to equity capital, they do not make distributions to owners, and their existence is often attributed to individuals or groups who perceive market or government failure in specific services; this results in a considerably more complex stakeholder profile than other organisations (Helmig, Jegers, & Lapsley, 2004; Hyndman & McDonnell, 2009). This complexity gives rise to a potential cacophony of disparate demands on the NPO arising from the different and at times individually complex objectives of those stakeholders. This characteristic of the relevant stakeholder set presents significant challenges in the management of NPO performance, not least the identification of what is important in the realisation of performance (see: Bagnoli & Megali, 2011; Ballantine, Brignall, & Modell, 1998; Brignall & Modell, 2000; Carnochan, Samples, Myers, & Austin, 2014; Conaty, 2012; Dacombe, 2011; Johansen & Nielsen, 2016; Jun & Shiau, 2012; Kaplan, 2001; Kurunmäki & Miller, 2011; Kushner & Poole, 1996; Wellens & Jegers, 2014). Managing performance in NPOs, particularly those involved in the provision of public services contracted by the State, is further complicated by the difficulty of performance becoming a function of processes, interventions, and relationships that transcend the natural boundary of the NPO giving rise to calls for research to explicate the dynamics of performance management in such

settings (Bar-Nir & Gal, 2011; Barretta & Busco, 2011; Conaty, 2012; Stone & Ostrower, 2007).

The presence of multiple stakeholders and the need to attend to their objectives has, in general management accounting research and MCS literature, being acknowledged, however, there has been a paucity of research engagement with the challenge such complexity presents for the design and use of MCS. In particular the extant research tends to focus on the narrow perspective of shareholder wealth maximisation as the measure of performance with little acknowledgement of the needs of other stakeholders (Chenhall, 2003; Hopper & Bui, 2016; Malmi & Granlund, 2009; Sundin, Granlund, & Brown, 2010). One notable exception is the advance in social and environmental accounting research, albeit at an early stage of development and predominantly with a focus on the for profit sector (Bebbington, Russell, & Thomson, 2017; Deegan, 2017; Gray, Dey, Owen, Evans, & Zadek, 1997; Gray, Dillard, & Spence, 2009; Hopper & Bui, 2016; Riccaboni & Luisa Leone, 2010). Given the more complex characteristics of the stakeholder set of NPOs in particular those engaged with State parties in the provision of public services (Conaty, 2012), the need for further exploration in this regard is of particular import.

With NPO performance characterised as a construct of the objectives of multiple stakeholders (Herman & Renz, 1998), it follows that stakeholder theory (Freeman, 1984) might assist in framing an understanding of the performance dynamics at play and MCS design and use in particular (Balser & McClusky, 2005; Collier, 2008; Freeman & Philips, 2002; McAdam, Hazlett, & Casey, 2005). Further, accepting that what is perceived as important to management will attract the attention of management, suggests that the stakeholder salience framework as developed by Mitchell, Agle, and Wood (1997) could provide a useful frame in the examination of the dynamics of MCS design and use in NPOs. Stakeholder salience theory posits that the salience of stakeholders in the eyes of management is a construct of management's perceptions as to their possession of power, legitimacy and the perceived urgency of their need or call on the organisation. This study draws on stakeholder theory perspectives to frame an understanding of performance management challenges and the design and use

of MCS in NPOs involved in the provision of public services and specifically health and welfare services.

The objective of this study, therefore, is to explore the manner in which the management of NPOs, providing health and welfare services, perceive the complex stakeholder profile of their organisations and in particular how their perception of stakeholder salience informs the design and use of MCS employed in the management of NPO performance. This objective translates into the following research question:

RQ – How do management's perceptions of stakeholder salience inform the design and use of Management Control Systems (MCS) of NPOs engaged in the provision of public services and health and welfare services in particular?

The 'how' in the research question in this instance embodies not just 'how' but in combination with 'inform' embraces the implicit question of 'why' or 'in what manner' the salience perceptions of managers impinge on the design and use of MCS.

The researcher's motivation was informed through personal experience of over twenty years with NPOs in the disability sector in Ireland. This experience spanned both personal and professional involvement in the formation and direction of intellectual disability support organisations at a national and regional level and contributing as a board member of an NPO service provider in the sector. This experience developed an awareness in the researcher that NPOs faced differing and complex challenges, very different from those experienced by for-profit and public sector organisations and fuelled an interest in the management of NPOs and the role of accounting and MCS in management practices. In consequence, this suggested that an abductive approach to enquiry would be appropriate, that allowed for the researcher's experience and habitus, and the value of phronesis that came with it (see Chapter 4). Further, this approach, through a constant dialogue between the researcher, the informing theoretical frame, and the data, allows for a richness of exploration that might not otherwise arise. Finally, the intellectual disability sector in Ireland is a substantive

sector and provides a valuable domain for research into management practices of NPOs involved in the provision of health and welfare services.

1.2. Intellectual disability sector - the Irish context

In 2017 there were 28,388 people registered on the National Intellectual Disability Database (NIDD) maintained by the Health Research Board in Ireland (Hourigan, Fanagan, & Kelly, 2018). Although no definitive figure exists for the current total State expenditure in Ireland on all State services for people with intellectual disabilities alone, the total planned State investment for 2017 in services for all persons with disabilities, physical, sensory, and intellectual, in social, health, and education services, was €7.2b representing 13.4% of all Government expenditure (Campbell, de Barra, Duffy, Newman, & Reilly, 2017).

Until more recent decades, health, education and social welfare have traditionally been the forte of voluntary activity in Ireland and predominantly the preserve of the Catholic religious orders (Donoghue et al., 1998). Service provision in the disability sector was by its nature a vocational pursuit with the State playing a background role, a situation dictated by economic necessity and aided by the dominance of the Catholic Church and the principle of 'subsidiarity'. During the 1950s & 1960s direct state funding began to be provided; services were funded both directly and indirectly through the religious and voluntary organisations who continue to play a leading role (Donoghue et al., 1998; Purcell, 2005). Today just over 60 NPOs account for over two thirds of the support service provision to persons with intellectual disabilities, nationally[1].

The nature and manner in which people with intellectual disabilities are supported in Ireland continues to evolve and is taking place against a background of continuous re-articulation of the principles of human rights in the context of people with intellectual and other disabilities. In their seminal study for the UN on Human Rights and Disability, A. Bruce et al. (2002, p. 1) highlighted that:

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[1] National Federation of Voluntary Bodies, *'About Us; Introduction; Who Are We?'* Available at: < http://www.fedvol.ie/Introduction/Default.758.html > [Accessed on: 15 April 2019].

'A dramatic shift in perspective has taken place over the past two decades from an approach motivated by charity towards the disabled to one based on rights. In essence, the human rights perspective on disability means viewing people with disabilities as subjects and not as objects. It entails moving away from viewing people with disabilities as problems towards viewing them as holders of rights.'

Ireland has not been immune to these developments. 2005 saw the enactment of legislation with the objective of reforming the approach to the provision of support services and infrastructure for people with disabilities in the State and in 2013 the Health Information and Quality Authority (HIQA) was charged with the establishment of standards for the provision of residential and day disability services. These standards informed a body of regulations for the provision of disability services, policed and reported on by HIQA. This was a seminal change for the sector, introducing a sector specific regulator for the first time. In recent years further policy changes have been heralded with the enactment of 'assisted decision making' legislation that will provide for a framework for the assistance of persons with capacity constraints to have their wishes recognised[2] and the publication of a report, commissioned by the Government, into the proposed introduction of 'personalised budgets' for people receiving disability support services from the State[3]. Finally in 2018, eleven years after signing, Ireland finally ratified the UN Convention on the Rights of People with Disabilities.

For NPOs involved in the provision of services to support people with disabilities these changes present significant challenges in ensuring that their approach to the framing of organisational mission and management of performance aligns with the evolving 'rights' approach and accommodates the new regulatory regime. This changing landscape also presents an opportunity for researchers to gain insight into management's response to understanding performance, the definition of which is being constantly reshaped, is somewhat elusive, and is a

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[2] The Assisted Decision Making (Capacity) Act, Ireland, was passed into law in December 2015, however, the vast majority of the provisions of the Act have not yet been commenced pending the introduction of required support structures, see information updates provided by the Health Service Executive (HSE). Available at: <. https://www.hse.ie/eng/about/who/qid/other-quality-improvement-programmes/assisteddecisionmaking/assisted-decision-making.html > [Accessed on: 17 December 2018].

[3] Department of Health, *'Towards Personalised Budgets for People with a Disability in Ireland Report of the Task Force on Personalised Budgets'* Available at:< https://health.gov.ie/wp-content/uploads/2018/07/Task-Force-Report.pdf > [Accessed on: 17 December 2018].

function of their understanding of and relationship with a complex stakeholder set, and how they might best realise that performance.

1.3. Contributions

Management accounting research in the settings of NPOs lags that of the for-profit domain. Further, as highlighted above, the NPO sector has particular challenges, not least the articulation of what performance means, but also a multiple stakeholder profile that is even more complex when the NPO is engaged in the provision of public services (Conaty, 2012). Consequently there is a deficit of understanding of the dynamics of management, performance, and stakeholders. This study goes some way toward addressing those deficits by exploring management perceptions of stakeholders and how this informs the design and use of MCS in a substantive case study. The domain of study is the intellectual disability services sector in Ireland. This sector was selected as an exemplar of NPOs involved in the provision of publicly funded health and welfare services. Four substantive NPOs in the sector make up the case study and management are the unit of analysis. The study has contributed to both management accounting research and theoretical development.

Primary findings addressing the research question

In examining the design and use of MCS in NPOs the study contributes to management accounting research in three ways. First, through an examination of management's perceptions of stakeholder salience, a disparity between organisational mission and management's attention to stakeholders on a day to day basis was identified. The stakeholder regarded as the most central to organisation mission, service users, were nevertheless regarded as the least salient compared to the other stakeholders. The research findings suggest that this disparity may pose a real risk of mission drift.

Secondly, through an examination of management perceptions of the utility of the design and use of MCS elements in supporting differing stakeholder objectives, and by examining perceptions of stakeholder salience, the study reveals how the

salience of stakeholders in the eyes of management informs the design and use of MCS. This study finds that the accountability processes that are incorporated as part of the MCS elements are reflective of management's perceptions of stakeholder salience. This finding supported and extended the findings of prior research by co-joining the findings on accountability and MCS with the findings on mission/salience disparities, described above, pointing to the opportunity for deliberate interventions by management, in the redesign of the accountability elements of MCS as a means of redressing the observed mission/salience disparities.

Finally, 'Internal advocacy' was identified as an additional important function of management to redress the observed disparities between NPO mission; moreover, that this might be achieved through the reflection of 'internal advocacy' as a management function in the design and use of MCS. The findings in relation to 'internal advocacy', while significant in their own right, are even more so when considered with the findings on accountability set out earlier, as it is argued that effective accountability to stakeholders requires the stakeholder to be capable of engagement with the accountability processes and with management and without 'internal advocacy' the findings of this study suggests that the least salient, but most important stakeholder in terms of NPO mission, service users, are significantly undermined in this regard.

Primary contributions to theory and research methodology

This research has provided insights into the challenges in understanding stakeholder salience, advancing the manner in which salience attribute relativities can inform salience analysis. Secondly, the heretofore unarticulated complexity of the co-existence or duality of stakeholder typologies for a given stakeholder at a single point in time, has been identified and described. This is a significant contribution to theory and one that refines understanding of stakeholder salience pointing to a much more complex interplay of perceptions and contexts. Thirdly, management perceptions of risk emerges as a contributor to perceptions of the 'urgency' of stakeholders. This finding resonates with previous studies, and in prior conceptual papers risk has been suggested as a potential influencing factor in stakeholder salience. In supporting the observations from this prior literature,

this study advances the case that risk may be regarded as a mediating factor in perceptions of urgency and potentially incorporated into stakeholder salience theory and the stakeholder salience model. Further, the theoretical findings as described above are synthesised into a suggested multiple process model of stakeholder salience perception formation.

The study has also provided insights into a potential synergy between stakeholder salience theory and stakeholder agency theory. Through insights gained from the examination of stakeholder salience, certain 'agency' dynamics between management and stakeholders were exposed. Consequently concepts from stakeholder agency theory contributed to the understanding of stakeholder salience dynamics and vice versa, notably, moral hazard and agency interventions.

Finally the study makes significant contributions to qualitative research methodology through the identification of suggested best practices in abductive research and the development of innovative research methods.

1.4. Thesis structure

The thesis is presented in six additional chapters. The second chapter presents a review of the relevant literature. This review sets the stage by covering the developing understanding of the role of NPOs in public service provision. Thereafter constructs of MCS in a performance management context in general are presented before looking to the manner in which performance is perceived and managed in NPOs through the use of MCS. This leads into an exploration of a multiple constituency construct of NPO performance and the need for a broad conception of NPO performance that builds the case for stakeholder engagement as a central aspect of the management of performance in NPOs. As is the nature of abductive research, as explained in chapter 4, the researcher must be open to unanticipated themes emerging from the field work and data analysis. In this study two such themes emerged as central considerations in the design and use of MCS, accountability to key relevant stakeholders, and advocacy for service

users as stakeholders with lower salience. Consequently an exploration of the relevant literature, in the context of MCS and NPOs, on accountability and advocacy is presented in the latter sections of the chapter before summarising a number of tenets that suggest themselves from the literature.

Chapter 3 sets out the conceptual framing in the context of differing facets of stakeholder theory and its application in an NPO context, before ending with a summary of the overall analytical approach to the study. The methodological approach is set out in Chapter 4, carefully describing the reasoning behind the abductive approach employed and the structuring of the study around a single sectoral case and the selection of the NPOs that form the case study. An explanation and justification of the identification of the relevant MCS elements and the stakeholders focused on in the study is set out as is the approach to data collation and analysis. Chapter 5 presents the results of the study in a structured manner. First the results of the analysis of management's perceptions of stakeholder objectives, importance to mission, and perspectives of stakeholder salience are presented. Thereafter the MCS elements and their typologies are described before setting out management's perceptions of the differing MCS elements in the context of their utility in supporting stakeholder objectives and what if any changes management feel would be useful in MCS design and use. Finally a number of additional observations that emerged from the data analysis are presented. Chapter 6 presents a structured analysis and discussion of the results and Chapter 7 sets out the conclusions before highlighting limitations, areas for suggested future research and key practical contributions and impact.

Chapter 2. Literature review

2.1 Introduction

This chapter reviews the relevant literature that connects NPO performance with the construct of an NPO as a complex configuration of stakeholders. In this chapter, a review of the role of NPOs in the provision of public services is initially presented. Thereafter relevant literature on performance management systems (PMS) and MCS, in general, and in the context of NPOs is examined. Conceptualisations of what constitutes NPO performance and the role of PMS and MCS are elucidated. This critical review of the literature underscores the multiple constituency perspective of performance and builds the case for a need for a broad conception of NPO performance which underpins the connection between organisational performance, stakeholder needs and objectives, and the role of management perceptions of stakeholders. With accountability to stakeholders, and advocacy for the stakeholder in receipt of the support services provided by the NPO, emerging from the analysis of the data as central considerations in the design and use of MCS, the relevant literature on these two aspects, in the context of MCS and NPOs in particular, is presented. As the concept of advocacy for stakeholders in terms of organisational performance receives limited attention in accounting and management literature, a summary of patient/client advocacy, as explored in general medical and social service literature, is presented to frame an understanding of the potential role of advocacy in health and welfare settings. Finally, the literature is synthesised in the form of ten suggested tenets that are set out as they are developed throughout the literature review and summarised in the closing section of the chapter. These ten suggested 'tenets' inform the conceptual framing of the study presented in following chapter.

2.2 NPOs and the provision of public services.

There is substantial evidence that Governments have increasingly turned their attention to the leveraging of social capital to meet public service requirements

across a wide spectrum of services (Appleton, 2005; Bar-Nir & Gal, 2011; Conaty, 2012; Courtney, 2002; Kearns, 1994). The state has also accepted greater cooperative responsibility for the provision of services historically provided by religious/charitable NPOs. This is partially as a result, in certain jurisdictions, of the falling away of the principle of 'subsidiarity', a principle of Catholic social teaching that maintained that responsibility for the provision of social services was primarily that of the family, schools, and church (Donnelly-Cox, Donoghue, & Hayes, 2001; Donoghue et al., 1998; Robbins & Lapsley, 2008). One of the earliest references to this phenomenon is contained in the work of Lester Salamom, who was Director of the Johns Hopkins Institute for Health and Social Policy Studies ('the Hopkins Institute') in the US, in the early part of the 1990's (see: Salamom, 1995). Salamom's work was a precursor to the research focusing on this phenomenon that followed, most of which is exploratory in nature highlighting the need for greater research into the implications of these changes in public service delivery. Drawing from Salamon's work the trend of greater involvement of the NPO sector in the provision of public and social services (particularly health, welfare and social services) was identified and confirmed in a series of studies on defining the NPO sector and published by the Hopkins Institute in the 1990s. In the study published by the Hopkins Institute examining the sector in the Republic of Ireland, it was highlighted that 'during the 1960s and 1970s a trend emerged of increasing incorporation of voluntary activity into statutory policy' (Donoghue et al., 1998). This is of particular relevance in an Irish context and it is in the areas of marginalised communities, people with disabilities, the elderly etc., where there is an established history of NPO activity, that we see some of the most developed of these relationships (O' Ferrall, 2000).

Contracting NPOs to provide public services in, social welfare, health, and other related areas (collectively referred to hereafter as 'health and welfare' services) is not a phenomenon unique to Ireland. Appleton (2005), reviewed how differing countries in the European Union (EU) structured the delivery of 'family services' and found that NPOs were extensively contracted in the provision of these services across the EU; four countries, Ireland, the UK, France, and Germany, were all found to employ NPOs as the primary organisational structure ahead of the State and families themselves. Further, as the general nature of 'work' and

'services' evolved through the last century from 'production of service' to 'knowledge-based', it was increasingly recognised that securing the breadth of knowledge and expertise required in the provision of public services could not be sourced from within the public sector alone. In consequence this has led public sector managers to look increasingly at collaborations where 'public agencies utilize leverage and engagement techniques to attract private non-profit and for-profit as well as non-agency public resources' (Agranoff, 2005, pp. 21 - 22). In more recent years it has been well established that the importance and 'role of NPOs as providers of social services for central government and local authorities has increased, and that they have become significant actors in the welfare economy' (Bar-Nir & Gal, 2011, p. 2), with recognition that 'non-profit, voluntary or third sector organizations have become an important part of both the discourse and institutional design of welfare states' (Henriksen et al., 2012, p. 461). Further, notwithstanding the recessionary years following the crash of 2008, evidence from Ireland shows that, even with shrinking income and resources, the importance of NPOs in the provision of health and welfare services did not decline (Eikenberry & Breeze, 2018; Gallo & Donnely-Cox, 2017), a trend also evidenced in the UK (Bernard et al., 2017; Clifford, 2017; Wilding, 2010).

While the for-profit sector is also encroaching on this new ground, as Governments seek out new ways of meeting the public's need, NPOs are nevertheless maintaining and increasing their 'market share' albeit having to accept that certain services, particularly those where economies of scale can be achieved, may have to be forfeit to for-profit enterprises (Henriksen et al., 2012). This reliance by the State on NPOs was recognised and explored by scholars throughout the 2000s invariably being identified as an area in need of greater study (See: Cairns, Harris, & Hutchison, 2007; Dahlberg, 2006; Entwistle, 2005; Gazley & Brudney, 2007; Kendall, 2000). The 'hollowing out' of the State with the substitution of NPOs and for-profit organisations for direct public service provision (Rhodes & Rhodes, 1996), brings challenges as well as benefits and poses fundamental questions, not just about the nature of the delivery of services, but fundamental questions of governance and structure (Milward & Proven, 2000; Young, 2000). Notwithstanding this and, 'although inter-organizational relationships have proliferated', 'the existing research provides little conceptual

clarity as to the functioning of these kinds of relationships and little understanding of the impact of inter-organizational relationships on the clients receiving services and the organizations engaged in these relationships' (Selden et al., 2006, p. 412). In order to provide this 'clarity', research focusing on PMS and MCS in such settings is self-evidently necessary. A review of the literature and policy environment of NPOs providing public services in 2011, at the commencement of this study, highlights the growing number of voluntary organizations providing public services of a health and welfare nature, fuelled by the availability of government funding and contracts (Dacombe, 2011). Dacombe points out that this means 'that some voluntary organizations now derive their funding primarily from the state' and that 'this has serious implications' for the voluntary sector rendering them increasingly subject to greater demands for public sector driven performance information that may divert NPO management from their primary goals (Dacombe, 2011, pp. 162 - 164). Therefore, the need to fully understand the functioning of PMS and MCS is critical and will only emerge through focused field research in these settings.

Suggested tenet 1:

NPOs have become a central actor in the provision of public services.

2.3 Management control systems and performance management

This section examines the characteristics and challenges for MCS and PMS in an NPO context. In the first instance an understanding of the nature and meaning of MCS and PMS in general is set out. That NPOs face very particular challenges in managing performance, and particularly when engaged in the provision of public services, is well recognised (Dacombe, 2011), and the critical literature that lay bare and examine these challenges is presented. The literature supporting the argument that NPO performance is a function of the nature of NPOs as multiple-constituencies of stakeholders, frames a case for a broad conception of NPO performance. Drawing on developments of broad constructs

of PMS from general and NPO literature, the next section develops an understanding of MCS and PMS as a pan-organisational architecture and explores the differing frameworks that have been offered by research in that regard. Differing organisations employ differing types of MCS in differing contexts that essentially form the architecture of the MCS and a summary of the relevant literature on identification of control typologies in an NPO context is set out; a suggested simplified synthesis of typologies is offered. Given the multiple-constituency argument of performance of NPOs, the need for management to engage with the differing objectives of stakeholders in the management of organisational performance is suggested as fundamental to that aim and the final section considers how PMS and MCS design may or may not reflect stakeholder objectives as a means of supporting the management of performance.

2.3.1 MCS and PMS; an understanding of concepts and language

The understanding of the meaning of MCS has 'evolved over the years from one focusing on the provision of more formal, financially quantifiable information to assist managerial decision making to one that embraces a much broader scope of information' that 'includes external information related to markets, customers, competitors, non-financial information related to production processes, predictive information and a broad array of decision support mechanisms, and informal personal and social controls' (Chenhall, 2003, p. 129). This evolution has moved from an historically narrow conception of the components of MCS (Anthony, 1965; Giglioni & Bedeian, 1974) to a growing acceptance of MCS as 'incorporating inter alia, objectives, strategy, environmental monitoring and adaptation, behavioural factors, rewards, unanticipated consequences, and interdependencies between control systems' (Hopper & Bui, 2016). The evolution of the conceptual understanding of MCS has given rise to a wider appreciation of the systems engaged in the overall management of performance referred to as performance management systems (PMS). More recent management accounting scholars in examining organisational PMS have developed broadly based frameworks in an attempt to capture and describe a comprehensive understanding of the dynamics of PMS (see for example: Bouckaert & Halligan,

2008; Broadbent & Laughlin, 2009; A. Ferreira & Otley, 2009; Otley, 1999). These PMS frameworks are commonly seen 'as including all aspects of organizational control, including those [more generally] included under the heading of management control systems' (A. Ferreira & Otley, 2009, p. 264). As a foundation to their work in developing a PMS framework, A. Ferreira and Otley (2009, p. 264) acknowledged that 'the concept of PMSs is a difficult one to establish'. They viewed PMS as 'the evolving formal and informal mechanisms, processes, systems, and networks used by organizations for conveying the key objectives and goals elicited by management, for assisting the strategic process and ongoing management through analysis, planning, measurement, control, rewarding, and broadly managing performance, and for supporting and facilitating organizational learning and change' (A. Ferreira & Otley, 2009) p.264). MCS elements can therefore be seen as component parts of PMS frameworks and that MCS elements work in concert with other elements of the PMS in assisting management in managing overall organisational performance.

The scholarly literature concerned with MCS and PMS is varied not just in scope and definition but also in the language of 'performance'. Most research into organisational success, in terms of achieving objectives and purpose, focus on the term 'performance' and this is certainly the case in the for-profit literature in accounting and management domains. In other domains, and in the NPO world, 'effectiveness' as a construct of performance has a greater significance. Further, the term 'performance measurement' is used to describe those elements of PMS concerned with the translation of organisational objectives, activity, and effects (inputs, throughput, outputs, and outcomes), into metricised information, and studies with a focus on performance measurement frequently contribute to the overall understanding of PMS (Speckbacher, 2003).

Finally, an exploration of MCS and PMS is not complete without acknowledging the work done in framing understanding of the differing types of MCS components (typologies) that are observed in these systems. Given the differing organisational contexts of NPOs compared to the for-profit world it is not surprising to find that the MCS control typologies suited to the NPO context differ (Hofstede, 1981).

Consequently, the informing literature in the following sections draws on relevant MCS and PMS research in general and in the specific context of NPOs, including critical studies on: the challenges for the management of performance in NPOs and the nature of what constitutes 'performance' in an NPO context; the nature and role of MCS and PMS (embracing both 'performance' and 'effectiveness') in terms of supporting the management of NPO performance; MCS typologies in NPOs, and finally the interaction of MCS and PMS with stakeholder objectives.

2.3.2 NPOs in public service provision and the challenge for MCS and PMS

When it comes to the management of performance, the evolving and complicated dynamic of NPOs operating in the public services domain poses greater and greater challenges for the public sector and the NPOs concerned. With NPOs involved in the provision of what are essentially public services there is a 'changing and expansion of the boundaries of the state to include a host of nongovernmental partners', which complicates the problem of achieving and assessing public service performance (Agranoff, 2005, pp. 40-41), that in turn challenges NPO management to evolve PMS and MCS processes that are fit for these evolving organisational realities (Dacombe, 2011; Kendall & Knapp, 2000).

Similar to the for-profit and public sector domains, appropriate MCS and PMS are accepted as playing an important role in the management of NPOs where 'a poorly performing MCS detracts from organizational performance, while a well-performing MCS contributes to enhanced organizational performance' (Tucker, Thorne, & Gurd, 2013, p. 128). Further that MCS, while 'different in comparison with MCS commonly used in business firms', 'exist in organisations whose main objective is not for profit' as 'they are necessary tools for leading an organisation efficiently towards its general aims' (Baraldi, 1998, p. 163). The evolution of MCS and PMS in NPOs involved in the provision of public services have, nevertheless, been significantly influenced by developments in the for-profit and notably the public sector (Carnochan et al., 2014; Lynch-Cerullo & Cooney, 2011; Ospina, Diaz, & O'Sullivan, 2002). From the early 1990s the public sector came under considerable pressure (social and political) to assimilate developments from mainstream, predominantly for-profit, management practice (Lapsley, 1999). The

objective, through learning from 'without' in terms of management practices and PMS and MCS, was to deliver greater efficiency, quality of service and effectiveness in the public sector. This has heralded the adoption and incorporation across public services of 'cost improvement programmes, performance indicators, financial management information systems, financial targets, delegated budgets, resource allocation rules' and other related techniques and processes collectively coming under the banner of New Public Management (NPM) (Pettersen, 1999, p. 377). It is recognised that 'the implications of NPM, and related approaches to performance measurement in public services, weigh heavily on the voluntary sector'; that the 'increased partnership between the state and voluntary organizations has resulted in voluntary organizations increasingly being subjected to forms of performance management that have their origins in other sectors,' and that such imports are not suited to the nature of these organisations (Dacombe, 2011, p. 161). In Ireland NPM was heralded by what was termed the 'Strategic Management Initiative' in 1994 (Robbins, 2006, pp. 13-17). NPM has had a profound impact on management practices in the public sector and not unexpectedly similar pressures have been seen in the NPO sector, particularly as NPOs moved more and more into public service provision, and while following behind the public sector, a strategic management approach, incorporating a requirement to develop key performance, or effectiveness, measures and new developments in PMS and MCS generally, have also been assimilated by NPOs (Courtney, 2002).

Similar to the public sector, the NPO sector has struggled with these imports. Difficulty in translating for-profit management models for use in the NPO sector as a driver of dysfunctional management practice has been highlighted as a matter of concern for the identity of NPOs, that 'it matters a great deal that the non-profit sector not evolve into another version of the for-profit sector with its emphasis on profitability' (Landsberg, 2003, p. 19). These criticisms have been echoed by other scholars in the field of NPO performance management, and while generally pointing out the potential for negative outcomes of ill-conceived importations the need for MCS and PMS that reflect the nature of NPOs is recognised. These scholars do not call for their abandonment, but to a need for a re-engineering to embrace the broad, balanced, and multifaceted approach to

measurement and performance evaluation that better serves in the NPO context (see: Carnochan et al., 2014; Dacombe, 2011; Herman & Renz, 1999; Speckbacher, 2003, 2013; Tilbury, 2004; van der Pijl & Sminia, 2004).

The critical role of MCS and PMS in NPOs drives a need to further understand how the design and use of MCS and PMS contributes to the management of performance in NPOs. In reflecting on their article on the subject drawn from an extensive study of Australian NPOs, Tucker et al. (2013, p. 128) suggest that NPO management and academic researchers should ask of themselves 'To what extent does our current use of [MCS] contribute to developing our strategy, executing our strategy, and ultimately, enhancing our (organizational) performance?'

Suggested tenet 2:

1   *NPO management engage with and are informed by MCS and PMS in managing the performance of their organisations.*

2.3.3   NPO Performance – a construct of multiple constituencies

While it is well established that NPOs need and employ MCS and PMS in the management of performance, what performance is in the context of an NPO has been, and continues to be, the subject of debate and exploration (Paton, 2003). Understanding what constitutes NPO performance is a central challenge for the effective design and use of MCS and PMS.

Performance is a contested term. Paton (2003, pp. 6-9) observed 'performance may sound like some unitary, stable and objectively real attribute – and the management of social enterprise might be easier if it was – but it is far more elusive than that'. What is performance to one individual or organisation can be irrelevant or of less meaning to another. In the for-profit sector performance is nearly exclusively focused on a single bottom line, profit, or as it is often presented, the maximization of shareholder wealth. Even with the increased focus in for-profit organisations on stakeholders other than shareholders, and on corporate social responsibility, the ultimate objective of the for-profit organisation

is to enhance organisational sustainability to facilitate the primary objective of shareholder wealth maximization. Given such a focus, performance, while still problematic, is less of a problem to nail down than is found in other sectors and across differing disciplines. Differing disciplines perceive and articulate performance in diverse ways. For example, psychology, social sciences or managerial sciences use differentiated definitions depending on whether the focus is on individual, societal, organisational, or system performance. Of particular relevance to organisations with multiple relevant stakeholders is the perspective that performance 'is not a unitary concept, with an unambiguous meaning, rather, it must be viewed as a set of information about achievements of varying significance to different stakeholders' (Bovaird, 1996, p. 147).

Early studies and explorations of MCS and PMS frameworks in an NPO context built on an emerging understanding that performance in NPOs is to a significant extent a construct of the objectives of multiple stakeholder constituencies. A social constructionist perspective of performance (derived from institutional theory) argues that performance (or effectiveness) is a construct of the perceptions of the separate parties (stakeholders) involved in, or impacted by, the activities of the organisation (Herman & Renz, 1999). This perspective suggests that individual stakeholder objectives are '(a) created by the individual or organisational actors involved, (b) specific to the context in which it was created, and (c) capable of evolving as the actors continue to interact' (Forbes, 1998, p. 195). 'The social constructionist concept treats organizational effectiveness as stakeholder judgements formed in an ongoing process of sensemaking and implicit negotiation. While multiple constituency models share with the social constructionist perspective an emphasis on performance as judgements by stakeholders, multiple constituency models treat stakeholder goals (that is, effectiveness and performance criteria) as rationally predictable and somewhat stable' (Herman & Renz, 1997, p. 188). In a wide ranging study of NPO effectiveness in the US, it was found that practitioner-experts define 'objective effectiveness' as employing correct procedures (as opposed to 'bottom line' type measures) whereas senior management and boards do not, focusing instead on expected outcomes, and other stakeholders frequently vary substantially in their judgements of effectiveness which are seldom related to

'objective effectiveness' (Herman & Renz, 1997, 1998) . This points to a varied perspective of NPO organisational effectiveness and while stakeholders use some similar and some differing bases for making effectiveness judgements, all stakeholders use some socially constructed evidence of organisational effectiveness and therefore 'the idea that there is a single objective organisational effectiveness, independent of the judgements of various stakeholders, is no longer tenable or useful' (Herman & Renz, 1997, p. 202). In the arena of the public sector and public service delivery, effectiveness (viewed as improved public services), has been the subject of contested approaches with the multiple constituency model accepted as having validity, in particular when taken in concert with a defined goal model (that organisations have an originating central purpose defined as a set of goals that may evolve over time, a mission) (Boyne, 2003). The implications of an acceptance that the multiple constituency model has validity for the provision of public services (whomever delivered by) are arguably 'profound'; implying that 'the idea that there is a single set of performance goals that can be universally agreed must be abandoned; instead, improvement [as the primary goal of effectiveness] is exposed as an arena for political struggle between different groups that are attempting to impose their preferred criteria of success or failure on public service' (Boyne, 2003, p. 221). A multiple constituency perspective of NPO's has not been confined to the study of effectiveness and performance, studies into NPO governance have also found that acknowledging the multiple constituency nature of NPOs and the manner in which their interests are reflected in governance structures is an important consideration in crafting a governance architecture suited to the sector (Guo, 2007; McCambridge, 2004; Stone, Bigelow, & Crittenden, 1999; Stone & Brush, 1996). It has been argued that governance of NPOs can be 'viewed as relating to the distribution of rights and responsibilities among and within the various stakeholder groups involved, including the way in which they are accountable to one another; and also relating to the performance of the organization, in terms of setting objectives or goals and the means of attaining them (Hyndman & McDonnell, 2009, p. 9).

An acceptance that NPO performance is comprised of multiple constituents and is socially constructed is directly or indirectly evidenced in a growing body of NPO

performance and accounting literature. Baraldi (1998, p. 163), drawing on the work of Ramanathan (1985) emphasised how ''soft' variables (perception, acceptance and organisational agreement', together with a 'multi-dimensional approach', were crucial if MCS were to be effective tools for management in managing performance given the constituent complexity of NPOs. Anheier (2000, p. 6) points out that an 'NPO has several bottom lines because no price mechanisms are in place that can aggregate the interests of clients, staff, volunteers, and other stakeholders that can match costs to profits, supply to demand, and goals to actual achievements'. Suggesting that 'multiplicity is the signature of the non-profit form' he posits that 'the challenge for management, then, is to develop models that identify these components, their cultures, goals and operating procedures in an effort to establish some coherence and identity between mission, activities and outcomes' (Anheier, 2000, pp. 10, 13). Drawing on literature from sociology, Barman (2007, p. 103), approaches performance measurement in NPOs 'as a historically situated and socially constructed process'. She points out that in terms of performance measurement 'calculation is viewed as a product of contestations between actors over legitimacy and resources that it is "constructed", conventional, and arrived at through negotiation' that 'measurement, therefore, is intended to establish, through a particular mode of assessment, how charities relate to a specific definition of legitimacy and success' (Barman, 2007, pp. 103,113). These studies and viewpoints point to the nature of the social dialogue between the differing actors with differing views of what constitutes success with implications for the determination of what is measured as a means of representing performance.

Herman and Renz (2008), presented nine theses on NPO effectiveness that they distilled from a detailed review of the literature, two of which are: that NPO effectiveness is multidimensional, and that NPO effectiveness is a social construction. Bagnoli and Megali (2011, pp. 160 - 161), in an examination of MCS and performance measurement systems in NPOs providing health and welfare services proposed a multi-dimensional performance measurement model for the management of such organisations pointing to the need to recognise the multi-stakeholder makeup that characterises such organisations; the model is built from the perceived need to balance three performance reference fields:

'economic/financial', 'social effectiveness', and 'institutional legitimacy' that 'are capable of accommodating a multi-stakeholder approach to managing an enterprise'. The multiple constituency construct of NPO performance was further underscored by Dacombe (2011), Jun and Shiau (2012), and by Boateng, Akamavi, and Ndoro (2016, p. 59) who, in an extensive survey based research project into performance measurement in UK based NPOs, concluded that 'the overall performance of charities is best measured by a set of factors that reflect the multiple and diverse stakeholders associated with charities'.

Some researchers have drawn on an institutional logic frame in looking at NPO organisations involved in public service provision as a means of understanding differing performance tensions (Coule & Patmore, 2013; Järvinen, 2016; Pache & Santos, 2013; Skelcher & Smith, 2015, 2017). This research supports the case made in prior literature that argues that performance is a construct of multiple constituencies. The research embraces the view that management have to attend to the competing interests of differing stakeholders with suggestions that 'more attention needs to be devoted to ways in which performance management strategies can measure non-profit impact more broadly defined' and that 'this effort would also help non-profit managers and board members manage more effectively the multiple institutional logics within the organization' (Skelcher & Smith, 2017, p. 428). While differing from a social construction approach, the recognition of multiple institutional logics resonates with the recognition of NPOs as consisting of multiple constituencies each informing a differing logic imperative and by extension a differing performance perspective.

The case for a multiple constituency construct of performance for NPOs engaged in the delivery of public services is compelling. The perspective suggests that each stakeholder in forming an individual construct of performance contributes to a collage of such constructs that is NPO performance. Given such a construction of organisational performance 'continuing attention to and interaction with stakeholders are essential to understanding their judgements of effectiveness' without which management cannot effectively manage in any meaningful way (Herman & Renz, 1998).

2.3.4 NPO performance - the case for a broad conception of MCS and PMS

As discussed in section 2.3.3 above, there is a consensus in NPO performance literature that performance of NPOs cannot be looked at in simple terms and certainly cannot be conceptualised in the same way as in the for-profit sector. In the NPO sector a determination of what performance actually means presents an altogether more challenging prospect, due in large part to the complex stakeholder sets involved coupled with the nature of the organisational activities and objectives of NPOs. Given a multiple constituency perspective of performance in NPOs in general, and the additional complexity added when NPOs engage in public service delivery, a broad conception of MCS and PMS is undoubtedly a pre-requisite to understanding the dynamics of NPO performance (Forbes, 1998; Herman & Renz, 1999; Kaplan, 2001). A number of aspects in particular can be identified as requiring accommodation: the multiple and complex stakeholder set and the difficulty with goal congruence (Bouillon et al., 2006; Gazley, 2010; Herman & Renz, 1997; Paton, 2003); the presence of multiple bottom lines with ambiguity in outcome measurement (Anheier, 2000; Brooks, 2002; Hofstede, 1981; Kaplan, 2001; Lecy, Schmitz, & Swedlund, 2012); the difficulty of dealing with multiple performance boundaries (Bagnoli & Megali, 2011; Carlsson-Wall, Kraus, & Lind, 2011; Ebrahim, 2003; Paton, 2003); and the interplay of strategic management and performance (Stone et al., 1999; Tucker et al., 2013). For these reasons conceptualising performance and framing approaches to MCS in the NPO sector requires separate attention and carries significantly differing challenges. The design and structure of MCS and PMS in NPOs, while reflecting the particular characteristics of NPOs, builds from the understandings and developments in the for-profit and public sectors in this regard (Courtney, 2002). Consequently, where appropriate, this section will draw on literature and conceptualisations of MCS and PMS from these domains also. In the following sections the reasoning and underpinning of MCS and PMS as a broad organisational construct are set out and highlight the role of management perception in the design and use of MCS. Thereafter developments in the construction and articulation of PMS frameworks that embrace such a broad construct are examined before looking to MCS typologies in NPO settings. Finally, drawing from these prior discussions and explorations, a discussion on

how stakeholder interests may or may not be incorporated into MCS and PMS is set out.

2.3.4.1   MCS and PMS – a broad conception and suggested frameworks

Conceptualizing PMS in broad terms is not unique to the Public and NPO sectors. Scholars have been grappling with this issue from the earliest formulations on MCS, 'performance measurement' and latterly PMS. As a concept, the focal perspective in the exploration of performance management has evolved over time. Research focus has varied from the consideration of the very particular, for example examining the role of formally constructed models such as the 'balanced score-card' (Kaplan, 2001; Kaplan & Norton, 2001a; Sundin et al., 2010) or the challenges and role of performance measurement and MCS (Baraldi, 1998; Chenhall, 2003; Fitzgerald, Johnson, Brignall, Silvestro, & Voss, 1991; Hofstede, 1967, 1978; Malmi & Brown, 2008; Otley, 1999, 2001, 2003; Simons, 1995), to wider perspectives incorporating aspects of management strategy (Kloot & Martin, 2000) and governance (Bouckaert & Halligan, 2008; pp. 181-195). The more recent of this research has seen a further broadening of the concept in terms of the breath of the dynamical set taken into consideration and in recognising management's role in understanding the stakeholder environment; that management's perceptions in this regard are essential to effectively managing performance is central to the conceptual framing of this study. In the discussion following, critical developments in broadening the conception of MCS are set out before moving on to discuss PMS frameworks that have evolved similarly.

The foundational work in developing a framework for MCS was developed by Anthony (1965) who drew a distinction between 'management', 'strategic' and 'operational' control. Anthony focused on the 'management control' aspects in developing his framework as this is where there were significant commonalities across organisations. His neglect of the 'strategic' and 'operational' fields was deliberate and it was left to researchers in the decades that followed to explore aspects of control from these fields and incorporate them into broader understandings of MCS and performance management (e.g. Bouckaert &

Halligan, 2008; Broadbent & Laughlin, 2009; A. Ferreira & Otley, 2009; Malmi & Brown, 2008; Otley, 1999; Simons, 1995). These broader conceptions embrace strategy as a derivative of organisational objectives and as the key driver of effective MCS design. It is this recognition and understanding of organisational 'objectives' as drivers of strategy that is of particular significance for organisations with multiple stakeholders.

Simons in developing the Levers of Control (LOC) MCS framework was concerned with addressing the perceived 'deficit in management theory whereby considerable effort and advances had been made in understanding strategy formation and the development of techniques for managing in competitive business environments, while relatively little attention was being paid to how to implement and control strategy' (Simons, 1995, p. 3). The locus of the LOC concept is firmly a strategic one embracing, what were at the time relevantly recent, paradigmatic formulations around innovation, agility and flexibility. This did not exclude 'traditional' control processes geared toward the realization of clear plans and the need for accountability but a harnessing of the tension between the two paradigms with the LOC framework designed to focus on the informational aspects of MCS. The framework identifies the formal routines that alter patterns of organisational behaviour and, not unlike Anthony (1965), concentrates on control systems utilised by senior management and excludes lower level operational control systems. The framework distinguishes between four discrete subsystems: Belief, Boundary, Diagnostic, and Interactive, and suggests that effective strategy formation and implementation is a function of the managed tensions between them. Belief systems and interactive control systems are viewed as drivers of positive and inspiring forces within the organisation and boundary and diagnostic control systems drivers of constraining and compliant forces. Simon (1995, pp. 3-11) asserted that 'management use these countervailing forces to achieve a dynamic tension that allows the effective control of strategy' reflected in the design and use of MCS components. While Simons' framework broadens the perspective of MCS and supports an holistic view of the organisation and the effective management of strategy by linking strategy to control systems and vice versa, it does nevertheless assume, similar to the management control framework described by Otley (1999), a given set of

organisational objectives and does not consider how mission and vision are established or evolve over time. Indeed little attention is given to the challenge of balancing multiple stakeholder objectives in the management of performance, something which might be considered essential to facilitate a stakeholder constructed perspective of performance applicable to NPOs. That is not to say that Simons ignores the need to address differing stakeholder requirements. He does so in recognising that the organisation must be clear about its identification and articulation of its 'core values', that they should reflect the relative importance (as opposed to balancing) of the differing stakeholders, most notably employees, customers, and shareholders; in this way, he suggests, the organisation can respond to risks and strategic development in a manner aligned to the priority given to differing stakeholders (Simons, 2010). How management perceive the core values of stakeholders and their relevant importance is therefore crucial. Under the LOC framework it is suggested that discreet and varied stakeholder objectives gain expression through their prioritisation within management's articulation of core values informed by the organisations belief system. While this may appear to be limiting, it is so only to the extent that management are themselves limited by their individual and collective beliefs (perceptions) about the organisation and its objectives.

An important observation is that most conceptions offered through MCS frameworks, identify management behaviour, interpretation, judgement, and subjectivity as factors that, while challenging have to be accommodated (Thomas Ahrens & Chapman, 2004; Chenhall, 2003; Malmi & Brown, 2008; Otley, 1999), MCS therefore cannot be looked at as a set of discrete, if interacting, elements of an overall control system, but more as an organic system reactive to management and stakeholder behaviours. Otley (1999, p. 381), concluded that 'although individual techniques of management accounting and control have been studied individually within a restricted context, they need also to be studied as part of a wider organizational control system', that 'management accounting and other performance measurement practices need to be evaluated not just from an economic perspective, but from a social, behavioural and managerial perspective, within an overall organizational context' (Otley, 1999). This observation, from a broad overall organizational context, was taken up by

Chenhall (2003, p. 161) in his review of MCS in an organizational and contingency context, concluding that 'to maintain relevance of contingency-based research, scholars will need to focus their attention on contemporary dimensions of MCS, context and organizational and social outcomes'. Thomas Ahrens and Chapman (2004), in seeking to address what they perceived as a difficulty in MCS contingency based research in accommodating the dual objectives of MCS of managing for efficiency while promoting flexibility and innovation, drew on the work of Adler and Borys (1996) in distinguishing between 'enabling' and 'coercive' use of MCS in a field study of a restaurant chain. They concluded that management (unknowingly) drew on the four design principles of 'repair', 'internal transparency', global transparency' and 'flexibility' in using MCS in an 'enabling' manner to manage for operational efficiency and desired flexibility through processes of adaptation, workarounds, and discussion. This work once again points up the essential role of managers embracing interventions that require judgement and subjective assessments to complement harder 'cybernetic', often 'coercive', elements of MCS in achieving desired operational outcomes; to in effect build a blend of MCS typologies to reflect the characteristic and objectives of the organisation. If management judgement and assessments are central to this design and use process then an understanding of how they perceive the role and objectives of relevant stakeholders in that context is also essential.

Expanding and extending the conception of MCS as a model gives support to the argument that 'gaining a broader understanding of MCS as a package may facilitate the development of better theory of how to design a range of controls to support organisational objectives, control activities, and drive organisational performance' (Malmi & Brown, 2008, p. 288). Drawing on suggestions from management accounting research that MCS might be more appropriately described as a collection of controls, a package, as opposed to a 'system' (Chenhall, 2003; Dent, 1990; Otley, 1980, 1999), and from an analysis of nearly four decades of research, Malmi and Brown (2008) suggest a broad conceptual model of MCS as a collection of packages of MCS of differing typologies incorporating five types of control systems; planning, cybernetic, reward and compensation, administrative, and cultural controls. Malmi and Brown (2008, p. 297) suggest a number of questions that research might usefully explore in the

context of their broad 'package' approach including: 'if we broaden the concept of performance from maximizing shareholder wealth, and begin thinking about satisfying a broader set of stakeholders (such as environmental and social stakeholders), is there a particular [MCS] configuration that enables these broader notions of performance to be managed?' In order to address this question there is a need for inquiry into the manner in which management understand and perceive these stakeholders in order to work toward the satisfaction of their needs.

Building from these conceptions of MCS, a number of PMS frameworks have been developed in mainstream accounting and management research literature in recent years. These frameworks were built from the attempts of earlier research into MCS to address the perceived weaknesses of MCS frameworks in terms of capturing the broad dynamics at play in the management of performance. To the forefront in these endeavours have been, Kendall and Knapp (2000), Sowa, Selden, and Sandfort (2004), A. Ferreira and Otley (2009), Broadbent and Laughlin (2009) and in a public sector context Bouckaert and Halligan (2008). The development of these frameworks is particularly relevant to the NPO sector given that a broad conception of performance is essential to understanding the complexities of NPO performance and more so in NPOs engaged in the provision of public services where there is a larger stakeholder set and greater complexity.

Kendall and Knapp (2000) formulated a broad conception of performance 'measurement' for NPOs from a 'production of welfare' perspective incorporating a dynamic link between the 'macro' societal context, the 'meso', or network level context, and the organisational and 'individual stakeholder' contexts. They suggested that performance should be measured (assessed) across eight domains: Economy, Effectiveness, Choice/pluralism, Efficiency, Equity, Participation, Advocacy (external), and Innovation, each with their own sets of indicators. In their conceptualisation of this performance measurement framework, Kendall and Knapp (2000) pointed out that although it was clearly complicated it reflected 'the reality of multiple objectives and multiple stakeholders' and articulated the need for management to engage with

stakeholders in order to formulate understandings as to their needs and objectives; these understandings and perceptions were viewed as essential to the effective design of an NPOs performance measurement system.

Sowa, Seldon et al. (2004) in a conceptual paper proposed a model for the assessment and management of NPO effectiveness in accordance with four principles, holding that NPO effectiveness is: multidimensional; embraces capacity and outcomes; requires both objective and perceptual assessments; and embraces programmatic variation. The principles underpin organizational effectiveness as something that is flexible and incorporates both objective and perceptive measures of both management and program capacity and outcomes and that it should be 'conceived of and modelled as a multilevel, multidimensional, and structurally integrated concept' (Sowa et al., 2004, p. 724).

Ferreira and Otley (2009, p. 263) suggested that 'issues in the area of performance management and management and control systems are typically complex and intertwined, but research tends to be based on simplified and partial settings. Simplification has made the work easier to carry out, but it has come at the price of increased ambiguity and conflicting findings from different studies', and further, that 'there has been a tendency to focus only on specific aspects of control systems, as opposed to adapting a more comprehensive and integrated approach.' They suggest an alternative more holistic framework is required and put forward a model that extends in breath to 'contextual factors' and 'culture' while maintaining a progressive depth from vision and mission determination through, among others, aspects and elements of strategy, organisation, measurement and rewards. The framework is structured around twelve questions intended to provoke and capture the complex elements that are viewed as essential components or activity areas of a PMS. In its breadth and depth the framework has a particular utility in framing the PMS of NPOs and NPOs engaged in public service provision, as it facilitates the complexity of these settings and recognises the need to reflect the needs of multiple relevant stakeholders. In identifying that it is specifically 'managers who are entrusted the responsibility of setting organizational objectives, taking into consideration the expectations of the relevant stakeholders' and ensuring they are reflected in mission and in the

selection of key performance measures, underscores the role of management perceptions in this regard and in the effective management of the organisation (A. Ferreira & Otley, 2009, p. 264).

The framework set out by A. Ferreira and Otley (2009) was further elaborated upon by Broadbent and Laughlin (2009, p. 283) who suggested that PMS 'are concerned with defining, controlling and managing both the achievement of outcomes or ends as well as the means used to achieve these results at a societal and organisational, rather than individual, level'. In distinguishing between two differing approaches to PMS that employ either a 'communicative' or 'instrumental' rationality, (Broadbent & Laughlin, 2009) highlight the 'relational' nature of a 'communicative' rationality where stakeholders are facilitated in debate toward the achievement of a performance consensus. This perception lends itself to a multiple constituency construct of NPO performance and again underscores the role of management's perceptions as to stakeholder's interests. The alternative perspective employing 'instrumental' reality is not a perspective that fits with the nature of NPO's as it is suggestive of a characteristic of circumstances where 'ownership' of the primary objective/s of the organisation is vested in one or a small sub-group of stakeholders or possibly an 'abstract' and imposed requirement not owned by any particular stakeholder.

Finally, developing a broad view of performance and PMS has also been the focus in public sector performance management research, with external stakeholder engagement by management perceived as a necessary element thereof (Bouckaert & Halligan, 2008; Grafton, Abernethy, & Lillis, 2011; C. Oliver, 1991; Poister, 2010; Verbeeten, 2008), and further, that 'performance management has to be located within a broad construction of organisational life, which recognises that performance management cannot be considered in isolation from other factors that make up public management and the more general public administration system' Bouckaert and Halligan (2008, p. 2). In setting out their framework for performance management in the public sector, Bouckaert and Halligan (2008, p. 121) assert that it is necessary to capture the full breath of performance, incorporating policy determination, environment, stakeholder needs, decision making, monitoring and control, and governance. In

suggesting an approach to performance measurement as a component of public sector PMS, they argue that there needs to be not just an 'internal openness' involving top-down and bottom-up approaches but an 'external openness' embracing external stakeholders in all stages of a measuring cycle (Bouckaert & Halligan, 2008, pp. 105-106).

All of these explorations point to the broadening of understanding of what constitutes an effective MCS and PMS with stakeholder engagement as a central element. Such engagement is seen as a requirement for management in managing stakeholder relations, not just in terms of accountability and legitimacy, but crucially in understanding the objectives and needs of key relevant stakeholders, that in a multiple constituency construct of NPO performance must necessarily be accommodated through the design and use of MCS and PMS.

Suggested tenet 3:

> *The multiple constituent concept of NPO performance compels management toward an understanding of stakeholder objectives if they are to be effective in managing performance through the design and use of MCS.*

Further, accepting that management are the architects of an organisation's MCS and PMS, and that 'performance' can be viewed as being formed of multiple constituencies, that meeting the 'aspirations' of all stakeholders is central to 'organisational effectiveness', and that 'the relative importance given to differing goals may well reflect the relative power of differing stakeholders' (Otley, 1999, p. 366), underlines the significance of management perceptions of not only the 'goals' of stakeholder's but also of their relative 'power', and potentially other attributes, in the design and use of MCS.

Suggested tenet 4:

> *Management's perceptions of stakeholders may contribute to their view of the relative importance/salience of those stakeholders and their objectives in the context of the management of organisational performance.*

2.3.4.2   *Management control typologies in NPO contexts*

In seeking to understand the dynamics of performance management an appreciation of MCS typologies and what differing typologies might mean to the management of performance is essential. In the first instance this section explores differing constructs of MCS typologies developed in the mainstream literature before considering the critical literature on MCS typologies focused on the NPO setting. That it is acknowledged that the MCS typologies found in NPOs have significant elements that embrace active stakeholder engagement (Hofstede, 1981) is not surprising given the multiple constituency construct of performance in the NPO environment. As the role of MCS is to support management in the management of performance and realisation of mission, the need for management to understand stakeholder objectives and their importance in relation to mission is reinforced.

One of the foundational constructs of an MCS typology drew on closed loop control cybernetics where feedback from the impact on the operating environment engenders system adjustment with the aim of matching environmental impacts to the overarching objectives of the architects/owners of the system. Hofstede (1967, 1978) was one of the earliest researchers to describe a cybernetic view of MCS. Cybernetic models are predicated on a number of basic assumptions: there is a standard that corresponds to effective and efficient accomplishment of stated objectives; outcomes (accomplishments) can be measured; and information on variance can be fed-back and used to intervene in the process. However, Hofstede (1978) points to the limitations of cybernetics when applied to processes involving human behaviour and interaction as firstly one or more of the required basic assumptions will not hold (particularly relevant of NPOs in public service settings), and secondly that cybernetics effectively requires stable repeatable processes. In a conceptual paper, drawing on his earlier work, (Hofstede, 1978, pp. 454-455) suggests that some organisations may develop MCS with more of a homeostatic (self-regulating) profile and that, nevertheless, such MCS would retain fundamental elements of cybernetics without, however, the division of labour between controlled and controlling units, in effect the cybernetic element of the control

function would be self-regulated with management regulating their own behaviour based on their perceptions of the operational impact of their actions and interventions. A drawback of homeostatic systems, while suggested as having the potential for greater efficiency and effectiveness, is that they are inherently more vulnerable than pure cybernetic systems as they are at the mercy of the frailties of the required common understanding between the actors making up the system. Without the 'objective' oversight of pure cybernetic systems where the 'controller' oversees and instigates changes to be undertaken by the 'controlled', a self-regulated system is prone to the potential that the 'subjective' interpretation of management of their own operational behaviour, would fail to identify necessary strategic or operational change to secure the organisational mission. The utility of cybernetic control systems is dependent on the 'ideal type' of the system the subject of control (Sutherland, 1975). Highly 'deterministic' (non-complex, with very clear cause and unitary effect relationships) are not suited to cybernetic control as the outcome is, with high probability, never in question. Highly 'stochastic' systems (highly complex, multiple potential outcomes with uncertain effect relationships) render cybernetic approaches unworkable, or with prohibitive economic and technology costs. Cybernetic control systems are suited to system ideal types somewhere along the continuum in between (Sutherland, 1975). There is a strong argument, therefore, that cybernetics is only applicable (useful) in moderately stochastic organisational profiles; organisations that are structured yet not wholly deterministic (e.g. routine industrialised processes); for those organisations that are severely stochastic there are significant difficulties in applying the cybernetic approach as any one or more of three required assumptions may not be present (Hofstede, 1978):

- *there may be missing, unclear or shifting objectives*; democratic institutions,;
- *outcomes (accomplishment) are not measurable*;
- *feedback information is not usable;*

For organisations involved in the provision of public services there is a strong likelihood that the above three assumptions might not be met and even more so when the service provision involves health or quality of life outcomes. The

difficulty in clarity of objectives is manifest due to the complex multiple stakeholder profile; measurable outcome clarity in health services can vary from having a high degree of clarity (a health issue is resolved) to longer term uncertainty (chronic continuing conditions) and in 'quality of life' services the outcomes can be highly subjective and personal; feedback information can be particularly difficult when the service provided is to a community cohort that have constraints on capacity to express. These observations would suggest that the 'blanket application of a cybernetic philosophy to non-cybernetic organisation processes can only do more harm than good.' (Hofstede, 1978, pp. 458-459). The potential lack of fit of cybernetic control systems to many public service settings is of particular concern due to the increasing pressure on public servants to control the considerable resources spent on public service activities having led them to import cybernetic models seen as successful in other (more suited) settings (Hofstede, 1978). This is not to suggest that cybernetic controls should never be employed in such service settings, but rather that they should be deployed only when the activity that requires to be controlled meets the necessary criteria as set out above. Accepting that the nature of the activities of organisations vary in terms of levels of being deterministic or stochastic, it would be expected that a mix of differing control types would be deployed, an observation that resonates with the literature on MCS typologies in NPOs presented later in this section, that include cybernetic and differing socially constructed controls.

Over the years differing approaches have been adopted in the characterisation and definition of MCS typologies with differing categories of control type identified, table 2.1 sets out examples of some of the more prominent categories and while not including the broader conceptualised 'frameworks' of PMS (discussed earlier in this section), those frameworks that identified control types are included with some overlap of terminology and approach.

Table 2.1 - Management Control Typologies

Source	MCS Typologies	
Hofstede (1978)	Cybernetic Homeostatic	Political
Ouchi (1979)	Market Clan	Bureaucratic
Hofstede (1981)	Expert Routine Trial & Error	Intuitive Judgemental Political
Flamholtz, Das, and Tsui (1985)	Planning Resource management Outcomes and performance	Feedback Evaluation
Snell (1992)	Behavioural Output	Input
Merchant (1982)	Behavioural constraints Action accountability	Preaction review
Simons (1995)	Belief systems Boundary systems	Diagnostic controls Interactive controls
Malmi and Brown (2008)	Planning Cybernetic Reward and compensation	Administrative Cultural

While limited, some research into MCS typologies has been directed at the NPO setting. Hofstede (1981) in particular provides a considered exploration of the appropriateness of differing control typologies to the NPO setting while Ramanathan (1985) focuses on practical control categories from a cost-benefit perspective (benefits, outcome indicators, outputs, inputs, and costs). Others have sought to categorise controls to assist in applied evaluations for example Baraldi (1998) uses two overarching categories of 'technical' and 'behavioural' controls with sub-categories within each.

Hofstede (1981), building on his earlier works in general management accounting research (Hofstede, 1967, 1978), focused on general organisational considerations and set out a typology of management control approaches and applied it to the public and NPO sectors pointing out that it was rare to find the 'management control' concept applied to these sectors while at the same time an

increasing part of national resources was being directed through organisations in these sectors. When classifying activities from a control viewpoint a number of essential criteria need to be addressed: whether objectives are unambiguous/ambiguous; outputs are measurable/difficult to measure; effects of interventions are known, unknown, or difficult to assess; and the extent of the repetitiveness of the activity. As discussed in 2.3.3 above, within the public and NPO sectors significant elements of activities have objective ambiguity, outputs that are difficult to measure, difficulty in determining the cause and effect relationship of interventions, and are non-repetitive; thus rendering them non-suited to traditional cybernetic approaches (Hofstede, 1981). In Hofstede's (1981) typology of control, six differing control types are suggested; political, judgemental, intuitive, trial and error, expert and routine. He argues, as a cybernetic approach requires a significant degree of certainty in respect of the essential control criteria set out above, that only 'routine' controls wholly lend themselves to a cybernetic approach, qualified for the effects of human behavioural responses in their interaction with the system and each other. This latter aspect may necessitate the adoption of 'trial and error' control elements to account for the need to learn about the effects of human behaviour and that other than 'routine' controls, only 'expert' and 'trial and error' controls may also lend themselves to a cybernetic or homeostatic type approach; while political, judgemental and intuitive controls require complex less deterministic models (Hofstede, 1981).

Two further non-cybernetic approaches that may be useful in public sector and NPO settings are what have been described as; the 'political control' model and the 'garbage-can' model Hofstede (1981). Both models assume a certain degree of non-rationality by the actors involved. The political control model assumes that individual actor's act rationally but that their rationality is subjective at the individual level. As a result of the individually subjective nature of each actor's actions, the combined effect of the actions of all of the actors does not represent a rational whole. The political control model, as a model suited to the NPO environment, would undoubtedly be supported by Shoichet (1998) who observed the need to address politics in the design of NPO systems and architecture in order to underpin creditability and flexibility while responding to stakeholder

needs. The garbage-can model was first outlined by March and Olsen (1976) as being applicable in situations where there is a breakdown in the 'cycle of organizational choice' (essentially a deficiency in any one of the essential control criteria as previously set out) and where no assumptions are made about the existence of hierarchical structures or generally accepted rules (that may otherwise provide an alternative certainty). In the garbage-can model all issues are simultaneously placed into the 'garbage-can' and that there are essentially independent flows of problems, solutions, actors and choice opportunities in and out of the 'can'; choices are not only made by resolving problems but also by overlooking them or deliberately running away from them. Hofstede (1981, p. 201) suggests that the one leading principle in such circumstance is that people (in the absence of individual or collective rationality) look for cognitive consistency; they strive for models of the world that make sense and that supports non-rationality, allowing an individual 'to forget, to overlook, to play.' That political and garbage-can models of MCS 'will lead to considerably less precise predictions of how controls will work than cybernetic models do', 'explains the continued attractiveness of cybernetic models in control situations where they do not apply' (Hofstede, 1981, p. 202), an aspect of MCS in the public sector and in NPOs often identified as problematic(Dacombe, 2011).

While differing in description and context there are categorisations of control typologies explicit or implicit in the differing typologies set out in Table 2.1. 'Planning' is generally accepted as a key control type. Certain other controls are highly structured, formal, involve reactive correction and when observed in a predictive context tend to be 'cybernetic' in nature; other controls are less structured and are largely centred on 'social/behavioural' processes; finally, controls involving policy, the organisational structure and governance, and high level monitoring, tend toward being 'administrative' in nature (Hofstede, 1978; Malmi & Brown, 2008; Snell, 1992). Culture, while at times referenced as a control type, is more often included as a context or contingent element (A. Ferreira & Otley, 2009; Flamholtz et al., 1985; Malmi & Brown, 2008). These observations may be synthesised into the following suggested groupings of MCS typologies suited in some form of configuration to the NPO sector (Table 2.2):

Table 2.2 – Suggested NPO control typology groupings

Control Type	Description/Characteristics
Planning	Articulation of goals through strategy formulation and communication.
Cybernetic	Using pre-established targets and employing a monitoring and feedback mechanism to order behaviour through accountability and goal resetting or reaffirmation.
Social/Behavioural	Recognition and use of structured and non-structure social interactions to influence and moderate behaviour through any of various mechanisms such as: by example, through reward (non-compensatory), invoking values, morals or political imperatives, and through the building and exploitation of trust.
Administrative	Ordering behaviour and actions through organisation design, governance and through monitoring against expected standards and policies.

While the understanding of MCS typologies in an MCS context will continue to evolve, what is clearly apparent is that, given the nature of NPOs as discussed in sections 2.3.3 and 2.3.4 above (their culture, their activities, multiple constituencies, difficulty in measuring outcomes, greater unpredictability in terms of cause and effect etc.), effective management of NPOs requires the adoption of non-cybernetic as well as cybernetic controls, with a particular focus on less structured and social/behavioural controls and an accommodation for political interrelationships of stakeholders and management (Dacombe, 2011; Hofstede, 1981). This suggests that management have to be highly engaged with relevant stakeholders if they are to be effective in managing and controlling, and achieving performance. As the principal architects of the MCS and PMS, management's perceptions of stakeholders is a central factor in the manner in which they engage with these performance management processes in their design and use of MCS.

Suggested tenet 5:

Given that the control typologies appropriate to NPOs, while including structured cybernetic controls, require important social/behavioural elements that are less structured and more social in naturel, an understanding of and engagement with stakeholders by management is central to the effective design and use of MCS.

2.3.4.3   Interaction of stakeholder objectives with MCS and PMS

A multiple constituency perspective of NPO performance brings with it the challenge for management on how to accommodate multiple stakeholder objectives in their management practice. MCS design and use, as a component of PMS, is generally accepted as central to the expression of organisational objectives and the operationalisation of strategy through control of operational processes and activities, and the decision making of management (Chenhall, 2003; Langfield-Smith, 1997; Simons, 1995; Sundin et al., 2010; Tucker & Parker, 2015), an aspect of the design and use of MCS also reflected in NPOs (B. P. Tucker & L. D. Parker, 2013; Tucker et al., 2013). The challenge, however, for NPOs with multiple stakeholder objectives to accommodate, is to strive to ensure that MCS design and use reflects, and aligns, these multiple objectives in a manner that supports managing performance and the realisation of the organisation's overall mission. What is also evident from the literature on the characteristics of MCS as discussed in the previous section, is that control elements have particular characteristics or 'typologies' that lend themselves to differing control objectives, differing organisation environments and importantly differing relational dynamics. This array of differing control typologies need not be viewed as confining management to choices of one or another control type but rather facilitates the design of collections of differing control packages to meet management's PMS needs (Abernethy & Chua, 1996; Malmi & Brown, 2008). This means that management have to make choices in the design and use of MCS that can have a significant impact on performance management effectiveness. In making these choices it is necessary for management to engage with the organisations stakeholders to understand their objectives and how those objectives might be incorporated into the design and use of MCS.

Understanding the nature of the relationships between the NPO and their stakeholders, both internal and external, is a central theme in research seeking to understand the complex dynamics at play in the management of NPO performance (Anheier, 2000; Bagnoli & Megali, 2011; Barman, 2007; Broadbent & Guthrie, 2008; Dacombe, 2011). Acceptance by differing categories of

stakeholders, internal (staff and volunteers) and external, and of organisational structures (for strategic implementation and operational decision making) has been cited as a contributing factor in NPO effectiveness with 'the best performance found where managers created and maintained structures to which the varied participants felt committed' (Kushner & Poole, 1996, p. 132). To the extent that volunteers as a stakeholder group are 'invisible' in terms of input in the performance evaluation process has also been highlighted as skewing evaluation assessments (Dacombe, 2011). These observations suggest that engaging with all relevant stakeholders in the design and functioning of organisational structures and performance evaluation processes leads to stakeholder 'buy-in' that in turn contributes to performance (Boateng et al., 2016; Edwards & Hulme, 1996). In the public sector domain the difficulties for management in balancing the objectives of multiple relevant stakeholders and the implications for performance management is well recognised (Brignall & Ballantine, 1996; Brignall & Modell, 2000). In an NPO context, the presence of a complex multiple stakeholder profile, and the observation that stakeholder objectives often diverge generating organisational tensions, has also been cited as a key challenge for the effective management of performance with a consequent need for management to craft an appropriate response to this multiple constituency (Ballantine et al., 1998; Conaty, 2012; Dacombe, 2011; Kaplan, 2001). For NPOs engaged in the provision of public services and in receipt of 'public funds', objective tensions arising for the most part between the State funding stakeholder, the service recipient, and other stakeholders are particularly challenging for management (Dacombe, 2011). Such tensions can arise due to differences between 'top-down' and 'bottom-up' derived expectations, as a result of stakeholder's placing differing emphasis on input as against output performance metrics, and as between quantifiable and non-quantifiable (e.g. social change) outcomes (Dacombe, 2011). The recognition that engagement with relevant stakeholders is a central aspect of performance management, with the purpose of understanding what is 'significant' to them, and thereby informing management decision making on structures and processes when differing stakeholder objectives present, was an important development in understanding the unique challenges for NPOs in this regard (Kushner & Poole,

1996). Further, accountability, considered to be a key element of effective performance and a component of MCS, is itself considered to be 'relational' in nature, requiring management to actively engage with relevant stakeholders as opposed to simply reporting thereto (Balser & McClusky, 2005; Ebrahim, 2003; Kearns, 1994; Ospina et al., 2002), further reinforcing the need for understanding of stakeholder objectives as central to the management of NPO performance.

Stakeholder objectives can be recognised and accommodated in the design and use of MCS and PMS at two differing levels: firstly in the expression of the organisational mission and the strategy evolved to realise that mission, and secondly in the component elements of the MCS; in relation to the latter, stakeholder objectives can be reflected in both the MCS typology selection and in the mix of MCS elements employed (Sundin, 2010). While it is widely recognised that stakeholder objectives can and should be reflected in organisational mission and vision as part of a broad PMS perspective (A. Ferreira & Otley, 2009; Malmi & Brown, 2008; Simons, 1995), the selection of the appropriate MCS typology (Hofstede, 1981) and the manner in which it is configured (Abernethy & Chua, 1996; Malmi & Brown, 2008; Sundin, Brown, & Booth, 2008) are important questions in themselves for MCS design and use (Bedford & Malmi, 2015; Bedford, Malmi, & Sandelin, 2016). The manner in which MCS is conceptualised in complex public service settings that traverse organisational boundaries, a characteristic of NPOs involved in public service provision, was highlighted by Kurunmäki and Miller (2011) as a key area for MCS focus. They suggest that the recognition and incorporation of 'mediating instruments' as an integrating component (a means of configuration), of MCS might be an effective way of dealing with differing stakeholder perspectives; that rather than 'viewing management control practices as simply the 'implementation' of policy, they [could be] viewed as inter-defined with the political, professional and organizational categories that animate them,' i.e. the perspectives of the stakeholder actors within these categories (Kurunmäki & Miller, 2011, pp. 237 - 238).

Suggested tenet 6:

> *The design and use of MCS in terms of MCS component and typology*
> *selection, and the configuration of MCS packages, are central means through*
> *which the reflection of stakeholder objectives can be achieved.*

2.4 MCS, accountability, and advocacy in NPOs

As is the nature of abductive research, as explained in Chapter 4, the researcher must be open to unanticipated themes emerging from the field work and data analysis. While unanticipated emergent themes may already have been addressed in the literature review informing the study this is not always the case. In this study two themes emerged from the data and analysis that presented as potentially central considerations in the design and use of MCS of NPOs in the domain setting of the case study - accountability to stakeholders, and advocacy for the stakeholder in receipt of the support services provided by the NPO. It has proven necessary, therefore, to ground an understanding of these emergent themes in the relevant literature in the context of MCS and NPOs. As the concept of advocacy for stakeholders in terms of organisational performance receives limited attention in accounting and management literature, a summary of patient/client advocacy, as explored in general medical and social service literature, is explored to frame an understanding of the role of advocacy in health and welfare settings.

2.4.1 Accountability

The discussions in the preceding sections on the multiple constituency of NPO performance highlights the implicit assumption of a role for stakeholder/management communication. Accountability processes form an important element of such communication and is an integral component of MCS (T. Ahrens & Chapman, 2002; Merchant & Otley, 2007; Messner, 2009). Furthermore, in the context of NPOs, stakeholder theory has focused on accountability as a critical constituent of the stakeholder's relationship to the

organisation and the realisation of organisational mission (Connolly & Hyndman, 2017; Cordery & Sim, 2018; Dhanani & Connolly, 2012; Ebrahim, 2003, 2005; Gibbon, 2012; O'Leary, 2017; Unerman & O'Dwyer, 2006). While the concept of 'accountability' in terms of the individual and the organisation has and continues to be questioned with the articulation of differing constructs and abstractions (see: Gibbon, 2012; Messner, 2009; Roberts, 1991; Sinclair, 1995), accountability in practice has been unambiguously identified and examined as an essential element of effective management in an NPO context. Also recognised, however, is that accountability for NPOs will differ from private for-profit and public sector bodies as they differ in terms of 'mission, philosophy, structure, and standard operating procedures' (Kearns, 1994, p. 186). In the first instance this section will address accountability as a 'relational' process before exploring the role of dominant stakeholders and power in accountability choices and the potential impact on mission realisation. Finally, accountability as a communication process and the implications for stakeholders is examined.

2.4.1.1   Accountability as a relational process

In examining the challenges for managers in meeting and managing accountability expectations, Kearns (1994, pp. 187-189) proposed a four cell framework for analysing NPO accountability. Other than the first cell, 'Compliance Accountability' that identifies the reactions of accountability practices to existing externally imposed regulations or standards, all of the other cells (cells two, three, and four), in some form or other, involve an understanding of external stakeholder expectations. The nature of cells 'three' and 'four' are first described before turning to cell 'two' which is of particular interest. The accountability described by the third cell, 'Professional/Discretionary', captures internalised, professional, organisational responses to the shifting societal expectations or standards that the NPO perceives as relevant to its operations; the responses are, importantly, discretionary in nature and entirely derived by management's perceptions as opposed to dialogue with stakeholders. The fourth cell, Anticipatory/Positioning', captures management responses to the anticipated future imposition of regulation or standards, and seek to engage in practices that might influence their

formulation to better serve the organisation and its mission. The second cell, Negotiated Accountability' describes accountability processes that address 'implicit' expectations for accountability that arise 'from shifting societal values and beliefs or from emerging political trends' that 'often involve some form of negotiation between the [NPO] and its environment'. This aspect of accountability resonates with the multiple constituency understanding of NPO performance as discussed in section 2.3.3 and 2.3.4 and points to the relational nature of NPO accountability. Further, in 'identity based' NPOs (NPOs formed by/from and serving a particular constituency) evidence has been found of regular negotiation and re-negotiation of accountability for service programme content with both upward (funders) and downward (beneficiary) stakeholders, with the latter dominating with 'two-way' negotiation featuring as an important aspect of the core relationship (Ospina et al., 2002, p. 28). This again underscores the importance of the nature of the management/stakeholder 'relationship' in accountability processes.

The 'relational' nature of accountability has been the subject of significant scholarly attention underscoring its importance to understanding accountability in an NPO context including: the role of accountability in active stakeholder engagement (Edwards & Hulme, 1996, p. 19); that accountability is relational and 'constructed through inter- and intra-organizational relationships' (Ebrahim, 2003, p. 191); that accountability mechanisms 'do not stand alone but are reflective of relationships among organizational actors embedded in a social and institutional environment' and that 'it is about relationships of power among multiple organizational actors' (Ebrahim, 2005, pp. 62, 82); that the nature of the accountability relationship 'allows us to infer much about the necessary formality and the channels of 'accountability' with overly 'formal' accountability obligations running counter to the nature of NPO/stakeholder relationships (Gray, Bebbington, & Collison, 2006, p. 319); and that 'a dialogical understanding among affected stakeholders' is a precondition to the crafting of accountability processes (Rasche & Esser, 2006, p. 251).

In summary accountability in NPOs is inherently relational in nature and it therefore follows that it is situational and context specific, both in terms of

organisation, and the individual and groups of stakeholders. This conceptualisation of accountability, as a component of MCS, supports the examination of the relationships between stakeholders and management in the study of performance management and MCS. As continuous construction through the sense and perceptions of the relevant parties to any relationship are critical to understanding the qualitative characteristics of social relationships (Rawls, 2011; Shotter, 1997), it follows that stakeholder salience theory, as a theory grounded in management perspectives of stakeholders, has utility in the analysis of MCS and performance management dynamics of organisations. This is particularly so for NPOs where performance is characterised as a construct of multiple constituencies (stakeholders) and their objectives. Chapter 4 sets out in more detail the reasoning for the use of stakeholder salience theory as the primary frame of analysis for this study.

Suggested tenet 7:

Accountability is relational in nature and to be effective compels management toward an understanding of the relationship between key stakeholders and the organisation.

2.4.1.2 Accountability challenges in NPOs: stakeholder power and *organisational mission*

As part of the ongoing critical examination of the importance of accountability, differing approaches have emerged in recognition of the differing challenges in discharging accountability to stakeholders, and in recognition of the differing perspectives taken of accountability itself. Benjamin (2010), points up the need for NPO managers to be cognisant of tensions that arise between 'funder' concerns and 'philanthropic' concerns, that philanthropic concerns are deserving of more attention in terms of performance assessment and accountability. This is echoed in the conclusions of Greatbanks, Elkin, and Manville (2010) in a study of a New Zealand NPO, that 'anecdotal' performance reporting, as opposed to the commonly found 'structured approach' largely driven by finance and other quantitative measures, had inherent value for the organisation and funders as

they aligned more closely to NPO values, mission, and achievements. Variation in the distribution of power was recognised early on by researchers as presenting particular challenges for accountability, whereby 'less powerful stakeholders are less able to demand that management make itself accountable' to them (Hill & Jones, 1992, p. 149). Gray et al. (1997, p. 334), recognised that information flowing to a stakeholder "will be determined by the power of the parties to demand it". One response has been the development of new forms of accounting such as social accounting, aiming "to address power asymmetries between organisations and their stakeholders through the reporting of information" (Gray et al., 1997, p. 329). Consequent to the recognition of the role of power as a shaper of how organisations account to stakeholders it has and continues to be a central theme in all of the varying approaches taken to the examination of accountability, among which are the concepts of downward and upward accountability that are somewhat analogous to holistic and hierarchical accountability.

Holistic accountability describes an approach to accountability that embraces downward accountability to a broad range of stakeholders 'aimed at assessing longer term programme outcomes and the impact on those affected' by organisational activities 'as opposed to short-term projects focusing on activities alone with little regard for broader impacts or outcomes' (O'Dwyer & Unerman, 2007, p. 453). Encompassing a broad stakeholder perspective of the organisation, holistic accountability embraces 'a sense of obligation to mission and values, rather than a sense of anxiety regarding the power of external stakeholders, that drive the organization to downwardly account; downward accountability therefore must incorporate the desire to genuinely address the interests of a broad range of stakeholders' (Sawandi & Thomson, 2014, p. 434). Hierarchical accountability on the other hand tends to a short-term perspective with accountability primarily focused on powerful stakeholders most notably those that provide capital or funding (O'Leary, 2017; Sawandi & Thomson, 2014). The draw toward hierarchical accountability to stakeholders perceived as more powerful can present challenges for NPOs and similar organisations in achieving mission. O'Dwyer and Unerman (2008), in a study of an internationally focused, rights based, Non-Governmental Organisation (NGO), describe a move away from 'holistic' accountability toward 'hierarchical' accountability with a narrow

focus of accountability to powerful stakeholders. This they observed was occurring notwithstanding managers expressing a preference for 'holistic' accountability to a wide range of stakeholders and that a narrowly focused hierarchical, performance accountability 'may, perversely, damage an NGO's ability to achieve its mission' (O'Dwyer & Unerman, 2008, p. 819). They conclude by suggesting three lessons that might be applicable to other rights based NGOs: First, the need for managers to be attentive to their core mission, notwithstanding pressure towards a 'performance' accountability to perceived powerful stakeholders; secondly, managers need to develop strategies to manage potential tensions between a narrow hierarchical accountability and mission achievement; and thirdly, a need to find a balance between accountability mechanisms that are 'control and justification' orientated and those that are tools for 'learning and dissemination' in order to avoid a tendency toward mission drift. These observations on challenges in maintaining the required focus on NGO mission were elucidated in the earlier work of Ebrahim (2003, p. 208) who included in his framework of accountability the concept of 'internal' accountability 'as a means by which [management] take internal responsibility for continuously shaping and scrutinizing organizational mission, goals, and performance' and further observed that 'accountability to clients appears to be weak in service orientated NGOs, at least in comparison to accountability to funders and regulators'. Ebrahim (2005, p. 79), in a follow-on paper looking at 'accountability myopia', stressed once more that 'although upward accountability to donors is clearly important, its domination of NGO information and reporting systems can occur at the expense of accountability to clients or to organizational mission'. The appropriateness of holistic accountability and the converse dangers of being overly accountable to a dominant funder stakeholder with the potential to detract from the core mission of the organisation applies equally to NPOs (Cordery, Baskerville, & Porter, 2010; Cordery & Sim, 2018) and in particular to NPOs engaged in the provision of public services (Bennett & Savani, 2011; Irvine, Lazarevski, & Dolnicar, 2009).

For NPOs engaged in the provision of public services there is a particular and 'fundamental' concern 'that the forms of accountability demanded by contractual relations with the state may not align with an organization's strategy, and may

therefore distort its mission' (Dacombe, 2011, p. 161). The draw of more powerful stakeholders in terms of management attention as a factor in mission drift is a common theme in many studies and continues to be identified as a phenomenon of NPOs (see: Bennett & Savani, 2011; I. Bruce & Chew, 2011; Considine, O'Sullivan, & Nguyen, 2014; Irvine et al., 2009). In some settings, however, a counter perspective has been offered; Collier (2008, p. 948), in his study of the internal deliberations of the board of a housing association NPO, observed that accountability was exercised to a range of relevant stakeholders, including 'lenders' and 'service recipients,' albeit with differences due to stakeholder salience and prioritisation. Further, Connolly and Hyndman (2017), suggest an alternative dynamic, using a stakeholder salience perspective in a study of the views of the stakeholders of an NPO's of accountability, concluded that funders while, regarded as powerful stakeholders, ceded power to 'beneficiary' stakeholders suggesting that the nature of the NPO setting, and the commonality of stakeholder objectives, gave rise to a rebalancing of power that might otherwise skew attention toward economic fiduciary obligations. Their analysis, however, was based on the observation that in NPOs "there is close alignment between donors' interests and beneficiary needs" a funding relationship that is fundamentally different from that of NPOs predominately in receipt of funds from the state for the provision of public services.

The main body of research of NPO accountability when there is a dominant and powerfully perceived funding stakeholder, usually the state when the NPO is involved in the provision of public services, points to a significant draw toward hierarchical, upward, accountability to that stakeholder. This appears to be the case notwithstanding that holistic, downward, accountability to a broad stakeholder set is regarded as more appropriate in facilitating mission attainment as opposed to hierarchical accountability that can detract from mission realisation and promote 'mission drift'.

Suggested tenet 8:

Accountability, as part of the MCS, is a key element in supporting the realisation of NPO performance, however, stakeholders of a higher perceived

salient and power command greater accountability that may undermine mission realisation.

2.4.1.3   Accountability challenges in NPOs: communication with stakeholders

If, as suggested by Parmar et al. (2010) in a critical review of stakeholder theory and the firm, the central purpose of the firm is the creation of value for stakeholders, then it follows, as pointed out by Hall, Millo, and Barman (2015, pp. 909-910), in an NPO context, that there is a need for both 'listening' to and 'talking' to salient stakeholders in order to understand what 'value' means to a stakeholder and to communicate what the organisation has and is doing in relation to realising that value; further, that accounting and reporting systems form a central avenue for such communications. Hall et al. (2015), suggested that managerial epistemic beliefs and organisational material conditions shaped the manner in which managers engaged with the challenge of facilitating this two-way communication within the accounting and reporting systems, and that these two factors both enabled and constrained the effective recognition of salient stakeholder voices within these systems. Drawing on stakeholder literature they point out that 'the specific visibilities that accounting and reporting systems create can potentially influence the way that stakeholder interests are seen, thought about, and acted upon by organizational members (and potentially other stakeholders), and thus has important implications for the way organizations' can engage with and create value for its stakeholders'. Further, 'research has so far focused primarily on the use and application of existing accounting methods and has not investigated explicitly how managers craft new accounting and reporting systems to communicate and engage effectively with salient stakeholders' (Hall et al., 2015, pp. 929-930). This highlights for NPO management and researchers the need to engage with the challenges for accounting and accountability posed by the need to 'communicate' effectively.

Brown and Dillard (2015), frame an argument for a dialogic approach in the development of accounting technologies through the pluralistic democratization of accounting. This entails the inclusion of relevant stakeholders in 'participatory governance' whereby they are explicitly engaged in the conceptualization,

construction, and evaluation of accounting technology in a process embracing continued contestation and re-articulation. To achieve this however there is an implicit assumption of expressible agency on the part of stakeholders. For NPOs engaged with vulnerable stakeholders such agency may not manifest and therefore 'difficult issues arise regarding the representation of vulnerable stakeholders who may have limited capacity or power to represent themselves' (Brown & Dillard, 2015, p. 982). This points to a need for management to look to ways of supporting the effective inclusion of such stakeholders in the process of accounting technology development, deployment, and evaluation. Kaur and Lodhia (2018, p. 359), in a study of Australian local councils suggest that 'the involvement of stakeholders is essential to establish an efficient stakeholder-centric accountability system'. Further, accountability that effectively communicates has the potential to lead to transformations in the agency of stakeholders toward the enabling of stakeholder self-determination (O'Leary, 2017). For NPOs with a core mission of the enhancement of the life circumstance of stakeholders, with diminished personal agency, these observations point to an active role for accountability processes through stakeholder engagement, not just in supporting performance management, but also in the direct achievement of mission objectives by positively impacting the self-determination and agency of those stakeholders. This involves not just accounting to such stakeholders but supporting them in active communication processes.

Suggested tenet 9:

Accountability is not mission passive, but as a communication process can be an active transformative mechanism in mission realisation in circumstances where the organisational mission embraces the enhancement of the life circumstances of stakeholders.

2.4.2 Advocacy and NPO performance

Advocacy can take many forms, however, advocacy has a particular importance in the context of NPOs engaged in the provision of services to persons where the

nature of their need is core to the NPO mission (Kendall & Knapp, 2000; Mellinger, 2017). While the focus of researchers on advocacy and NPOs is predominantly on how the organisation intervenes with actors in the external environment in order to enhance the organisations potential to achieve mission, there are other expressions of managerial advocacy, or activism, which may be considered. In terms of their responsibility to be accountable to stakeholders it has been suggested that managers need to 'identify and understand the expectations in their various accountability relationships', and thereby 'adopt an appropriate level of activism with which to meet those accountability expectations' and further that a 'constant re-evaluation and balancing levels of activism will be required' (Ospina et al., 2002, p. 29). This might suggest a very different form of managerial activism, a form that might be focused 'internally' as well as 'externally'.

Although advocacy directed outward from the organisation to actors in the external environment (e.g. governments and their agencies, policy makers, and funders, etc.) has been long recognised as a strategic activity of NPOs and explored in the performance management and accounting literature, the potential role of management in advocating internally for individuals and groups of their own stakeholders, has not received the same attention. The focus on advocacy in the literature, in relation to performance management and accountability, has largely been on the implication for external stakeholder relations with the organisation and for mission realization resulting from the organization's external advocacy (for example see: Denedo, Thomson, & Yonekura, 2017; Hielscher, Winkin, Crack, & Pies, 2017; Kendall & Knapp, 2000; Mellinger, 2017; Unerman & O'Dwyer, 2006). Typically these advocacy activities are of the nature of policy change, or of supporting stakeholders in having a meaningful 'voice' with their interactions with other stakeholders or State agencies. While passing reference has been made to the potential for the 'salience' of a stakeholder to an organisation to be altered through stakeholder empowerment as a result of actions by the 'businesses themselves' (Erdiaw-Kwasie, Alam, & Shahiduzzaman, 2017, p. 95), it has also been recognised that there are challenges for an organisation in that regard. In particular, given that 'major difficulties' have been identified in achieving meaningful downward

accountability, with 'well-intentioned desires alone unlikely to bring meaningful change' (Connolly & Hyndman, 2017, p. 163), suggests that management might struggle to fill the role of internal advocate for stakeholders in need of such support. While 'internal advocacy', that is advocacy by management and staff within the service setting itself, to support stakeholders having a 'voice' in their relations with the organisation, has not received the attention of scholars of performance management in general or in the context of NPOs. Such advocacy has, however, been recognised as an important aspect in the delivery of health and related services by health, health management, and social service scholars.

In the domain of health and social care services (human services), advocacy is identified as central in supporting the needs of service users and has attracted the attention of researchers in these domains (Dobson, Voyer, Hubinette, & Regehr, 2015; Hubinette, Dobson, Scott, & Sherbino, 2017; Vaartio, Leino-Kilpi, Salanterä, & Suominen, 2006) and notably in the area of intellectual disability services (Abbott & McConkey, 2006; Brolan et al., 2012; Llewellyn & Northway, 2008). However, while 'management' are not specifically mentioned, there is a cited lack of empirical research on 'support worker' advocacy (Brolan et al., 2012, p. 1089; Llewellyn & Northway, 2008, p. 214). In this context 'support workers' include all levels of staff, including management, involved in the provision of support services to service users. Identifying barriers to such advocacy, Brolan et al. (2012, p. 1089 and 1093), point out that 'through their employment and associated organisational constraints, support workers may not be able to advocate with a free voice and conflicts of interest may arise' and noted that 'support workers tended to identify barriers located within organisations and agencies such as inadequate resourcing and lack of a person-centred approach'. People with intellectual disabilities have themselves noted the need for greater efforts in this regard, that 'greater opportunities for advocacy', are needed 'as a counterbalance to the power that service managers and staff are perceived to have over people's lives' (Abbott & McConkey, 2006, p. 284). These observations suggest that there may be a need for deliberative action by management in order to militate against any conflicts of interest and counterbalance resource and other barriers if management and staff are to feel free to advocate for service beneficiaries.

In other social care and particularly in healthcare settings, client and patient advocacy within the service setting (internal advocacy), as an essential element in the delivery of services, is pervasively accepted by researchers and practitioners alike as essential to support the autonomy and decision-making power of clients and patients (Burhans & Alligood, 2010; Hubinette et al., 2017; Mahlin, 2010; Mechanic, 2000; Vaartio et al., 2006); with a number of studies supporting the contention that appropriate advocacy for patient empowerment yields better patient and client outcomes in areas as diverse as domestic violence to education and mental health (for example see: Coker et al., 2012; Hague & Mullender, 2006; Pickett et al., 2012). The realisation of appropriate client and patient (service user) empowerment through advocacy is, however, challenging, with the nature of service users and the distribution of power identified as particularly problematic (Hague & Mullender, 2006). While 'service user involvement is widely viewed as exciting and vital' it is also viewed as 'difficult to achieve and hampered by social exclusion and by the complex and sometimes invisible operation of power' (Hague & Mullender, 2006, p. 571). The very fact of being a patient and in need of the assistance of others undermines a patients ability to self-advocate, that 'while patients are not automatically considered to be vulnerable, it may be a difficult situation for them to express fully their views and choices given the combination of illness, hospitalization and subjection to a potentially dangerous medical establishment' (Mahlin, 2010, p. 248). The intimidating effect of perceptions of power is also cited, whereby patients are 'reluctant to ask questions as to their own treatment as the physicians are viewed 'as having power and control' over them (Pickett et al., 2012, p. 420). This points to a continuing challenge to ensure effective understanding of the need for and role of advocacy, with attendant implications for the education and training of health and support professionals with calls for more effective approaches towards sustainable advocacy (Dobson et al., 2015; Hubinette et al., 2017). Often seen primarily as the responsibility of nurses or other support staff such as social workers, as well as physicians, advocacy in a health context generally tends to be centred on 'ensuring access to care, navigating the system, mobilizing resources, addressing health inequalities, influencing health policy, and creating system change' (Hubinette et al., 2017, p. 128). While this list includes significant

elements of external focused advocacy, there are also elements of internal advocacy most notably in relation to access to care and navigating the system but also as part of the other aspects listed that could potentially have both an internal and an external focus.

While patient powerlessness is regularly cited in support of advocacy to improve patient autonomy, 'ignoring systemic problems does not support patient autonomy because patients do not have the necessary freedom to be active and informed decision makers' (Mahlin, 2010, p. 249). Difficulties for patients driven by 'systemic' complexity and inaccessibility are acknowledged as reasons for a need for patient advocacy and that effective advocacy for the individual patient can only come about if systemic issues that undermine patient care are addressed through the collective advocacy of management and staff, as opposed to leaving it to individuals (Mahlin, 2010).

Differing constructs of what constitutes advocacy in the health care setting have been proposed, in particular the differentiation between 'agency' and 'activism' (Dobson et al., 2015; Hubinette et al., 2017). Drawing on earlier work on health advocacy frameworks and research in the field of health advocacy, Hubinette et al. (2017, pp. 130-132) propose an axial model to present a framework for health advocacy that distinguishes between "agency" and "activism" as components of advocacy, and further distinguishes within each of these components between differing approaches that range from a focus on the individual, the community, or the wider population level and in each case either through a shared or directed basis of advocacy. 'Agency' is held to be wholly focused on the patient or service user and is brought about by the actions of actors within the service setting toward the patient or service user, internal to the setting, whereas 'activism' embraces both an 'internal' organisational focus in terms of system/policy change with an institutional focus, and an 'external' focus that could either focus on institutions transcending the organisational boundary or entirely external to the organisation, and finally 'activism' at the 'public level' is wholly external in focus (Hubinette et al., 2017). While the framework presented may indeed prove useful in application, it has not been evaluated in the field, which would inevitably give rise to further refinement. Nevertheless it presents a potentially useful frame toward an

understanding of the purpose, and approaches, to advocacy interventions, not just in the domain of health services, but also in a general human services context and underpins the distinction between 'external' advocacy and 'internal' advocacy suggested later in this study.

What is apparent from the limited literature on advocacy as a component of NPO performance, reinforced by the literature from the health service and medical world, is that advocacy has an important role to play in the management of performance and can be focused both externally and internally. Further, the need for stakeholder advocacy is reinforced when stakeholders are characterised as lacking 'power', are regarded as 'vulnerable', and when systems are complex or overly inaccessible. The following tenet is suggested:

Suggested tenet 10:

> *Internal advocacy for service user stakeholders, to counteract power asymmetry and other barriers to stakeholder expression, has a role to play in the realisation of NPO performance (as a multiple constituency of stakeholder objectives).*

2.5 NPOs, stakeholders, and performance – suggested tenets

From the literature reviewed earlier in this chapter a number of tenets have been suggested in terms of performance management and NPOs, in particular those engaged in public service provision:

1 *NPOs have become a central actor in the provision of public services. (2.2)*

2 *NPO management engage with and are informed by MCS and PMS in managing the performance of their organisations. (2.3.2)*

3 *The multiple constituent concept of NPO performance compels management toward an understanding of stakeholder objectives if they are to be effective in managing performance through the design and use of MCS. (2.3.4.1)*

4 *Management's perceptions of stakeholders may contribute to their view of the relative importance/salience of those stakeholders and their objectives in the context of the management of organisational performance. (2.3.4.1)*

5 *Given that the control typologies appropriate to NPOs, while including structured cybernetic controls, require important social/behavioural elements that are less structured and more social in naturel, an understanding of and engagement with stakeholders by management is central to the effective design and use of MCS. (2.3.4.2)*

6 *The design and use of MCS in terms of MCS component and typology selection, and the configuration of MCS packages, are central means through which the reflection of stakeholder objectives can be achieved. (2.3.4.3)*

These tenets provide the foundations for this study. In the first instance the importance of NPOs in public service provisions compels research into the performance dynamics at play in these organisations and in particular into the design and use of MCS as a central means of managing performance. The realisation that NPO performance is a construct of the objectives of a multiple constituency of stakeholders highlights the importance of management stakeholder relations, the perceptions that management have of those stakeholders, and the manner in which MCS design and use may be impacted. These observations from the literature gave rise to the first six tenets above and underpin the research question:

RQ – How do management's perceptions of stakeholder salience inform the design and use of Management Control Systems (MCS) of NPOs engaged in the provision of public health and welfare services?

Accountability and advocacy emerged as significant themes during the course of the research itself as warranting attention in addressing the research question and led to the development of four additional tenets, below, that have been considered in tandem with the research analysis:

7   *Accountability is relational in nature and to be effective compels management toward an understanding of the relationship between key stakeholders and the organisation. (2.4.3.1)*

8   *Accountability, as part of the MCS, is a key element in supporting the realisation of NPO performance, however, stakeholders of a higher perceived salience and power command greater accountability that may undermine mission realisation. (2.4.3.2)*

9   *Accountability is not mission passive, but as a communication process can be an active transformative mechanism in mission realisation in circumstances where the organisational mission embraces the enhancement of the life circumstances of stakeholders. (2.4.3.3)*

10 *Internal advocacy for service user stakeholders, to counteract power asymmetry and other barriers to stakeholder expression, has a role to play in the realisation of NPO performance (as a multiple constituency of stakeholder objectives). (2.4.4)*

The suggested tenets carry through to the next Chapter where there relevance to the conceptual framing of the research is set out through a sequence of logical propositions.

Chapter 3. Conceptual Framing

3.1 Introduction

Building from the key tenets suggested at the end of the preceding chapter, the conceptual frame of the study can be articulated as a sequence of logical propositions:

1 *NPOs, in particular NPOs engaged in the provision of public services, including health and welfare services, have a complex multiple stakeholder profile with both similar and differing objectives and needs.*

2 *As effective performance of NPOs is a construct of the objectives of its multiple stakeholder constituency, management engagement with and perceptions of stakeholders is central to informing their approach to performance management.*

3 *In meeting their obligations to manage NPO performance, NPO management use MCS as a central component of a broad PMS incorporating the expression of mission, strategy, control, and accountability.*

4 *In order to effectively manage NPO performance, MCS, as a component of the PMS, must reflect and accommodate the objectives of the key relevant stakeholders, as the realisation of these objectives collectively contribute to NPO performance.*

The object of this study therefore is to explore how management's perceptions of stakeholders informs the design and use of MCS of NPOs who are engaged in the provision of public health and welfare services. The relevance of 'stakeholder salience' in this regard is set out later in this chapter.

Key to the framing of this study is an understanding of the stakeholder construct of an NPO with stakeholder theory central to that understanding. In particular what determines which stakeholders management perceive as relevant to the organisation and to themselves as managers is a central concept in stakeholder

theory. Stakeholder salience theory, a component of stakeholder theory as a broad theoretical family, is particularly relevant in this regard. Furthermore, in terms of management stakeholder relations, stakeholder agency theory emerged during the course of the study as having potential in assisting in framing ways of viewing such relations and the manner in which they are operationalised in the context of performance management and MCS. An appreciation of approaches to understanding the organisation as a collective of stakeholders, the identification of relevant stakeholders, and how management relate to those stakeholders, is therefore key, and is discussed below in the context of the primary theoretical frame, stakeholder salience theory. Stakeholder agency theory, as a complementary frame of analysis, is also introduced.

This chapter progresses from an introduction to stakeholder theory in sections 3.2.1 and 3.2.2 to addressing stakeholder salience theory in sections 3.2.3 and 3.2.4, while section 3.2.5 draws the relationship between stakeholder salience theory and organisational performance and MCS. Section 3.2.6 introduces stakeholder agency theory before the overall conceptual and analytical approach of the study is set out in the final section.

3.2 Stakeholder theories and constructs

3.2.1 Stakeholder theory

Recognising the complex stakeholder profile of NPOs, and accepting that a montage of multiple stakeholder objectives defines NPO performance under a multiple constituency construct of performance, leads to the consideration of stakeholder theory as a potentially useful lens to examine performance in an NPO context. Stakeholder theory evolved from the work of Freeman (1984) and others in the 1980's and 90's (See: Clarkson, 1995; Donaldson & Preston, 1995; Freeman, 1984, 1994, 1999; Jones & Wicks, 1999; Mitchell et al., 1997).

The theory was born out of the debate in the for-profit world as to whom should have prominence in relation to the governance and management of organisational endeavours, shareholders alone or in conjunction with a broader

set of stakeholders. The shareholder perspective of the organisation is grounded in constructs of property ownership and the rights of access and control bound up with ownership. The stakeholder perspective, elevating the prominence of other actors that have a relationship with the organisation, gained increasing traction through the latter half of the twentieth century due in no small measure to the scandals of corporate collapse exposing the impact on a broader set of stakeholders, coupled with an increased awareness of corporate social responsibility, in particular, environmental issues (Laplume, Sonpar, & Litz, 2008).

Stakeholder theory is built from the proposition that the 'stakeholders' of an organisation are made up of any individual or group that is affected by the actions (and by inference in-action) of the organisation, or can themselves affect the organisation in terms of the achievement of its goals (Freeman, 1984). As stakeholder theory developed differing constructs were examined, with origins in historic structures of analysis in the philosophical sciences, three theoretical perspectives of stakeholder theory were explored: normative, instrumental, descriptive, together with an appreciation that the theory was focused on managerial decision making (Donaldson & Preston, 1995; Jones & Wicks, 1999). The 'normative' construct is suggested as the theory's fundamental basis, accepting that stakeholders have individual and collective interests, of intrinsic value, in the organisation and are affected by and affect the organisation whether the organisation has, or has not, any corresponding functional interest in them; the 'instrumental' construct is grounded in the relationship between stakeholder management and organisational performance, and posits that for organisations practicing stakeholder management that performance outcomes will, 'all things been equal, be relatively successful in conventional performance terms'; the 'descriptive' construct talks to the manner in which the theory is a basis of rendering an understanding of the organisation 'as a constellation of cooperative and competitive interests possessing intrinsic value' (Donaldson & Preston, 1995, pp. 66 - 67). That these constructs may be mutually exclusive, or at the least non compatible from the perspective of theory was challenged by Jones and Wicks (1999) who argued that there was a case for 'convergence'. In particular, as the instrumental construct is arguably aligned with a social science approach and

consequentialist philosophical basis, and the 'normative' construct grounded from an ethical base and a deontological basis, Donaldson and Preston (1995) maintained the case for a theoretical separation while acknowledging that the differing theoretical perspectives supported each other. Jones and Wicks (1999), however, argued that there is sufficient symbiosis and a degree of integration between the constructs that is suggestive that there is a 'convergence' whereby both ethical and instrumental elements can and should be incorporated in methods of studying organisations with a stakeholder theory frame. They describe 'convergent stakeholder theory' as being possessed of 'a well-defended normative core and supporting instrumental arguments to demonstrate its practicability' (Jones & Wicks, 1999, p. 217). In a response to Jones and Wicks (1999), Freeman (1999), argued that the theoretical construct differentiations as proposed by Donaldson and Preston (1995) are unnecessary and not useful. He suggests that stakeholder theory is fundamentally 'instrumental', but, that instrumental stakeholder theory 'is not value free precisely because it claims that consequences count' (Freeman, 1999, p. 235). In doing so, Freeman, suggests that distinguishing between deontology and consequentialist philosophical approaches is unhelpful observing that 'instrumental theory lays claim to another space in the discourse – one that mixes [up] both views and leaves no room for purely philosophical or purely scientific analysis' (Freeman, 1999, p. 234). In essence Freeman argues that by embracing a 'philosophical pragmatism' no distinction is necessary and consequently 'convergence' has no meaning. Instead he argues for the exploration and development of more 'instrumental stakeholder' theories to better serve the complexity and diversity of organisational forms. In a later review of stakeholder theory, Parmar et al. (2010, p. 406), suggest that stakeholder theory should be viewed 'as a "framework," a set of ideas from which a number of theories can be derived'. One such development is stakeholder salience theory that in observing the manner in which stakeholders are perceived, has a fundamental relevance to the objectives of this study and is examined in detail below. Another is stakeholder agency theory that emerged during the course of the analysis as having a complementary relevance in framing the manner in which the management stakeholder relationship might be operationalised, particularly in the context of 'power' differentials, the principles

of this theory are also set out below. First, however, it is worthwhile briefly looking at the application of stakeholder theory in the NPO context.

3.2.2 Stakeholder theory and NPOs – stakeholder objectives, wealth, and value

While the development of stakeholder theory was originally informed by the for-profit world, its utility to understanding NPOs has been recognised with 'stakeholder theorists clearly indicating that their theory is intended to apply to more than merely for-profit corporations' (Hasnas, 2012, p. 53). These observations support the case for the application of the theory in NPO settings and was earlier highlighted by Phillips, Freeman, and Wicks (2003, p. 495) who asserted that 'for stakeholder theory to truly come into its own as a theory of strategic management and organizational ethics, it will need to be applied to more than just the large, publicly held corporation' and they identified NPOs as organisations where the theory could and should be applied.

Central to stakeholder theory is the argument that long term organisational success is achieved through the maximisation of value for all stakeholders. In a for-profit world this suggests that the 'survival and continuing profitability of the corporation depend upon its ability to fulfil its economic and social purpose, which is to create and distribute wealth or value sufficient to ensure that each primary stakeholder group continues as part of the corporation's stakeholder system' (Clarkson, 1995, p. 110). In order to translate this proposition into the NPO world it is necessary to consider what 'wealth' or 'value' means for stakeholders that do not have a profit motive. Earlier, in section 2.3.3, the construct of NPO performance was explored with a strong case made to support a multiple constituency construct of NPO performance. This suggests that NPO performance is a montage of the objectives of stakeholders, objectives that involve the realisation of whatever 'wealth' or 'value' means to them. Given this construct of NPO performance, coupled with the basic tenet of stakeholder theory of a holistic conception of performance grounded in wealth and value creation for all relevant stakeholders, it is understandable that stakeholder theory is evident in and informs much of the literature on NPO performance in recent decades

(see: Anheier, 2000; Bagnoli & Megali, 2011; Balser & McClusky, 2005; Barman, 2007; Cordery et al., 2010; Crawford, Dunne, Hannah, & Stevenson, 2009; McAdam et al., 2005; O'Dwyer, 2005; Speckbacher, 2003; Thomasson, 2009).

NPOs engaged in the provision of public health and welfare services, are faced with stakeholders that have at times differing objectives; that what is 'wealth' or 'value' to one may not align with that of another. Beneficiary stakeholders (service users) with health, welfare and quality of life needs, may have objectives that are very different to for example state funding bodies with responsibilities to fulfil political and service objectives within the constraints of finite resources. The former may have objectives grounded in their experience of 'quality of life'. The latter, however, while driven by the need to provide public services, may be more grounded in economic and resource efficiencies. It is critically important therefore for management to understand the differing objectives of these stakeholders in terms of their relationship with the NPO. Without this understanding and, crucially, a developed awareness of how their management processes generate or detract from the realisation of stakeholder objectives, it is difficult to see how they might realise organisational performance as a montage of the objectives of all relevant stakeholders as a multiple constituency. This engagement has been described by some scholars as 'stakeholder management' and that such management 'requires, as its key attribute, simultaneous attention to the legitimate interests of all appropriate stakeholders, both in the establishment of organisational structures and general policies and in a case-by-case decision making' (Donaldson & Preston, 1995, p. 67) and by extension the organisation's MCS and PMS.

Another consideration of the multiple constituency construct of NPO performance is the question that if performance is a multiple constituency of stakeholder objectives, then what of the view that organisational performance is simply the realization of 'mission'? While mission realization can be argued to be the essence of 'performance' or 'effectiveness', the multiple constituency approach argues that it is often difficult to assess NPO mission accomplishment, in particular when that mission is effectively 'open – ended' (Herman & Renz, 1997, pp. 185-186). That NPO goals can be ambiguous, aspirational, and long term in

nature does not mean that their expression within the NPOs mission is irrelevant, on the contrary, the importance of an organization's guiding 'mission' in shaping its work is central to maintaining course (Dacombe, 2011). In this regard some stakeholders and their objectives will be more clearly aligned to the objective of the organisation and keeping it on course, particularly when the long term goals of the NPO are aligned to the interests of that stakeholder. This is not to say that the objectives of other stakeholders are unimportant, or do not form part of, the realisation of mission. For instance, together with service users, NPOs might simultaneously be accountable to 'commissioners' of services, and 'national regulators', as well as 'donors' and others (Dacombe, 2011), all of whom have their own objectives, aligned, or differing, to some degree, and all necessary in some respect to keep the organisation moving. To stay with the sailing analogy, while the desired 'course' must be maintained, a marooned ship, or one pulled off course, will not realise its journey. NPO, performance, therefore is a montage of the objectives of all relevant stakeholders, some closely aligned to the core mission of the NPO, while others more tangentially so, but nevertheless relevant to the realization of that mission.

In a review of the literature on the 'effective governance' of NPOs, Wellens and Jegers (2014, p. 234) point to 'the need for stakeholder management in NPOs, if they want to be perceived as (more) effective by their numerous stakeholders'. Before engaging with stakeholders, however, management are first faced with the problem of identifying which stakeholders have 'legitimate interests' that are 'appropriate' and are therefore relevant in the context of organisational performance. This has exercised the minds of stakeholder theorists from the initial conceptions of the theory, examining aspects of the nature of the relationship, proximity, moral dimensions, power, temporal existence, among others (see: Clarkson, 1995; Donaldson & Preston, 1995; Freeman, 1984; Hill & Jones, 1992; Jones, 1980; Langtry, 1994). In a major review of the literature engaging on this topic, Mitchell et al. (1997) synthesised what has become known as stakeholder salience theory built around a formulation of differing stakeholder typologies and since then their paper has been extensively cited.

3.2.3 Stakeholder salience theory

In order to understand management's perceptions of stakeholders and their objectives, and crucially what is important to that stakeholder, it follows that their perception of the standing and significance, or salience[4], of each stakeholder has a significant role to play. To this end stakeholder salience theory as described by Mitchell et al. (1997) assists in framing an understanding of management's perceptions in this regard. The fundamental underpinning principle of the theory is that management's attention to individual and groups of stakeholders will be aligned to their perceptions of the salience of the stakeholders in question. From their synthesis of the literature and prior study, Mitchell et al. (1997), focused on three stakeholder attributes (power, legitimacy, and urgency) to identify relevant stakeholders and to describe differing stakeholder typologies. While this theory has been widely adopted as a frame in organisational research in both conceptual and empirical work, this has largely been concentrated in the general management and ethics domains (for example see: Agle, Mitchell, & Sonnenfeld, 1999; Déniz-Déniz, Cabrera-Suárez, & Martín-Santana, 2018; Gifford, 2010; Knox & Gruar, 2007; Magness, 2008; Parent & Deephouse, 2007). In recent years there has being a growing interest in the utility of the theory in accountability, corporate social reporting, and non-financial reporting contexts (for example see: Chen, Harrison, & Jiao, 2018; Erdiaw-Kwasie et al., 2017; Kaur & Lodhia, 2018; Pérez, López, & García-De los Salmones, 2017; Thijssens, Bollen, & Hassink, 2015). Wood, Mitchell, Agle, and Bryan (2018), in a review of the contribution of the theory in the twenty years since it was first described, point to the strength of its continuing validity and ability to contribute to the development of stakeholder theory in general, both in the for-profit and NPO domains.

Mitchell et al. (1997, pp. 862 - 863), proposed what in their words is a 'systematic comprehensible, and dynamic model' of stakeholder identification. Their model holds that 'power' and 'legitimacy' are the primary identifying attributes and that once evaluated in the 'compelling light' of 'urgency', management's perception of stakeholder salience is revealed. While the model itself is static, capturing

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[4] The quality of being particularly noticeable or important; prominence. *Oxford on-line dictionary*. Available at: < https://en.oxforddictionaries.com/definition/salience >, accessed on 14 December 2018.

perceptions at a point in time, they nevertheless recognised the dynamic and temporal nature of the three attributes (Mitchell et al., 1997, pp. 879 - 880).

Of fundamental importance to understanding the role of stakeholder salience in organisational research is that stakeholder salience is in the eye of the beholder (management). Regardless of other's perceptions as to the power, legitimacy, and urgency of a stakeholder, including the stakeholders themselves, it is only management's perception that influences management's response to stakeholder salience and therefore what this means for their behaviour as managers.

The role of 'perception' in management's response and behaviour is supported by cognitive organizational theory that suggests that perception and interpretation are the central processes in explaining managerial decision making through sensemaking (Weick, 1995, 2001). While the manner in which we arrive at a particular perception may not be coldly objective but informed through our internal dialogical processes, from experience, normative values, or through a process of semiotic interpretation (Rawls, 2011), this does not detract from the role of perception in behaviour and decision making, however formed. The role of experience, normative values, and or semiotics in the formation of perceptions, while critical, does not form part of this study. Further, a social constructionist perspective would suggest that our perceptions are constantly being constructed (Shotter, 1997). Again, while changes in perceptions over time is an important consideration, the focus of this study is on perceptions at a point in time. The manner in which perceptions may change over time and therefore management decision making and behaviour would require a longitudinal approach to study capturing perceptions at differing points in time. This study in providing an insight into management perceptions at a single point in time is a valuable starting point and a significant contribution in this regard.

While the preceding discussion was focused on the individual this is not to ignore the collective characteristic of organisations. 'Organization theorists realize that organizations do not have mechanisms separate from individuals to set goals, process information, or perceive the environment; people do these things'; however, a basic assumption of organizational theory is 'that the organization

interpretation process is something more than what occurs by individuals', that the organizations as collectives have cognitive systems, memories, that 'preserve knowledge, behaviours, mental maps, norms, and values over time' (Weick, 2001, pp. 242-243). However, as referenced earlier, central to all social relations is the individual's sense and perception of social relationships mediated by an understanding, conscious or otherwise, of an expected social order in an ongoing construction of social meaning (Rawls, 2011). Whether management respond individually or after assimilating a collective understanding, it is through their perceptions alone, however mediated, that they formulate their response and behave accordingly.

Mitchell et al. (1997), proposed that the presence of the attributes of 'legitimacy', 'urgency' and 'power', solely and in combination, gives rise to a means of classifying stakeholders into seven different classes or typologies Figure 3.1.

Figure 3.1: Stakeholder Salience Typologies

STAKEHOLDER TYPOLOGY	STAKEHOLDER ATTRIBUTES		
	POWER	LEGITIMACY	URGENCY
1 DORMANT	■		
2 DISCRETIONARY		■	
3 DEMANDING			■
4 DOMINANT	■	■	
5 DANGEROUS	■		■
6 DEPENDENT		■	■
7 DEFINITIVE	■	■	■
8 NON-STAKEHOLDER			

Adapted from: Mitchell et al. (1997, p. 874)

The approach adopted is simplified whereby a stakeholder is perceived to either possess or not possess each of the three attributes. What this dichotomous approach loses in its simplification, and thereby leaving to one side the recognised dynamic nature of salience, it gains in pragmatism.

Mitchell et al. (1997, p. 878), suggested that 'Definitive' stakeholders will possess all three attributes and will be afforded the greatest attention from management with management having 'a clear and immediate mandate to attend to and give priority to them'. Stakeholders possessing two attributes are regarded as 'expectant' and depending on the attributes they possess regarded as 'Dominant', 'Dangerous', or 'Dependent', these stakeholders will command a significant level of attention with 'the level of engagement between managers and these expectant stakeholders likely to be higher' than less salient stakeholders (Mitchell et al., 1997, p. 876). The attribute mix of power, legitimacy, and urgency, ordains the level and nature of attention management give to the stakeholder:

'Dominant' stakeholders, for example, viewed as both legitimate and possessed of power would be expected to have formal mechanisms in place in recognition of their importance to the organisation which might extend to board representation.

'Dangerous' stakeholders on the other hand possessing power and urgency but not regarded as legitimate will see their attributes of power and urgency commanding management attention, often in a coercive manner, in order to mitigate the threat they pose for the organisation.

'Dependent' stakeholders are afforded attention due to their legitimacy and being possessed of some degree of urgency.

(Mitchell et al., 1997)

The model is not necessarily static and Mitchell et al. (1997) recognised that attributes might be acquired and lost. In particular, the model suggests that attention will only be afforded to 'Dependent' stakeholders, in any real sense where they may receive as much attention as more salient stakeholders, by the approbation of power through the 'advocacy or guardianship', by proxy or otherwise, from another stakeholder or from management (Mitchell et al., 1997, p. 877). The most likely source of appropriated power is from a 'Dominant' stakeholder, and thus, temporarily, taking on the attribute profile of a 'Definitive' stakeholder. This is one illustration of the dynamic nature of salience recognised by Mitchell et al. (1997, pp. 879 - 880). They postulate that the most likely

scenario is a 'Dominant' stakeholder moving into the 'Definitive' category by acquiring urgency, however, they suggest that all stakeholders have the potential to change in terms of their typology by acquiring or losing an attribute and that furthermore this may vary from issue to issue and over time. Stakeholders possessing only one attribute on the periphery of the model above are assessed as 'latent' ('Dormant', 'Discretionary', or 'Demanding') and will not attract the attention of managers and for that matter will not themselves give much attention to the organisation (Mitchell et al., 1997, p. 874).

3.2.4 Power, Legitimacy, and urgency

Power

The study of power in social contexts is challenging. How power becomes manifest, is sustained, and altered has long been the subject of philosophical studies with many differing theories and constructs proffered, drawing on the early philosophers up to and including Marx. Perhaps the most influential definition of power was articulated by Weber: 'the chance that one or more people within a social relationship can assert their will, even despite the opposition of others, and irrespective of the basis of this chance' (Albrow, 1990, p. 167). Others, in more recent times, have added to the discussion offering a multitude of differing constructs. Arendt (1969) for example, argued that power was the opposite to violence, that violence, however, can destroy power but not create it and that with absolute power there is no violence and with absolute violence there is no power. Of interest to the study of power in social organisational settings is her theory that power is never the property of an individual; that it belongs to a group and remains in existence only so long as the group keeps together. Lukes (1974) articulated the case of a three dimensional view of power with power being manifest as a result of: 'power actions (capacity to act on another)', 'control over knowledge and agenda setting', and 'individual and group practical consciousness'. Giddens (1979) in developing the theory of structuration argues that power is generated by structural reproduction which takes place at the moment of agency (the application of power leading to an intervention that makes a difference). Taking a very different line, Foucault put forward a genealogical

approach to the understanding of social constructs of power with both 'external and internal constraints' on regimes of power that are manifest throughout society (Bevir, 1999, p. 349).

While all of these philosophical theories (as proffered by Lukes, Arendt, Giddens, Foucault and others) are central to an understanding of how power becomes manifest, the differing constructs offered can generate a lot of 'noise' in the analysis of power dynamics, however, it can be argued that while 'power can be tricky to define, it is not that difficult to recognise' (Mitchell et al., 1997, p. 865). An examination of the interaction of management perceptions of observed power distributions and social technological structures and processes requires, 'simply', an understanding of what constitutes power. Through an appreciation of the bases of power and how it is exercised, management's perceptions of the degree to which a stakeholder are possessed of power can be more readily assessed. To this end (Mitchell et al., 1997) turned to the Etzionian categorizations of power based on the type of resources drawn upon to secure it. Three categories are suggested by Etzioni: coercive, based on physical resources of force, violence, or restraint; utilitarian, based on material or financial resources; normative, based on moral and symbolic resources (Etzioni, 1964). These categories provide a means of recognising that a person in a relationship with another or, in this instance, a stakeholder in their relationship to the organisation, is possessed of power 'to the extent it has or can gain access to coercive, utilitarian, or normative means, to impose its will in the relationship' (Mitchell et al., 1997).

Legitimacy

Despite a common linkage between 'legitimacy' and 'power', that is the argument that the manner in which power is used and its ends determines the legitimacy of the yielder of that power (Davis, 1973), Mitchell et al. (1997) accepted the distinction of legitimacy and power as argued by Weber (1947), that legitimacy stands alone, is derived from 'belief in the rightness of rules', and provides a 'possible meaningful orientation for motives' that when combined with power becomes authority (Albrow, 1990, p. 164). This distinction allows for the separate consideration of legitimacy as an attribute that a stakeholder may be possessed of and is quite distinct from power. Legitimacy is arguably grounded in

'perceptions' of the actions of an actor; that in being accepted as legitimate means 'that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs, and definitions', embracing normative, pragmatic, and cognitive elements (Suchman, 1995, p. 574). An important distinction is the potential difference between the legitimacy of the stakeholder and the stakeholder's claim on the organisation and that arguably that the legitimacy of the claim should be the only consideration (Neville, Bell, & Whitwell, 2011). In contrast, however, the nature, tactics and strategies of a particular stakeholder group have been found to impact salience of the stakeholder as well as the nature of the stakeholders claim, and that both aspects of legitimacy may work in concert (Eesley & Lenox, 2006). A further consideration is whether legitimacy should only be grounded in what is viewed as 'morally' acceptable as opposed to any utilitarian considerations (Chen et al., 2018; Neville et al., 2011). Not unlike the means in which power becomes manifest as discussed earlier, the reasons why a particular stakeholder is viewed by management as legitimate or not, whether as a composite of the stakeholder and the stakeholder's claim or separately, and whatever the moral underpinnings, may not matter when the purpose of the analysis is to examine how managers react to the perception of legitimacy. While the reasons for management views of legitimacy constitutes an important line of study, it was not the intention of (Mitchell et al., 1997) to unpack those reasons, but rather to suggest that however formed, perceptions of legitimacy enhanced the stakeholder's salience to the organisation. To that end Mitchell et al. (1997) accepted the definition of legitimacy as offered by Suchman (1995), while somewhat cumbersome, it allowed for all of the possible reasons that may inform that view. For the purposes of this study it is sufficient to simply form a view as to whether management view a stakeholder as legitimate, however arrived at, as the focus of the research is not on why they have such views but rather on their reactions in terms of decision making, performance management, and MCS.

Urgency

Drawing on aspects of 'moral intensity' as described by (Jones, 1991), Mitchell et al. (1997) argued that a stakeholder is possessed of the attribute of urgency, in

terms of their claims on the organisation, when 'stakeholder claims call for the immediate attention' of management (Mitchell et al., 1997, p. 867) . They argued that urgency was a factor of two necessary conditions: (1) time sensitivity—the degree to which managerial delay in attending to the claim or relationship is unacceptable to the stakeholder, and (2) criticality—the importance of the claim or the relationship to the stakeholder (Mitchell et al., 1997, p. 867). While not attempting to specify why a stakeholder assesses their relationship with the organisation as 'critical' or to predict when 'time will be of the essence' they propose that when both factors are present management will regard the stakeholder's claim as urgent, in need of immediate attention, and that this attribute when combined with power and/or legitimacy underpins the dynamism of their model (Mitchell et al., 1997, p. 868). To what extent management assess the probability of the stakeholder's claim arising and in need of attention has subsequently being cited as a factor in the determination by management of the urgency of the claim, that the greater the assessed probability of the claim realising, the greater their assessment of that stakeholder's urgency (Driscoll & Starik, 2004). Urgency on its own will not command the attention of manager's, however, when combined with either, or both, legitimacy or power, then, depending on whether the management culture is 'instrumentalist' or 'moralist', salience increases to differing degrees (Jones, Felps, & Bigley, 2007). When combined with legitimacy alone ('Dependent') the stakeholder will command either limited or high attention, depending on the 'moralist' culture of management, however, when combined with power, either in the presence of legitimacy as well ('Definitive'), or without legitimacy ('Dangerous'), stakeholder salience significantly increases, whether management is of an instrumentalist or moralist culture, 'thus urgency' is a booster of salience generated by either legitimacy or power' (Jones et al., 2007, pp. 151-152).

Once again, while the reasons a stakeholder perceives themselves as having urgent needs, or the 'whys' of management perceiving them as such, are worthy of exploration in a differing research context, the focus of this research is on the responses and actions of management to perceptions of urgency, however formed, that are of interest. Nevertheless, the insights gained from the literature

discussed above, facilitates the exploration and analysis of management's perceptions in this regard.

3.2.5   Stakeholder salience theory – further complexities and challenges

Understanding the organisation as a complex collective of stakeholders, and accepting that management behaviour is ordained by salience perceptions, cannot but present challenges for management and scholars alike. The preceding section has outlined a number of the challenges in relation to the specific attributes of power, legitimacy, and urgency, the three salience attributes identified in the theory. In this section a number of additional observations and criticisms of the theory from scholars in the field are addressed.

Time

The 'possession of resources, an ability to generate symbolic power among stakeholder coalitions, and time sensitivity of interests', are all properties of stakeholders that may influence management's perceptions of their salience, Tashman and Raelin (2013, p. 598). One important observation that can be drawn from the identification of these variables is that management's perception of stakeholder salience will change over time. An examination of how and why management perceptions change would require a series of studies or a single longitudinal study. While recognising the potential for a longitudinal research, this study is centred on the question of how management's perception of stakeholder salience informs the design and use of MCS at a point in time and does not seek to address the question of temporal changes.

Context, dichotomy, and relativities

Apart from the temporal nature of salience perceptions, other aspects of the theory have been critically identified as in need of further development. For example: the potential to describe additional stakeholder typologies; recognition that all stakeholders falling into a particular typology are not necessarily identical; and that the 'threshold' of being viewed as having a particular attribute is dependent on contingent variables and decision timelines, (Poplawska, Labib,

Reed, & Ishizaka, 2015, p. 105; Wood et al., 2018). This latter aspect had been identified in an earlier review of the theory and the work of researchers engaging with it since it was first proposed (Neville et al., 2011). In their review, Neville et al. (2011, p. 359) also identified 'contextual variables that may affect the model's generalisability' and the need of further exploration to develop the theory in that regard. Specifically, in relation to the original representation of the salience attributes of power, legitimacy, and urgency, Neville et al. (2011, p. 362) identified that research had pointed up the dichotomous nature of that representation to be problematic, that in fact perceptions of attributes vary for a number of reasons, contingent and otherwise. This supports an argument that the three attributes may be viewed not simply as dichotomous, but rather as dichotomous within a continuum of intensity and that there is some point, a 'decision threshold', for management in their perception of the intensity of the attributes when they become salient in their eyes (Neville et al., 2011, pp. 367-368). An important further observation is that this 'decision threshold' varies depending on management's assessment of the proportional relationships of the attributes of each stakeholder (Neville et al., 2011). This is different from the overall relative salience between stakeholders which is a cornerstone of stakeholder theory, and is also different to a comparison of the relative weight, or relevance, of the differing attributes compared against each other when assessing the salience of an individual stakeholder (Chen et al., 2018; Jones et al., 2007; Parent & Deephouse, 2007). For example, power might be a greater driver of, or more relevant for, the salience of a particular stakeholder than say urgency, while the opposite could be the case for a different stakeholder. That the salience 'decision threshold' may vary depending on management's assessment of the proportional relationships of the attributes of each stakeholder goes further, as it drills into the relativities of the component attributes of power, legitimacy, and urgency comparatively between differing stakeholders (Neville et al., 2011). For example, while two stakeholders may both be viewed as possessed of power, one may be viewed as significantly less powerful that the other. In terms of stakeholder salience, the relative difference may be so great as to render the perceived power of the least powerful stakeholder to be ineffectual to the point of irrelevance in terms of their salience (Neville et al., 2011). The importance, therefore, of not

confining the examination of the presence or otherwise of an attribute to a dichotomous assessment, or one that simply recognises that managers perceptions of attributes can vary in intensity for any given stakeholder, becomes evident. Rather, these observations suggest a research approach that extends to an examination of management's perceptions of the comparative relativities of intensity of the three salience attributes as possessed by differing stakeholders at any given point in time. Such an approach allows for the discounting of a salience attribute, when assessing a stakeholder's salience typology, in cases when they are perceived as being possessed of relatively less thereof compared to the other stakeholders.

The examination of the relativities of management perceptions of salience attributes has not heretofore been addressed in empirical research to any significant degree (Neville et al., 2011; Wood et al., 2018). In the corporate for-profit domain, a small number of quantitative empirical studies have sought to assess the degree to which management perceive stakeholder attributes and their salience. Agle et al. (1999), in a large survey of the CEOs of US companies, found that 'customers' were perceived to be the most powerful, legitimate, and urgent with 'government' perceived as the least for all three attributes. Contrastingly, Gago and Antolin (2004), in a survey confined to 'environmental managers' in manufacturing settings in Spain, found 'government' to be perceived as the most powerful, legitimate, and urgent, with 'customers' and 'shareholders' perceived less so. These contrasting findings from studies in differing settings and with a differing focus, suggest that management perceptions of stakeholder salience appear to be context and situationally specific. Poplawska et al. (2015), in a study of the UK extractive industry, alternatively sought to capture an assessment by each stakeholder of the level of salience attributes they felt the other stakeholders were possessed of. However, as it is management's perception alone of salience that ordains how they will respond in terms of attention to stakeholders, their findings, while contributing to management's knowledge of how stakeholders perceive each other, has little to offer in understanding management's own relative assessment of stakeholder attributes.

In the NPO domain, management's relative perceptions of stakeholder salience attributes has received even less attention, however, a recent survey based study by Chen et al. (2018) of the managers of Australian NPOs providing education and health services does so. Chen et al. (2018), employed a seven point Likert scale and statistical analysis to assess management perceptions of the degree to which six differing stakeholders were possessed of the three salience attributes of power, legitimacy, and urgency. Their results found that the 'government' (primary funder) was perceived as the most powerful stakeholder, second only to 'clients', with 'donors' the least powerful; 'clients' were found to be the most legitimate, with 'employees' and the 'government' regarded as having the next highest legitimacy, ahead of 'donors' and 'volunteers'; 'clients' were also found to be the most urgent followed by the 'government' and 'employees' with 'donors' and 'volunteers' the least urgent (Chen et al., 2018, p. 820). Chen et al. (2018), assessed 'salience' not from the degree with which the stakeholders were possessed of the three salience attributes, but rather from the reported degree of time and resources that management stated that they committed to the differing stakeholders, finding 'clients' to be the most salient in this regard followed by the 'government' with 'donors' and 'volunteers' the least salient (Chen et al., 2018, p. 820). Given that the manner of assessing salience adopted by Chen et al. (2018), was the degree of commitment of resources and time to a stakeholder, this outcome may be self-evident, as the operational purpose of the NPOs surveyed is to provide services to their 'clients'; quantum of time and resource may not equate to other characteristics of salience, such as the nature, quality, or priority of attention afforded to a stakeholder.

The statistical analysis employed in the study by Chen et al. (2018), confirmed the relationship between management perceptions of the degree an individual stakeholder is possessed of the salience attributes and their separately assessed perception of the stakeholder's salience, with one notable exception; while 'power' and 'urgency' were found to be consistently positively related to salience for all stakeholders, 'legitimacy' was only so for 'clients' and 'volunteers' (Chen et al., 2018, p. 823). Drawing on the work of Phillips (2003), Chen et al. (2018, p. 823) suggest that legitimacy 'only affects the salience of "normative stakeholders"' to whom the organisation 'has additional moral obligations'. The

result and the observations of Chen et al. (2018) in relation to legitimacy, while notable, is not unexpected as the study deliberately focused on 'normative legitimacy', asking management specifically and solely about their views of whether stakeholder claims on their organisation were 'morally legitimate' (Chen et al., 2018, p. 818) while ignoring other constructs of legitimacy such as 'pragmatic' and 'cognitive' legitimacy as identified by (Suchman, 1995) and included in the definition of legitimacy as employed by (Mitchell et al., 1997).

Some contrasts between the study conducted by Chen et al. (2018) and this study are worth noting. First, there is a significant difference between the nature of the NPOs surveyed by Chen et al. (2018) and those the subject of this study. While this study is focused on NPOs providing health and welfare services to people with intellectual disabilities, a stakeholder group characterised by vulnerability and with considerable barriers to self-expression, the NPOs surveyed by Chen et al. (2018) were involved in the delivery of education and general health services, with a consequent 'client' or 'service user' profile of a very differing character. Resultantly, management views on the possession of salience attributes by 'clients' or 'service users' may differ. Secondly, while Chen et al. (2018), focused solely on the views of senior management, this study captures the views of management at all levels. Finally, this study, as described in chapter 4, is a qualitative case based study.

In order to inform the analysis in this study, and allow for the possibility of pertinent observations to emerge, management's relative perceptions of the three salience attributes that each stakeholder possessed were captured in a qualitative manner, through interviews. Management were not asked to express a view as to the 'degree' of a stakeholder being possessed of an attribute, but rather their view as to the relative positioning of stakeholders as being possessed of an attribute (see chapter 4). By adopting this approach it was anticipated that a richer understanding of the salience perceptions of managers might emerge. Further, no qualifications of the nature of any of the salience attributes were imposed on management in expressing their views.

3.2.6 Stakeholder salience theory, performance, and MCS

The focus of this study is to examine how management's perceptions of stakeholder salience inform the design and use of MCS of NPOs. In the area of MCS and PMS, however, there are only a small number of studies drawing on stakeholder salience theory. Specifically, the need to better understand MCS within its organisational context (Chenhall, 2003, pp. 128 - 129) and the issue of how and why multiple stakeholder interests manifest in MCS have been under explored in the accounting literature (Sundin et al., 2008, p. 4). While more recently some studies have explored the role of stakeholder salience and the manner in which MCS is designed and used (see: Assad & Goddard, 2010; Kamal, Brown, Sivabalan, & Sundin, 2015; Sundin, 2010), the area remains under explored.

The manner in which the objectives of stakeholders may be reflected in MCS has been shown to be a complex phenomenon. In a study of a large Australian property trust it was found that stakeholder salience was 'positively related to the extent to which their interests were incorporated' in the MCS and that their objectives may be reflected within the MCS in a number of differing ways (Sundin, 2010, p. 189). This study found that in the first instance stakeholder objectives may be found to be expressed in the organisational mission and the strategy evolved to realise that mission, and secondly in the component elements of the MCS; in relation to the latter, stakeholder objectives can be reflected in both the MCS typology selection and in the mix of MCS elements employed (Sundin, 2010). Kamal et al. (2015), demonstrated how, at an industry level, accounting information as a communication process had the ability to reinforce the salience and objectives of stakeholders in the eyes of other stakeholders. In the NPO sector the subject receives even less attention. One relevant study of accountability practices in the NGO sector suggested that stakeholder salience theory was shown to have some utility in understanding accounting practices in NGOs and that more attention is paid by organisational actors to stakeholders regarded as highly salient (Assad & Goddard, 2010).

As NPO performance can be regarded as a montage of the realisation of objectives for multiple stakeholders, then it follows that management have to

address the challenge of how they best design and use MCS as a means of supporting the realisation of those objectives. Furthermore the manner in which management perceive stakeholders and their objectives will be critical in this regard. Stakeholder salience theory, in framing the dynamics of management stakeholder perspectives, was adopted, therefore, as the primary theoretical frame for the study. Given, however, that accountability to stakeholder, as an element of MCS, is relational in nature (see section 2.4.3.1), and is influenced by perceptions of stakeholder power, 'stakeholder-agency theory' emerged during the analytical phase of the study as a complementary theory with the potential to further explicate these dynamics. The next section sets out the basic tenets of stakeholder agency theory and the manner in which it might be used in tandem with stakeholder salience theory.

3.2.7   Stakeholder-agency theory

Stakeholder-agency theory was first described by Hill and Jones (1992) and views the organisation as a collection of agency relationships between management as the agent and each relevant stakeholder, where each stakeholder is regarded as having an explicit or implicit contract with the organisation that forms the basis of the agency relationship. The construct of the stakeholder management agency relationship is underpinned by two characteristics of management and their role: 'managers are the only group of stakeholders who enter into a contractual relationship with all other stakeholders', and 'management are also the only group of stakeholders with *direct* control over the decision-making apparatus of the [organisation]' (Hill & Jones, 1992, p. 134).

Stakeholder-agency theory builds on agency theory from a stakeholder perspective of the organisation while incorporating insights from resource dependency theory. The basic difference from mainstream agency theory is that stakeholder-agency theory allows for market inefficiencies whereas agency theory assumes that the market will tend toward equilibrium between the interests of the principal and the agent through the availability of interventions that come at a price ('contracting' or 'bonding' costs). Stakeholder-agency theory in recognising that markets are inefficient, that perfect interventions may not be

available, and that principal/agent relationships are reactive and dynamic over time, suggests that such relationships will invariably be in a state of disequilibrium moving in the direction of equilibrating forces (Hill & Jones, 1992). This gives rise to the recognition that at any point in time 'power differentials arising from a condition of dependency between the principals (stakeholders) and agents (managers) are commonplace and may persist' (Hill & Jones, 1992, p. 146). These power differentials can, however, change over time as a result of interventions, albeit slowly due to inertia, or become entrenched due to a combination of inertia and the use of a power dominance by one party to sustain that dominance.

Similar to agency theory, stakeholder-agency theory assumes that stakeholders will engage in interventions of monitoring, enforcement, and incentivising each coming at a cost, collectively 'contracting costs', in order to minimise utility losses (failure to realise their objectives) arising from their involvement with the organisation and from management's potential self-interest. Conversely, management will incur 'bonding costs' in order to continue to have the right of access to the resources of relevant stakeholders. These resources range from capital funding to the social, community, and environmental infrastructure necessary for the continued existence of the organisation. Together these are what would be termed 'agency costs' under mainstream agency theory (Hill & Jones, 1992, pp. 132-133; 138-139).

Power differentials between the agent and the stakeholder will have a direct impact on the ability of the stakeholder to minimise their losses (i.e. maximise their realization of their objectives); that is stakeholders with lower power than the agent would incur losses if they departed from the contract and therefore are compelled to remain. Power can also shift in the other direction, for example, if there are more agents present in the market than the demand from stakeholders warrants, stakeholders will have greater power than the agent who will not wish the stakeholder to depart the contract, thus giving the stakeholder the ability to threaten to exit the relationship to move to another agent (Hill & Jones, 1992, p. 135). In line with other scholars who have examined accountability functions (see: Benjamin, 2010; Ebrahim, 2005; Gray et al., 1997; Greatbanks et al., 2010), Hill

and Jones (1992, p. 149) noted that 'less powerful stakeholders are less able to demand that management make itself accountable. That they are less able to use the implied threat to exit or exercise voice as a means of gaining access to insider information or demanding that management regularly provides them with information concerning its activities'. Stakeholder-agency theory also recognises that the differing stakeholders will have differing utility functions (i.e. differing objectives) and that this can give rise to divergence in preferences for organisation resource allocation by management that, if uncorrected, will impinge on the ability of different stakeholder's to maximise their utility (i.e. achieve their objectives). It is recognised, however, that there may be convergence of preference of resource allocation which works toward meeting the objectives of more than one stakeholder, 'for example satisfying employee claims may improve the experience of stakeholders as recipients of goods or services. Further, that due to the mutual interest of stakeholders in the continuance of the organisation, 'different stakeholder groups have an incentive to co-operate, rather than incur the costs of open conflict' (Hill & Jones, 1992, p. 145). This latter point resonates with the concept in 'stakeholder salience theory' where it is suggested that one stakeholder might be able to avail of (borrow) an attribute that they do not have from another stakeholder (usually power) thereby increasing their salience (Mitchell et al., 1997).

The adoption of a stakeholder-agency theoretical approach to the study of NPOs, while having some obvious utility, is rare. This is in all probability largely due to the difficulty that many researchers find in aligning an agency theory approach to the nature of an NPO which differs dramatically from that of for-profit organisations on which Hill and Jones (1992) based their work. In a conceptual paper grappling with differing theories in NPO governance, Van Puyvelde, Caers, Du Bois, and Jegers (2012) acknowledge this deficit and set out to propose an alternative approach. Their proposal builds on agency theory, stakeholder theory, and stakeholder-agency theory and presents a case for the inclusion of perspectives of stewardship theory towards a combined 'principal-agent theory of non-profit organizations' (Van Puyvelde et al., 2012, p. 446).

While there are few field studies drawing on stakeholder-agency theory in NPO settings, a study by Collier (2008) provides some insights into the use of the theory in an NPO context and interestingly his study also drew on stakeholder salience theory. In this ethnographic study, Collier employed stakeholder-agency theory as a frame for an examination of accountability of a housing association to multiple stakeholders as well as stakeholder salience theory in framing an understanding of stakeholder prioritisation by the board of the NPO. The study was orientated from participation by the researcher as an independent member of the board over a four year period. Collier concluded that stakeholder-agency theory can be an effective approach in understanding how boards might centre governance at the heart of effectively managing diverse/differing but not necessarily competing stakeholder interests and different power relativities and that board governance interventions, particularly in terms of accountability, plays an important role 'in balancing the needs of different stakeholders in terms of both economic and social concerns' (Collier, 2008, p. 948). The study in drawing on stakeholder salience theory observed that board stakeholder prioritisation in terms of accountability reflected the salience of the differing stakeholders, however, that organisational 'survival depended on satisfying the regulator and lender stakeholders, with tenant choice and satisfaction under tenancy contracts less important. Collier while acknowledging that the study was exploratory in nature and conducted in a single setting, submits that the 'board' with control over governance structures and accountability to stakeholders, should be considered to be the agent in the context of stakeholder-agency theory as opposed to 'management' (Collier, 2008). Whether one accepts this proposed reframing of stakeholder-agency theory or not, the study supports the utility of combining a stakeholder salience approach and stakeholder-agency theory in the study of NPO management and performance dynamics and calls for further research to explore the framing of stakeholder-agency relationships in differing setting.

3.2.8   Conceptual and analytical approach

In the opening section of this chapter a sequence of logical propositions were set out that underpin the study objectives and that provide a basis to order the

conceptual framing of this study. The subsequent examination of stakeholder salience theory and stakeholder-agency theory builds the case for stakeholder salience theory as the primary frame of analysis with stakeholder-agency theory as a complementary theoretical frame.

Stakeholder salience theory provides a theoretical base for reflection on management's understanding of and response to stakeholders, a key requirement in the management of NPOs given a multiple constituency construct of NPO performance, the case for which was built from the literature, see section 2.3.3. This is the primary theoretical frame adopted to inform the researcher's approach in addressing the research question: how do management's perceptions of stakeholder salience inform the design and use of MCS of NPOs?

The study is built from a central premise developed from the relevant literature:

Given that NPO management utilise MCS in the management of performance and that NPO performance is a construct of multiple stakeholder objectives, then seeking to understand how management's perceptions of and response to stakeholders and their objectives, interacts with the design and use of MCS is of central importance in understanding NPO performance management.

Further, the abductive methodical approach to the study (see Chapter 4) allows for the emergence of unanticipated themes and the consideration of unanticipated themes that suggest themselves as having validity in addressing the research question. Two themes in particular emerged: the first was the discharge of accountability to stakeholders as an important element of MCS, and the second was advocacy as a support intervention for the beneficiary stakeholder, service users. Consequently, both of these themes were explored through the relevant literature and help to inform the analytical discussion in Chapter 6. Finally, as indicated earlier, the analytical phase pointed up the need to go beyond the understanding provided through stakeholder salience theory with its focus on management perceptions of salience and their consequent attention to stakeholders. It became evident that the nature of the relationship and engagement between managers and individual stakeholders was an important consideration in the analysis of the manner in which management's

perceptions of stakeholder salience informed the design and use of MCS. In this regard stakeholder-agency theory suggested itself as having utility to the exploration of the relational nature of MCS elements, particularly in the face of power asymmetries identified through the analysis of stakeholder salience. The work of (Collier, 2008) supports the case for a combined approach to the analysis of management dynamics in NPOs drawing on both stakeholder salience and stakeholder-agency theories. Such an approach facilitates the potential for reflection on whether there is evidence of a theoretical symbiosis whereby stakeholder salience theory, by unravelling salience dynamics, provides a lens through which stakeholder-agency theory can be focused in the examination of the performance management dynamics in NPOs.

There is one further important consideration in the primary use of stakeholder salience theory with stakeholder-agency theory complimentary to the analysis. Stakeholder salience theory, in seeking to understand management's behaviour, suggests that management's perception of the 'power' of a stakeholder contributes to their perception of that stakeholder's salience, and that greater salience will command greater attention. On the other hand 'stakeholder-agency theory' focuses on power differentials between the management as 'agent' and the stakeholder as 'principal. This study, initially informed by 'stakeholder salience theory' alone, set out to capture management's perceptions of the relative power of the differing stakeholders (as a component attribute of 'salience'). For the purposes of the later analysis in the study, power differentials between management (as agent) and the different stakeholders (as principals) is therefore recognised as being weighted toward management when the 'salience analysis' suggested that they perceive the stakeholder as being relatively powerless (compared to other stakeholders) and toward the stakeholder when the 'salience analysis' suggested that management perceive the stakeholder to be relatively powerful (compared to other stakeholders).

Chapter 4. Methodology and approach

4.1 Introduction

This chapter sets out the approach adopted to address the research question: how do management's perceptions of stakeholder salience inform the design and use of Management Control Systems (MCS) of NPOs engaged in the provision of public services, and health and welfare services in particular? In the first section an explanation of the researcher's methodological approach, abductive reasoning, is set out. The second section outlines the qualitative case study approach that was employed and introduces the domain of study and the case organisations. The third section provides the rationale for the selection of the stakeholders that were the focus of the study. The fourth sets out the method, sources, and timelines of data collection and outlines the mode of analysis. The final section considers potential limitations and mitigating factors.

4.2 Methodological approach - abductive reasoning

One of the challenges for this research was that the researcher had over twenty years' experience of the case study sector, intellectual disability service in Ireland. The challenge therefore was how to recognise and draw on this experience without undermining the integrity of the research. Abductive reasoning as an approach to research differs from both 'deduction' and 'induction'. First described by the American philosopher C.S. Pierce, it is an approach to the study of phenomena from which hypotheses are developed from the examination of facts that infers that a new theory has validity and can be accepted, or an existing theory developed; inference is central to the approach where the best explanation is accepted if it has validity and if no other explanation has greater validity (Haig, 2005; Kapitan, 1992). The approach recognises the role of the researcher through embracing their prior experience (phronesis) as an unavoidable and essential element in the analytical relational dynamic between researcher, the subject of study, and theory (Thomas, 2010).

In an abductive approach, unlike with deduction, a theory is not pre-selected and set up to be tested through the formulation of hypotheses through verification, or not, by gathering and examining relevant data. Nether, as is the case with an inductive approach, is abduction concerned with the building of theory solely from analysing empirical data. The abductive approach to the study of a phenomena may proceed without any initial informing theoretical frame, or can accept a primary theoretical frame, not with a view to testing the theory in question, but rather to facilitate the examination of the facts of the phenomena, which examination may lead to the further development of the theory or the development of a new theory entirely. Critically, the process involves a continuous 'dialogue' between the researcher, data, and theory, the ultimate goal of which is to infer a potential hypothesis that has validity above others, and through which the potential for greater understanding of the phenomena in question is facilitated (Haig, 2005; Kapitan, 1992; Lukka & Modell, 2010; Thomas, 2010).

Figure 4.1 The abductive research process

Adapted from: Kovác and Spens (2005, p. 139)

This relational dynamic is set out in diagrammatic form in Figure 4.1. It is important to point out that abduction is not necessarily an alternative to induction and deduction, but rather that each one lends itself to differing research

objectives. The abductive approach lends itself to the acceptance by inference of viable hypotheses that may suggest new theory or develop existing theory; inductive reasoning is held to create and justify theories simultaneously developed from 'secure observations' of singular events; while deduction seeks to test an existing theory against its predictive integrity (Haig, 2005, pp. 372-373).

At the heart of abductive research is a pragmatism (Lukka & Modell, 2010, pp. 466-467; Richardson & Kramer, 2006, p. 499) that resonates with the philosophical pragmatism that Freeman (1999, p. 234) argues underpins stakeholder theory, the overarching theoretical framework informing this study. Furthermore, an abductive approach lends itself to case study research, the data gathering method employed in this study. The approach allows for creativity and intuition to inform theoretical evolution and an understanding of the generalizable and the specifics of the observed phenomena (Dubois & Gadde, 2002; Kovács & Spens, 2005). Indeed it is through embracing phronesis[5] as a means of interpretation, that the ability to draw the distinction between the generalizable and the specific is enabled, that in turn facilitates critical analysis allowing insight to emerge from the interplay of: theory as an evolving heuristic guide, case, and researcher. 'The case study thus offers an example from which one's experience, one's phronesis, enables one to gather insight or understand a problem' (Thomas, 2010, p. 578). The challenge for generalisability as an expense for the insight that may be gained of a complex social dynamic is accepted as a justifiable price, this is not to suggest that validity is forsworn. When it comes to case study research following an abductive method in social science, validity is not solely ordained through reference to an existing body of theory or accepted generalized knowledge but 'through the connections and insights it offers between another's experience and one's own', between the researcher and the researched (Thomas, 2010, p. 579).

The primary research data for the case study, captured through semi-structured interviews with management and informed by stakeholder salience theory, provides contextualised exemplars of management perceptions of stakeholders

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[5] Philosophy: *practical understanding; wisdom, prudence; sound judgement*, available at: < (https://en.oxforddictionaries.com/definition/phronesis) > [Accessed on 28 January 2019].

and MCS. The data has been analysed and interpreted with an acknowledgement of the researcher's experience of the field. By acknowledging the researcher's experiential understanding, the approach embraces and recognises the interplay of habitus and field (Bourdieu, 1990; Bourdieu & Wacquant, 1992, pp. 15-19). In the practice of social enquiry, Thomas (2010, p. 579) points out the importance of intuitive 'insight' and that 'the case study seems the ideal vehicle for this kind of insight to occur, as long as it is enabled by a spirit of inquisitiveness and not extinguished in a search for generality', while 'questioning is the starting point; serendipity, noticing, and insight provide an elevation, and interpretation based on phronesis is the key'.

As an approach to research, abduction, as a means of inferring new theory or developing existing theory, sits well with the idea that 'the practice of qualitative field studies involves an ongoing reflection on data and its positioning against different theories such that data can contribute to and develop further the chosen research questions' (Thomas Ahrens & Chapman, 2006, p. 820). An important aspect of abductive reasoning is that, unlike deduction, 'it starts from the empirical findings, not from theory, it does not [,however,] deny the role of prior theoretical knowledge in providing a background to the search for the most plausible explanation for empirical observations' (Lukka & Modell, 2010, p. 467). This acknowledgement that prior knowledge cannot be left behind accommodates existing theory as an initial framing guide to the research while allowing for new theory development or the further development of existing theory. In their reflections on interpretive research in management accounting, Lukka and Modell (2010, p. 467) highlight an essential difference between inductive and abductive reasoning. They point out 'that abductive and inductive reasoning have a similar starting point (empirical observations), but whilst induction is characterised by a kind of semi-automatic generation of theoretical generalisations from data, abduction relies on the skilful development of theoretical explanations with the help of everything that is known empirically and theoretically about the issue being examined'. In interpretive research in management accounting embracing a dynamic interaction of researcher, data, and theory, it is acknowledged that 'to generate findings that are of interest to the wider management accounting research community, the qualitative field researcher must be able to continuously

make linkages between theory and findings from the field in order to evaluate the potential interest of the research as it unfolds', that 'this ongoing engaging of research questions, theory, and data has important implications for the ways in which qualitative field researchers can define the field and interpret its activities' (Thomas Ahrens & Chapman, 2006, p. 837).

One of the cited weaknesses of abductive research is the potential for the 'logical fallacy of 'affirming and consequent' leading to a difficulty in determining whether some theoretical explanations have a greater value than others (Lukka & Modell, 2010, p. 467). To address this in practice abduction is recognised as 'an ongoing process compelling researchers to constantly remain open to alternative explanations whilst ruling out explanations deemed less plausible as they move back and forth between theory and empirical data' (Lukka & Modell, 2010, pp. 467-468).

For the purposes of this study, stakeholder theory, and in particular stakeholder salience theory is the primary and initial informing theoretical frame (see Chapter 3 Conceptual Framing). Stakeholder salience theory, coupled with the researcher's phronesis, both in the field of disability services and in management accounting practices, are engaged with the field case study data in an abductive approach to address the research question. This process involved a continuous journey for the researcher moving from theory to data in a series of 'trips' to and fro compelled by emerging insights and observations towards a formulation of an understanding of plausible theoretical explanations. Insight was an important part of this process which was underpinned by the researchers experience and familiarity with the domain, phronesis, while a mindful and reflective approach in this regard was essential in probing and questioning the validity of explanation.

4.3 Case study and unit of analysis

In this section a description of the domain of study is provided before setting the reasoning for the adoption of a case study approach and an explanation of the identification of the unit of analysis in the context of the research. Finally, the approach to access is set out together with a description of the NPOs making up

the case in the context of the domain: 'intellectual disability services sector' in Ireland.

4.3.1 Domain of study and unit of analysis

The domain of study is the intellectual disability services sector in Ireland. The study focuses specifically on NPOs providing intellectual disability support services commissioned by the Irish State as a public service. The sector was chosen as a substantive exemplar of NPOs involved in the provision of public services and because of the researcher's experience of the sector. Although no definitive figure exists for the current total State expenditure in Ireland on all State services for people with intellectual disabilities alone, the total planned State investment for 2017 in services for all persons with disabilities, physical, sensory, and intellectual, in social, health, and education services, was €7.2b representing 13.4% of all Government expenditure (Campbell et al., 2017). NPOs providing intellectual disability services in Ireland have evolved from both religious and secular backgrounds. During the period of this study, the Irish National intellectual Disability Database cited that there were 27,800 people with intellectual disabilities in the State in receipt of support services[6]. The role of NPOs in the sector is particularly significant in an Irish context where just over 60 NPOs provide in excess of 85% of support services for people with intellectual disabilities in the State.[7]

The management of the sector is the unit of analysis as it is management's understanding and perception of the complex stakeholder profile of their organisations and the MCS employed by them that is the focus of the analysis in the research. This focus is necessary in order to gain an understanding of how management's perceptions may influence the management of performance through MCS design and use. It is important to point out that while data on

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[6] Health Research Board, Ireland, *'Annual Report of the National Intellectual Disability Database Committee 2016'*, available at: <
http://www.hrb.ie/fileadmin/publications_files/NIDD_2016_Annual_Report.pdf > [Accessed on 21 September 2018].
[7] National Federation of Voluntary Bodies, *'About Us; Introduction; Who Are We'*, available at: <
www.fedvol.ie/introduction/Default.758.html > [Accessed on: 25 June 2018].

differing grades of manager and managers of differing NPO types were collected and reported on, albeit briefly, the primary focus is on management perceptions of stakeholder salience and MCS as a collective of managers from the sector and that the collective focus drives that primary analysis and findings. This collective of managers includes managers from all levels and grades (see 4.5). Any results and findings reported on that points to comparisons between differing classes of managers can be taken to alter the unit of analysis in those instances to 'manager type' as opposed to the collective. Looking at management across all grades and type as the unit of analysis resonates with developments in leadership research where the unit of the analysis has been historically dominated by studies with a focus on 'the solo or stand-alone leader' (usually a manager) with a recognition that alternatively 'distributed leadership' as a construct of leaders, followers, institutions, collaborations, and intuitive working, was more suited to understanding leadership in organisations (Gronn, 2002, pp. 446-447). Furthermore that such a collective focus facilitates the description and study of the 'organizational processes that ultimately determine effectiveness' (Gronn, 2002, p. 446).

4.3.2 The case study approach and design

As discussed above, the selection of a case study approach is underpinned by abductive reasoning as a methodological approach. Furthermore as the abductive approach adopted is informed by stakeholder salience theory and centred on the analysis of management perceptions, a case study approach is justified in seeking to address the research objectives. When the subjective perspective of organisational actors is central to the objectives of research, case studies are useful, particularly 'when 'how' or 'why' questions are being posed, when the researcher has little control over events, and when the focus is on contemporary phenomenon in a real life context' (Adams, Hoque, & McNicholas, 2006, p. 362). There are differing forms of case study that lend themselves to differing research questions; for example, 'exploratory', 'descriptive', 'illustrative', and 'explanatory or causal' (Adams et al., 2006, p. 364). In addressing the research question: 'How do management's perceptions of stakeholder salience

inform the design and use of MCS of NPOs?' it could be suggested that the case study itself should be described as 'descriptive' in nature, seeking to describe the 'how' alone. The 'how' in the research question in this instance, however, embodies not just 'how' but in combination with 'inform', embraces the implicit question of 'why' or 'in what manner' the salience perceptions of managers impinge on the use and design of MCS. In consequence the case study while having a descriptive element is also of the nature of an explanatory case study where the analysis seeks not just to describe the stakeholder salience perceptions of managers and their perceptions of MCS design and use, but in considering both, to infer plausible explanations of the relational dynamics between the two that might emerge.

As noted above, the nature of the phenomenon to be studied is a central factor in the study approach to be adopted as is the manner in which the phenomenon might best be observed. Case studies and in particular field studies lend themselves to 'studying issues that are not yet well understood, that are socially complex or contextually contingent (L. D. Ferreira & Merchant, 1992, p. 24). As understanding management perceptions of stakeholder salience is central to the research objectives, and that the perceptions of management and organisational performance can be argued to be complex and socially embedded, a case study approach facilitates the depth of phenomenological understanding required. In particular the nuance required in embracing the researcher's phronesis as an element of informing the analysis is arguably most effectively enabled through direct engagement with the actors who populate the situational domain of the phenomenon being studied. Further, reflection, both on the part of the researcher and by the managers, from whom the primary data was obtained, was anticipated as being critical to understanding their perceptions as to the relative salience of stakeholders and what this might mean for MCS design and use, such reflection is best facilitated by the direct nature of case study research and the space that can be made available for reflection (Irvine & Gaffikin, 2006; D. G. Oliver, Serovich, & Mason, 2005).

Given the objectives of the research, the choice of what case organisations to select presents a different challenge. Important considerations were access,

spread, and representation. First, however, the appropriateness of the case selections must be considered. Yin (1999, p. 1214), underscores an approach to case selection from theoretical grounds pointing out that 'the preliminary theoretical propositions used in formulating the case study design provide important guidance for defining the case'. As the research methodology adopted for this study is informed by stakeholder salience theory and seeks to examine the dynamics of performance management and the design and use of MCS in NPOs engaged in the provision of public health and welfare services, it was necessary to ensure that case selection would provide access to NPO management, in a health and welfare service context, who were responsible for NPO performance and use of MCS. The domain of study, intellectual disability services, is an important exemplar of NPOs providing health and welfare services in Ireland (see section 1.2 and section 4.3.1 above). The intellectual disability services sector in Ireland was the obvious choice of exemplar as it was familiar to the researcher, access might be possible as described below, and facilitate the phronesis of the researcher. Furthermore, the nature of the research called for a 'paradigmatic' approach to selection as described by Flyvbjerg (2006, pp. 232-233). Paradigmatic cases 'highlight more general characteristics of the societies in question' (that are the subject of study) the selection of which is both intuitive and informed by understanding with a view to providing both 'metaphorical' and 'prototypical' value (Flyvbjerg, 2006, p. 232). As highlighted above the intellectual disability services sector in Ireland is dominated by just over 60 NPOs providing in excess of 85% of all such services. It was evident therefore that a selection of substantive NPOs from the sector that had a spread in terms of organisational origin (secular and religious) would meet the paradigmatic requirements. Substantive NPOs in the sector would have a breadth of services including multidisciplinary day services, residential, and respite services[8].

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[8] Support services for people with intellectual disability services range from day support services (typically multidisciplinary in nature) delivered in the community and in campus and school settings, residential services provided in community and institutional settings, and respite services again in either community or institutional settings. For a full profile of intellectual disability support services see: Annual Report of the *National Intellectual Disability Database Committee 2017.* Available at: < https://www.hrb.ie/publications/publication/annual-report-of-the-national-intellectual-disability-database-committee-2017/ > [Accessed on: 17 December 2018].

To identify potential NPOs for the case study the researcher was able to draw on his twenty years of experience in the sector, including four years on the Board of one large NPO providing intellectual disability services. The researcher approached the current CEO of the organisation where he had served on the Board to ask for support for the study by way of introductions to other NPOs in the sector. This particular NPO was one of several individual and autonomous NPOs in the State historically set up by a religious order. As is common with most such religious based organisations in the State, while the founding religious ethos remained, the members of the religious order have little or no residual involvement in the management and running of the NPOs. To avoid bias due to familiarity with the management team of this particular NPO (where the researcher had served on the Board) it was discounted as a potential NPO for the case. The CEO of this NPO did, however, provide introductions to two sister NPOs providing intellectual disability services in differing geographical locations (REL 1 and REL 2). The researcher also identified two other NPOs with secular origins (SEC 1 and SEC 2), the CEOs of which were known to him, as potential organisations for the case study. By identifying two NPOs with religious origins and two with secular backgrounds a sufficient spread of management perspectives across the NPOs with religious and secular origins in the sector was ensured. After approaching all four CEOs and explaining the nature of the study access was granted and management interviews facilitated with no restrictions on access, other than a requirement to respect workload and manager availability. In each case the CEO provided the researcher with the services of their personal assistants to ensure the smooth arrangement and progression of interviews. A summary is provided below of the profile of the NPOs (Table 4.1):

Table 4.1 - Profile of NPOs

	REL 1	REL 2	SEC 1	SEC 2	Total
Annual Income (€ Million)	€17	€42	€33	€25	€118
Staff (WTE)	260	452	545	367	1,624
Service Users	540	1,320	1,264	401	3,525

Drawn from the Annual Reports and Accounts 2015

With 3,525 services users in receipt of services from these four NPOs, including residential, respite, and day services, the organisations account for c.12.7% of the intellectual disability services delivered by NPOs in Ireland. While there is no upper limit as to a suitable representative proportion of actors in a particular domain in qualitative research, the operational coverage of these four NPOs is such as to provide confidence in meeting the objectives of the research to gain a rich and deep understanding of the phenomenon under examination while not being so extensive as to detract from an ability to glean the depth of meaning sought.

Confidentiality, anonymity, and consent was assured on an interview by interview basis through individual memorandums of understanding that were signed by the researcher and interviewees (Appendix C & D). Finally, while the researcher would not be engaging with anyone other than the NPO management, as the interviews were carried out on site and NPOs are settings where vulnerable persons may be present, the researcher obtained the necessary Garda vetting (Appendix A)[9].

4.4 Preparing for the field

4.4.1 Developing sectoral knowledge and understanding

As previously outlined the researcher has over twenty years of involvement with the intellectual disability sector in Ireland. This involvement has ranged from ad-hoc participation in differing community organisations to organisations involved in the national policy arena, to board level representation with both service organisations and national advocacy support organisations. In addition to experientially derived knowledge and understanding relevant national policy documents, statutes, and international treaties in relation to disability published over the last fifteen years were studied for further context. The primary material

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[9] Garda clearance: The National Vetting Bureau (Children and Vulnerable Persons) Acts 2012 to 2016 provide a statutory basis for the vetting of persons carrying out relevant work with children or vulnerable persons. The Act also creates offences and penalties for persons who fail to comply with its provisions. The National Vetting Bureau is a function of the Irish police force, the 'Garda'. See: https://vetting.garda.ie/ [Accessed on 21 September 2018].

in this regard are listed below in Table 4.2 and the details of the sources set out in Appendix E.

Table 4.2 – Policy documents, statutes, and other relevant material in relation to intellectual disability services in Ireland.

Education for Persons with Special Education Needs Act 2004 – Ireland

Disability Act 2005 – Ireland

Assisted Decision-Making (Capacity) Act 2015 - Ireland

Value for Money and Policy Review of Disability Services in Ireland, Government of Ireland, 2012

National Standards for Residential Services for Children and Adults with Disabilities, Health Information and Quality Authority, Ireland, January 2013

New Directions - Review of HSE 'Day Services' and Implementation Plan 2012 – 2016 *PERSONAL SUPPORT SERVICES FOR ADULTS WITH DISABILITIES*

United Nations Convention on the Rights of Persons with Disabilities (UNCRPD)

4.4.2 Preliminary field visit

To build on the researcher's sectoral knowledge and in tandem with conducting a deep and structured literature review (see Chapter 2) the researcher sought advance access to one of the NPOs identified for the case study, SEC 1, for a preliminary field visit. The purpose of the site visit was to advance the researcher's knowledge and understanding of PMS and MCS systems and governance structures, and to provide preliminary insights into management's understanding of their organisation's mission and their perceptions of stakeholder objectives in that context.

In advance of the preliminary field visit commencing, the CEO of SEC 1 was briefed on the purpose for the field visit and access and times secured for the interviews and meetings. The preliminary field visit allowed for meetings and interviews with key managers. In all, five managers were interviewed and in two cases were followed up with additional meetings to clarify aspects of the MCS

employed. Those interviewed were: the CEO, the Head of Finance, Head of Education and Training, and two Senior Service managers. The interviews and meetings took place in December 2012 and January 2013. In order to facilitate a comprehensive mapping of the PMS and the MCS employed, the interviews were structured and crafted around the performance management framework of A. Ferreira and Otley (2009) and augmented by aspects of the performance measurement framework of Kendall and Knapp (2000). The interviews were recorded and transcribed and together with organisational governance and MCS systems documentation and manuals, facilitated a deep understanding of the organisation's PMS and the MCS employed as well as governance structures and initial insights in relation to management's perceptions of stakeholders.

4.4.3   MCS elements

The preliminary field visit identified three distinct elements of MCS: 1) 'Budgeting' - the centralised financial planning, control and reporting system; 2) the 'Client Service Delivery and Control System' (CSDC) - a system designed around the identification of 'personal outcomes' for service users, the plans and strategies for their achievement, their monitoring and revision on a cyclical basis; and 3) 'Assurance of Services' (AOS) – a collection of processes and procedures capturing and reporting data on critical service assurance indicators including, incidents reports, medical reports, complaints, health and safety inspections. A detailed description of the three MCS elements is set out in section 5.4.

Once the features and format of these three MCS elements were identified and their functional operation understood from the field visits to SEC 1, for each of the other three NPOs in the case study, the characteristics and design of these MCS elements were confirmed by management as being materially[10] replicated in these organisations. During the course of the primary case study interviews (in 2015 and 2016) that followed the preliminary field visit (in 2013), no material

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[10] In this case 'materially' means that the comparable MCS elements in each of the NPOs, while serving the same purpose for management and replicated in their basic structure, nature, and process, exhibited some variation in approach to documentation, frequency of reporting, and reporting lines that was expected and inevitable. Any such variation, however, did not detract from their core similarities and comparability.

variations in function and design were revealed or alluded to by the interviewees (including in SEC 1, confirming that no material change had been introduced in the intervening period). These three MCS elements formed the basis for subsequent explorations of management's perceptions as to their design and use.

4.4.4 Relevant stakeholder identification

Identifying the relevant stakeholders of an organisation is a continuously contested exercise (Mitchell et al., 1997). In terms of the organisations the subject of this research a purist *stakeholder theory* approach would yield a significant set of stakeholders as one would need to consider all those parties impacted by the actions or inaction of the NPOs (Hasnas, 2012). For the NPOs the subject of this case study they might include, amongst others, those potential stakeholders set out in Table 4.3 below:

Table 4.3 – Potential stakeholders of an NPO providing intellectual disability services

Internal	Proximate External	Less Proximate External
Board of directors	Service users	Government
Management	Service user families	Department of health
Medical professional staff	Health service executive	Local community
Non- medical professional staff	The regulator	Society in general
Non-professional staff & carers	Founding principals*	
	Suppliers of goods and services	
	Suppliers of accommodation	

Founding religious order or secular charity (usually a parents and friends organisation)

For the purposes of case study research and the need for pragmatism it is necessary to identify a simplified set of relevant stakeholders that meet the objectives of the study. In the context of NPOs, Hyndman and McDonnell (2009) suggest three primary external and three primary internal stakeholders. They consider the Donors (Contractual and Non-contractual), the Regulator, and Beneficiaries (Users) to be the primary external stakeholders. In an Irish context the majority of disability services are provided by NPOs contracted and funded substantially by the State, as is the case of the NPOs the subject of this study.

Therefore the 'Donor' or 'Funder' is the State through the public sector contracting body (in this case the Health Service Executive (the HSE)); the 'Regulator' consists of a melange of regulatory bodies, both those directly responsible for the regulation of the sector (in this case the disability sector) and more generic regulators such as those responsibility for 'health and safety' for example. In Ireland the primary regulator for the intellectual disability sector is the Health Information and Quality Authority (HIQA)[11]. The 'Beneficiaries' in this case study are identified as the 'services users', however service users are a complex stakeholder. As involvement of parents, wider family members, and external key carers, who co-identify with the service user in relations with NPOs as service providers, is recognised as an essential element of communicating and interacting with service users with intellectual disabilities (Brolan et al., 2012; Grant & Ramcharan, 2001), the 'service users' in this case study are taken to encompass not just the service users themselves but also this wider personal community.

Table 4.4 - Case study relevant stakeholders

External	Internal
The State (HSE)	The Board
The Regulator (HIQA)	**Management - focal stakeholder of study**
The Service Users	*Volunteers - not included as de-minimis*

Adapted from (Hyndman & McDonnell, 2009)

Hyndman and McDonnell (2009), identified the Board, management (senior paid staff), and volunteers, as the three primary internal stakeholders. In this study, management as a stakeholder are positioned at the centre of the analysis as it is management's perspectives of salience that frames the study. In the case of the four case study NPOs, volunteers are not a material resource, this is most likely due to the significant regulatory oversight and requirements to be qualified and cleared to work with people with disabilities. As a result volunteers have not been included as a stakeholder for this study. The final internal stakeholder, the Board,

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[11] Health Information and Quality Authority (HIQA), The Health Information and Quality Authority is an independent authority established to drive high-quality and safe care for people using health and social care services in Ireland. see: https://www.hiqa.ie/ {Accessed on 22 September 2018].

is included as the fourth and final stakeholder of relevance for the purposes of our analysis. The relevant stakeholders for this study are set out in Table 4.4 above.

4.5 Primary data collection - interviews

The primary data was collected through semi-structured interviews with 36 members of the management teams of the four NPOs between May 2015 and May 2016. Each NPO was requested to make available all senior management and as many middle and unit level managers as might be available during the periods of the site visits. At senior level, managers with a direct 'service' function and those in 'support' function roles were included. This allowed for a breadth and depth of views across the management teams. A detailed schedule of the interviews, dates, and durations is included in Appendix B, while a summary of the interviewees by management position is set out in Table 4.5 below:

Table 4.5 - Summary of interviewees

Interviewees:	
Senior Support managers	10
Senior Service Managers	8
Middle Service Managers	12
Unit Service Managers	6
Total	36

In addition to the interviews, knowledge and understanding of each organisation was augmented through review of mission statements, strategic plans, organisational charts, and annual reports covering both operational and financial activities. Finally, arising from the nature of a field based case study, additional informal encounters with management and other staff was a feature of the visits to all of the NPOs. These encounters further augmented the researcher's knowledge and development of understanding.

4.5.1 Interview approach, structure, and the management of bias

The interviews were semi-structured and informed by the abductive methodological research approach and stakeholder salience theory. The flexibility of the semi-structured interview approach allowed the interview to flow and facilitated the emergence and exploration of themes. A pre-interview guide was developed drawn from the experiences of the preliminary field visit and structured to reflect the research objective and the informing theoretical frame of stakeholder salience theory; the guide was refined after the first six of the primary interviews (in SEC 1). This ensured that themes central to the research were explored: stakeholder objectives, the salience attributes of power, legitimacy and urgency, overall stakeholder importance in the context of mission, and MCS design and use (see 4.4.3 for the three relevant MCS elements). The guide is included as Appendix F.

As well as ensuring the interviews were effectively designed and conducted to reflect the objectives of the research, it was critically important to guard against bias in how the questions were phrased and crucially during the conduct of the interview while still ensuring appropriate interviewee/researcher interaction to draw on the insights of the interviewees and to allow for reflection (Irvine & Gaffikin, 2006; McKinnon, 1988; Millar, 1991; D. G. Oliver et al., 2005; Yin, 1999). The interview guide is set out in Appendix F and reflects the measures taken to avoid bias. In addition to interview design and conduct, the choice of interviewees is also seen as contributing to mitigating bias (Eisenhardt & Graebner, 2007). Eisenhardt and Graebner (2007, p. 28), suggest that a 'key approach' in managing bias is to include 'numerous and highly knowledgeable informants who view the focal phenomena from diverse perspectives' and that 'these informants can include organizational actors from different hierarchical levels, functional areas, groups, and geographies, as well as actors from other relevant organizations'. The mix of managers interviewed in this study span both management level, function and the four organisations that are themselves representative of organisations of both religious and secular origin. This tactic in managing the potential for bias was likewise enunciated by McKinnon (1988) who also suggested other tactics such as note taking, probing questions, and the

researcher's self-awareness of their own social behaviour in the field. Note taking formed an integral reflective part of the research and probing questions were utilised when appropriate in asking 'why?', 'what are you views?' or 'how did that come about?' type questions. The researcher was familiar with the domain of study, a fact that was disclosed to the interviewees and was accepted as a non-threatening presence. This was central to ensuring an openness and frankness of response by the interviewees who may otherwise have 'held back'. The researcher's familiarity also ensured that responses that were clearly promoting a particular agenda were more easily recognised.

4.5.2   Conduct of the interviews and scoring

Probing management perceptions of stakeholder objectives and stakeholder salience

As NPO performance is taken as a construct of a multiple constituency of stakeholders each with their own objectives, and MCS elements are a central means used by management to manage performance and therefore need to accommodate those objectives, it was important to explore management's perceptions of what those objectives are. This was critical when management were later asked to reflect on the design and use of MCS. At the commencement of all interviews the interview participants were first asked to contemplate each of the four stakeholders in turn and to relate their understanding of what the main objectives of the stakeholder were in terms of their relationship with the NPO. Thereafter management's salience perceptions for each of the four stakeholders across the three salience attributes of power, legitimacy and urgency (Mitchell et al., 1997) were explored one stakeholder at a time and a summary of the approach taken is set out below, for a full discussion of the constructs of power and legitimacy and the nature of urgency in the context of salience perceptions see section 3.2.4.

> *Power*: to explore management's perceptions of power, soft constructs of 'ability to influence' or 'direct' management or the organisation, were drawn on during the interview process, while in keeping with Mitchell et

al. (1997), Etzionian constructs of utilitarian, coercive, and normative power were useful in interpreting responses.

Legitimacy: in exploring legitimacy it was important to differentiate it from power or authority and drawing on the work of Suchman (1995), the views of a stakeholder's actions and relationship with the organisation as being 'desirable', 'proper', or 'appropriate' informed the interview process.

Urgency: it can be difficult to explore the concept of urgency as it can be situationally and context specific. However, to assist in the interview process interviewees were asked to consider differing hypothetical scenarios, vignettes, where two or more stakeholders were vying for attention and to relate to the manner in which they would act in such circumstances. Thomas (2010), cites the use of 'what if…' counterfactual questions (through vignettes) in case studies to prompt an understanding of situations that might differ from the normative expectation; for example when challenged to meet the needs of two stakeholders simultaneously (see interview guide Appendix F).

In order to address the shortcomings of a dichotomous approach to assessing salience, that is only assessing whether or not management perceived a stakeholder was or was not possessed of power, legitimacy, or urgency, a different approach was required. As pointed out by (Neville et al., 2011), a simple determination of the perception of a stakeholder possessing, or not, a particular salience attribute, will not in itself uncover different degrees of possession of the attribute. Indeed Mitchell et al. (1997, p. 868) in their original paper point out that each attribute is not only variable between differing management stakeholder relationships but also over time (for a full discussion on the difficulties of a dichotomous approach to salience assessment see section 3.2.5). It is important therefore to explore salience attribute variability by looking at management's view of the relative degree of an attribute possessed by differing stakeholders at a point in time. In addition therefore to capturing management's individual stakeholder qualitative perceptions and observations their relative perceptions were captured and collated.

To capture management's relative perceptions of salience attributes they were invited to reflect on their perceptions of salience across the four stakeholders. After there had been a full exploration with each manager interviewed of the objectives of individual stakeholders and the salience attributes (power, legitimacy, and urgency) of the individual stakeholders, one stakeholder at a time, he/she was invited to contrast their perspectives on the degree to which they felt each stakeholder was relatively possessed of each of the three salience attributes. For each attribute, management were asked how in their view the stakeholders compared, one to the other, in relation to being possessed of the attribute. This facilitated an understanding of the relative positioning, most/greatest or least, by management of each stakeholder in terms of their perceptions of the three separate salience attributes of power, legitimacy, and urgency, which in turn informed their overall perception of stakeholder salience.

With management the primary unit of analysis as a collective, a collated picture of their relative perceptions of the degree to which the stakeholders were possessed of the three attributes (power, legitimacy, and urgency) was necessary. To achieve this a descriptive scoring system was employed to analyse each of the interviewees responses that were then collated and summarised (Appendix G). Stakeholders perceived by a manager as being possessed of the most/greatest relative level of a salience attribute was scored '1' and thereafter '2', '3', and '4', with '4' for the stakeholder deemed to have the least relative level of the attribute. If the manager felt that two or more stakeholders had the attribute in equal measure, or they could not distinguish between the two, they were allocated the same score, higher or lower, relative to the perceived ranking of the other stakeholders. To facilitate discussion and analysis stakeholders perceived as having the second or third most/greatest levels of the attribute were described as having moderate levels thereof. It is important to note that the scoring system has no statistical weight and is merely used to facilitate a descriptive discussion of management's relative positioning of the stakeholders in terms of the three salience attributes. The scoring system is set out in Table 4.6 below:

This allowed for the translation of the individual manager's relative perceptions of salience attributes into an overall descriptive picture whereby the collated

perspective of management as a unit would be apparent. This collated picture facilitated an understanding and the analysis and discussion of the data in the context of, and together with, management's qualitative contributions from the interviews. While management as a whole are the primary unit of analysis, by recording the characteristics of each manager between level and role of management, and organisation, this also facilitated disaggregating the data for these categories of manager enabling a certain level of scrutiny for these alternative units of analysis.

Table 4.6 – Salience attribute scoring

Management's ranking of the salience attribute of the stakeholder		Score
Highest, most, or greatest level of an attribute		*1*
Second highest, most, greatest level of an attribute	*Moderate Levels of the Attribute*	*2*
Third highest, most, greatest level of an attribute		*3*
Least level of attribute		*4*

The results of the collated, and the disaggregated, data on management's perceptions of each of the salience attributes are set out in Chapter 5 and a detailed schedule of the scoring contained in Appendix G.

Overall stakeholder importance

To facilitate an understanding of mission and salience, management's view of the overall 'importance' of each stakeholder relative to the three others was explored. In the context of this research the terms 'salience' and 'importance' represent two different perceptions of management. The term 'salience' represents their composite perceptions of the three salience attributes of 'power', 'legitimacy', and 'urgency' that ordain a particular stakeholder typology as described by Mitchell et al. (1997), that is Dormant, Discretionary, Demanding, Dominant, Dangerous, Dependent, and Definitive. Management's perceptions of salience attributes were explored in the interviews in the context of their day to day operational

experiences. The separate concept of the overall 'importance' of the stakeholders was presented to management in the context of the organisational mission. Management were asked to reflect on the organisation and its purpose and then asked:

> *'How would you rank the stakeholders (the HSE, HIQA, Service Users, and the Board) in terms of importance or centrality to your organisation?'*

This facilitated capturing management's perception of the centrality of a particular stakeholder to the organisation's mission; stakeholders viewed as more 'important' ware perceived by management to have a greater or more central role in the focus and realisation of organisational mission. Once again, the relative perceptions of importance were captured and translated from the interview into an overall descriptive picture of their responses using the same scoring system as described above for the salience attributes. For each interviewee their views of the 'importance' of stakeholders were scored with stakeholders perceived by a manager as being the relatively most 'important' scored '1' and thereafter '2', '3', and '4', with '4' for the stakeholder deemed to be the relatively least 'important'. The results were summarised and the collated, and the disaggregated, data on management's perceptions of stakeholder 'importance' are set out in Chapter 5 with a detailed schedule of the scoring contained in Appendix G.

MCS elements

The three primary elements of MCS identified in the preliminary field work: Budgeting, Client Service Delivery and Control, and Assurance of Services, were explored with management in the context of their design and use as a means of support in managing the NPO. Specifically management's view of the utility of the MCS element in supporting the objectives of the four stakeholders was explored. Again, to facilitate understanding, and the discussion and analysis, management were asked to give a view as to the importance (not to be confused with stakeholder importance as described in the previous section above) of the MCS element in supporting stakeholder objectives (i.e. utility in that regard), using five categories: of 'no', of 'little', of 'some', of 'great', and of 'absolute' importance.

Management were free to ascribe the same level of importance of an MCS element for any number of stakeholders. To generate the overall descriptive picture, a score of 0 to 4, rising in perceived level of importance (utility in supporting the realising of the stakeholder's objectives), was assigned to the responses, Table 4.7.

Table 4.7 – MCS stakeholder objective utility scoring

Utility of MCS Element	Score
Of no importance	*0*
Of little importance	*1*
Of some importance	*2*
Of great importance	*3*
Of absolute importance	*4*

If a manager described the importance as being between the categories presented to them, an average score of the two categories was assigned. The overall utility scores were then translated into a percentage of the total maximum score that could be achieved if all managers described the element as having absolute importance. These overall percentage scores were simply used to allow for an overall view and the scores in themselves are meaningless other than to provide a relative comparison of the perceived utility of the MCS element across the four stakeholders. The results of the MCS utility scores are set out in Chapter 5 with a detailed schedule of the scoring contained in Appendix H.

Finally, management were asked if they would change any aspect of the MCS element and why; this was important in gaining insight into management's perspectives of the role, functioning and any shortcomings in MCS design and use in the context of stakeholder objectives. The results are set out in Chapter 5 (5.6).

Reflection

At the end of each interview management were invited to ponder the interview and the exploration that it had entailed. This was considered an important exercise in reflection to facilitate the emergence of observations that might not

otherwise have been forthcoming and was an important part of the interview process. Reflection, can yield insight that might not otherwise emerge and in keeping with the abductive methodology employed in the research and the importance of continuous reflection, an opportunity for the manager interviewees to reflect and not just the researcher was designed into the interview process (Irvine & Gaffikin, 2006; D. G. Oliver et al., 2005). A number of the important themes emerging through the interview process came out of management reflecting at the end of the interview or were then reinforced by management having previously referred to them earlier in the interview.

4.6 Data coding and analysis

The data analysis was a continuous process commencing with the reading of background and contextual documentation: relevant external policy documents and statutes (see Appendix E), and the available internal governance and systems documentation for each of the MCS elements. All of the interviews were recorded and were listened back to before being transcribed with note taking of potential relevant themes and observations. Pause and reflection and listening to the tone and emphasis placed by interviewees throughout the interviews formed an integral part of the process to facilitate as deep and as analytical a process as possible (D. G. Oliver et al., 2005), Coding and analysis of the primary interviews was managed using the qualitative data analysis software package, NVivo. This facilitated order and organisation and assisted in the identification and probing of relevant themes as they emerged. The interviews from the preliminary field interviews were manually coded and as set out earlier, this data was used to inform the primary research and was not included in the interview data used in addressing the research question. The coding process involved multiple readings and proceeded from a starting point of pre-determined topics of analysis to layers of emergent and interconnected themes. This was essential to the abductive process, facilitating a constant dialogue between the researcher, the data, and theory. The steps outlined by Bazeley (2013, pp. 101-124) of 'read, reflect, play and explore, describe closely the process undertaken which was completed over the two year period to December 2017.

4.6.1 Structure of exploration, read, reflect, play, explore.

Read

Reading was central to the analysis at every step. From reading the relevant literature, the background and contextual documents, to reading and re-reading the transcribed interviews. It was found useful for the initial reading of the primary interviews to do so while listening to the recorded interviews themselves. This facilitated understanding, nuance, and inflection and also controlled for interpretation errors in the transcription process. During the preliminary field work the background and contextual documentation in the area of governance and MCS was supplemented with discussions with relevant managers. These discussions were recorded by note taking and later, with the addition of the information from the systems documentation, transcribed into descriptions of the primary MCS (see section 5.4).

Reflect

Essential to the abductive methodology, reflection characterised the entirety of the analytical process. Reflective notes were written and at times recorded after interviews, while listening over to interviews, during the coding process, and through to the formulation of the distinctive story line of the research. Further, these notes were used to collate observed areas of interest, possible avenues of exploration as well as, consensus and conflicts with prior literature and theory. Identified challenges were brought to supervision meetings and research fora which were used to tease out and understand the observations in the context of the research objective. The latter element of the research process, supervision and engaging with appropriate research fora (see Appendix K), represented an extension of the reflective process, facilitating insight and offered a means to receive an objective view; helping to redirect in instances where the researcher may have strayed from the primary research objective (an acknowledged risk when presented with a rich data base (Thomas Ahrens & Dent, 1998; Bazeley, 2013)), and as a source of confirmation when an understanding was shared and a consensus reflected back.

Play

Play is an unusual term, but is used by Bazeley (2013), to describe processes where data is taken and framed in differing ways (pictures, diagrams, writing vignettes, video etc.) in order to promote insight and facilitate an emergent understanding. Freeform diagrammatic rendering is an approach employed in this research and found to be very useful in this regard. Early in the research process, after the first round of coding (see below), an initial 'thought board' was constructed. The thought board was maintained and regularly updated throughout the analysis phase of the research. The process allowed for the capturing of observations and emergent themes, their relation to theory, and the interrelationships in particular with the nature and design of MCS. The thought board proved to be a very useful methodology in informing the ongoing coding process and the filtering of themes to focus on those that were relevant to the central research question and the development of theory. The final version of the thought board is included in Appendix I.

Explore

The use of reflective note taking and the maintenance of the thought board, combined with the coding process itself, allowed for a rich exploration of the data. As pointed out by Bazeley (2013, p. 113) 'analysis is as much about identifying the larger significance and meaning of objects and events for a participant, about finding the connections – the interdependencies – within and across data, as it is about segmenting and coding data'. While coding is essential in facilitating the emergence of themes and relevant 'story lines' the broader perspective engaged in through reflection, note taking and the maintenance of the thought board, facilitated coherence in the emerging story and helped to ensure that the story remained connected with reality as opposed to simply being a construction of the coding process.

4.6.2   Data coding

Data coding can serve a number of purposes in research: managing data, building ideas (emerging story lines), and facilitating data enquiry (Bazeley,

2013). To achieve its aims, coding needs to be at once ordered, informed (from the research objective and emerging themes and insight), and relevant (facilitating the emergence of one or a number of stories that address the research question while guarding against bias). As pointed out by Thomas Ahrens and Dent (1998, p. 9) 'a recurrent fear in all field research is the possibility of "drowning in the data".' Ordered coding can provide a life raft to help in avoiding drowning while disordered coding can effectively abandon the researcher to an ocean of data devoid of meaning.

The approach to coding in this study was ordered around the essential areas of exploration to address the research question: a) stakeholder objectives, b) stakeholder salience attributes of power, legitimacy, and urgency, c) stakeholder importance in an organisational mission context, d) MCS utility for management in meeting stakeholder objectives, and e) MCS design and use in this context also. These themes were the first high order coding nodes utilised in the first pass over the interview data. This, together with insights gained from prior literature, the preliminary field study, relevant external policy documents and statutes, internal governance and systems documentation (MCS), and crucially the researcher's experience of the domain, facilitated the identification of emerging themes. These emerging themes were located both within the initial high order coding nodes and outside of these themed areas requiring the inclusion of additional coding nodes. This process continued through four and in some instances five passes over the interview data. Central to this process, as previously noted, was reflection, note taking and the maintenance of the 'thought board'. The process was rich in nature, informed by the honest and open cooperation of the interviewees. The emergency of a coherent story requires nurturing and also honesty from the researcher, as Thomas Ahrens and Dent (1998, p. 9) observe, the researcher examines and re-examines existing observations and gathers more field material, to ensure that the patterns adequately represent the observed world and are not merely a product of his or her imagination; seeing patterns and developing theory is an emergent process in field research, in which the researcher iterates between insights and the field material'.

During the course of this research, and in particular during the coding and analysis phase, a number of themes emerged that were later discounted in terms of contributing to addressing the central research question; this openness to emergent themes while also being open to discarding them, should they fail to be appropriately supported and reinforced by the data through the identification of patterns, is critical in underpinning the integrity of the research and the ultimately the findings offered (Thomas Ahrens & Dent, 1998). In the preliminary field study, an emerging theme was an observed 'tension' between managements obligation to the 'funding' stakeholder to meet 'quantitative' targets of service provision at the expense of 'quality', and while this was expected to be a central theme for the main study, it did not end up so. While the tension was observed, and was certainly of some relevance to the research question, it was but one aspect of management's critical view of the HSE as the 'funding' stakeholder undermining their view of the legitimacy of that stakeholder. It was therefore only part of the explanation as to views of legitimacy of the HSE and not something that by itself was core to addressing the research question. Other themes emerged during the coding process that also initially looked to be of value in pursuing the research question but ended up either being discarded or appropriately included as an area or aspect identified for future research (e.g. corporate governance reform, perceptions of 'humanity', management's moral positioning and epistemic beliefs, etc.). This emergence of themes and the filtering, accepting, discarding or relegation, thereof was informed throughout by the data coding and analysis process that served to 'validate' them, or not, through the emergence of patterns that supported a coherent story. While the coding facilitated this analysis and allowed the researcher to tune into the stories around perceptions of stakeholder salience and MCS utility, it was ultimately this process and the continuous use of the 'thought board' that supported the analysis and findings as opposed to any drawing out of analysis through the use of 'queries' and 'reports' that can be used with the NVivo software employed. A full schedule of the NVivo codes is included in Appendix J. The schedule lists the 'high order' codes together with sub codes and highlights the coding instances.

4.7 Research method challenges & limitations

The methodology described in the earlier sections of this chapter raises and addresses the manner in which the primary challenges and limitations to the approach to the research have been addressed, in particular:

Methodological approach of abductive reasoning and bias (section 4.2, 4.5 and 4.6)

In addition to the challenges of generalizability of interpretivist research that is addressed below, abductive research comes with the added challenge of the researcher embracing their own phronesis in interpreting the observed and drawing inference from the data. The key methods employed in guarding against the resultant risk of bias is in the rigour of the approach to the data gathering as described in 4.5 and the analysis as described in 4.6 above, involving a constant vigilant and rigorous process in the conduct of the interviews, identification and acceptance of emergent themes, and the drawing of inference therefrom. This, coupled with the process of regularly testing the observations and inferences in open objective research fora serves to mitigate the risk of bias undermining the findings.

Identification of unit of analysis and case selection (section 4.3)

In qualitative case study based research two particular challenges present in the appropriateness of case selection. The first challenge in this regard was the identification and selection of an exemplar of the phenomenological field, in this instance NPOs involved in the provision of public services in Ireland. This was addressed by ensuring that the domain selected for study is a substantive exemplar from that field. In selecting the intellectual disability sector as the domain of study the substantive requirement was met with the sector, as explained in section 4.3.1, representing 13.4% of all Government expenditure (Campbell et al., 2017). It is nevertheless accepted that as the sector is in the 'health and welfare' subset of public services that any future generalizability may therefore be bounded as acknowledged in the final section below. The second challenge is in the selection of the focal organisations of the study. Once again the substantiveness and representative qualities of the focal organisations are

important for validity and generalizability in terms of the domain of study. In section 4.3.2 above the approach to the selection is set out, and as outlined by (Yin, 1994, 1999), the research approach and the research question guided the selection of NPOs which, coupled with pragmatism, and the guiding requirement for a 'paradigmatic' representation with a breadth and depth of characteristics, informed the selection of the four NPOs as the focal organisations of the study.

The interview approach to primary data gathering (4.4, 4.5, and 4.6)

One of the potential limitations of research of this nature is in ensuring that the type and manner of capturing data reflects the conceptual underpinning, including the research question, and the informing theoretical frame. This was described by Modell (2005, p. 237) as 'construct validity', and although not seen as problematic for case study research as 'whilst case study as well as survey research may vary from low to high construct validity depending on the meticulousness of the research design, it has typically been considered more problematic in the latter due to the need for abstraction inherent in such research.' Case study research is perceived as less problematic in this regard as the 'greater closeness to the empirical research object often characterising case study research implies that investigators may be better positioned to achieve good fit between their conceptual apparatus and empirical data' (Modell, 2005, p. 237). In this study the research question in seeking to examine how management perceptions of stakeholder salience inform MCS design and use, supports direct engagement with management and underpins the case study interview approach as the primary method of gathering data and therefore the 'construct validity' in terms of methodological approach and the initial informing theoretical frame, stakeholder salience theory. Furthermore, as set out in section 4.5 the interview guide was carefully crafted to be congruent with the research question and stakeholder salience theory as the initial theoretical frame of the study. This process was informed through the relevant literature on stakeholder salience theory, see sections 3.2.3 to 3.2.6 and the experience of the preliminary field visit, section 4.4.2. Finally the approach to the interviews was further reflected upon and revised after the initial six interviews of the primary case study.

Generalizability (section 4.2)

One further limitation is the nature of case based research itself. The study, crafted around a single qualitative case study, while facilitating depth of understanding of the phenomena of management's perceptions of stakeholder salience and MCS design and use in NPOs providing public health and welfare services, could be criticised for a lack of generalizability, which has been discussed in section 4.2 above. This is a well-recognised criticism of interpretivist case based research (Eisenhardt & Graebner, 2007; Flyvbjerg, 2006; McKinnon, 1988; Siggelkow, 2007; Yin, 1999) and is also cited as a particular challenge in abductive research where it is recognised that a trade-off exists between the depth and richness of understanding and generalizability (Dubois & Gadde, 2002; Kovács & Spens, 2005; Thomas, 2010); see discussion in section 4.2 above. Rather than setting out with the purpose of articulating a newly observed generalizable theory, the object is rather to gain a depth of understanding of the phenomenon of study in the particular domain context and in the context of existing theory. Through the breath of NPO and interviewee selection as earlier described in section 4.5.1, combined with the researcher's domain knowledge, this depth is achieved, and a supported argument for theory development and the design and use of MCS in these settings emerges and is articulated. Whether these findings are generalizable beyond the domain of health and welfare service provision by NPOs is acknowledged as a challenge for future research. As noted by Thomas Ahrens and Chapman (2006, p. 836), 'by showing the relationship between qualitative field study observations, area of scholarly debate (literature), and theory, the observation and analysis of organisational process can be structured in ways that can produce theoretically significant contributions,' and because they remain grounded in their specific contexts, single qualitative field studies can be of general interest; further, that 'the specificity of theorising in qualitative field studies is one of their key characteristics and strengths.' It is from this understanding of scholarly value that this research seeks to contribute to both theory and practice.

Chapter 5. Reporting of Results

5.1 Introduction

This chapter sets out the qualitative data from the interviews together with the scoring of management's responses to specific questions on their relative perceptions of stakeholder salience, stakeholder importance, and MCS utility. Additional observational data derived from the interviews and other sources (see Chapter 4) is also set out where appropriate in each sub-section. This data collectively informs the analysis in Chapter 6. The chapter sections and summary of content are as follows:

Management's understanding of the objectives of the stakeholders (5.2).

This data was captured at the start of the interviews to introduce the interviewees to the area of exploration and facilitate the interview process

Management's perceptions of stakeholder 'salience' and 'importance' (5.3)

This is the longest section in the reporting of findings, covering management's perceptions of both stakeholder salience and their 'importance' (see section 4.5.2 for an explanation of the difference between stakeholder 'salience' and 'importance'). The section ends by setting out pertinent findings on the role of 'context' in salience perceptions (5.3.3).

Description and characteristics of MCS elements (5.4)

The section presents a description of the three primary MCS elements (5.4.1 to 6). Further, as 'accountability' in the context of MCS emerged from the primary data as a potentially important theme, the 'accountability' characteristics of each of the MCS elements are separately described (5.4.7).

MCS utility in supporting stakeholder objectives (5.5)

In this section the data on management's perceptions as to the utility of the three MCS elements in supporting stakeholder objectives is presented. Aggregated and disaggregated scoring of the relative perceived utility of each MCS is presented.

MCS design and use change (5.6)

The data from the interviews on management views on change in the design and use of MCS is presented with relevant observations.

Advocacy and Humanity (5.7)

The final section presents observational data from the interviews on two themes that emerged during the data coding and analysis, 'service user advocacy' and 'humanity'.

Table 5.1 – Profile of interviewees by NPO, function, and level

Management level & function	Sec 1 and Sec 2	Rel 1 and Rel 2
Senior support managers	5	5
Senior service managers	4	4
Middle services manager	6	6
Unit Services manangers	3	3
	18	18
Senior support managers	**Heads of :**	
	Finance	
	Human Resources	
	Training & Quality	
Senior service managers	**Heads of:**	
	Client services*	
	Social work & thearpy areas	
	Pshchology	
	(Community, Integrated, and Individualised)	
Middle services manager	**Responsibility level:**	
	Area manager with oversight responsibilities for delivery of client services in number of operational units.	
Unit services manager	**Responsibility level:**	
	Unit manager responsible for delivery of client services in a single residential or day unit.	

As described in Chapter 4 the primary data was gathered through interviews. Thirty six managers across all levels of management in four NPOs were interviewed. The interviewee profiles are set out in Table 5.1 above and in further detail in Appendix B. The four NPOs consisted of two NPOs that were of a religious foundational origin (Rel 1 and Rel 2), and two were of a secular foundational origin (Sec 1 and Sec 2); a profile of the organisations is set out in Table 4.1 in Chapter 4.

5.2 Management's understanding of the objectives of stakeholders

Management were asked to express their understanding of the objectives of each of the four primary stakeholders as identified in Chapter 4: 'service users', 'state funding body (HSE)', the 'state regulator (HIQA)', and the 'Board' (4.4.6). This was an important initial exploration with the interviewees to help to clarify their thoughts in relation to the stakeholders and their objectives in having a relationship with the NPO prior to exploring management views on their 'salience' and importance'. While there were some differences in perceptions and emphasis there was a marked consistency across the organisations and throughout the management teams.

5.2.1 Service users

For the most part management's perceptions of the primary objective of service users were consistent across the differing organisations and across the differing management levels and functions. One of the most frequently cited objective was, not unexpectedly, 'quality of life'. While there were variations in the construct, the core understanding was consistent:

Senior service manager (R-E)
'Well I suppose they want the best service, they want quality of life, they want choice [...] they want to make friends.'

Middle services manager (R-M)
'I mean, if you take service users, they're looking for a good quality life. They want people that they like supporting them, doing what they want. And that sounds very simplistic, but basically, it is what you do.'

'Well their objective is to live the best quality lives that they can possibly live.'

Mentioned with similar frequency to 'quality of life' was service user 'independence' and 'community integration' as a primary objective. In recent times 'independence' has come to the fore in 'person centred' approaches to supporting people with disabilities and it is not unexpected that it featured strongly in management's perceptions of service user objectives:

Unit services manager (R-G)
'To have a safe environment to live in, to have an environment, that's conducive to promoting [...] independence, allowing them to do what they need to do or what they want to do, integration into the [...] community.'

Senior support manager (R-L)
'The primary objective, I suppose, for the service user is an enhanced individual lifestyle that allows them to - I don't want to use the word function, that's the wrong word - but to live their life within the community to the best of their ability. And if we can enhance that or facilitate that in any way, that's where I would see our role.'

Linked with independence, 'individualised services'[12] were also perceived to be important objectives of service users:

Senior services manager (S-C)
'They are looking for a person centred service really and we call it personalised or individualised and [...] that's what they would be looking for and that's what we would be striving to [provide].'

Individualised services challenge the service provider to craft service user specific supports and residential settings. It is an aspect of a 'person centred' approach to service user support that has emanated from the 'rights' based model of supporting people as opposed to a medical model[13]

5.2.2 State Health Funding Body (HSE)

When it came to the HSE there was a very dominant response linked to the role of the HSE as the State health funding body. The relationship of the service organisations to the HSE is formally described through a 'service agreement'.

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[12] 'Individualised services' are services that are ring fenced and tailored to the needs of an individual service user.
[13] See Quinn (2002, p.52) for a full discussion on models of service support for people with disabilities.

The standard HSE service agreements with service providers, while evolving, continue to be dominated by fiscal considerations and service availability (quantum considerations) and while standards of quality are required to be met they are not perceived to be prioritised by the HSE. Management consistently referenced fiscal considerations as dominating HSE objectives:

Senior support manager (S-A)
'Well the HSE provide us with 99 per cent of our funding, or something like that a very high percentage of our funding, they basically give us to fund our services. So they also have a statutory responsibility in relation to the services that we provide on their behalf.'

Senior services manager (S-I)
'Money most definitely it comes down to cold hard cash, what are you providing for x amount of money, this is what we (the HSE) expect for this amount of money.'

Middle services manager (R-I)
'Well I suppose the HSE provide funding for the organisation, so I presume that that would be their primary [objective].'

Middle services manager (R-R)
Well at the minute I'd say their objective is ticking boxes, and making sure that their paperwork is correct and that we are not over-spending their money.

Unit services manager (R-Q)
'So for the HSE to deliver the same service that we deliver, it will cost them an awful lot more money so they're getting a cheaper service by giving it out to a service provider, otherwise it's not going to make any sense is it. It's [their objective] to save money.'

Management, at times, did reference quality/effectiveness of service as a HSE objective, however, invariably with a budgetary/fiscal qualification:

Senior support manager (R-B)
'In relation to the HSE, I think their focus is efficient and effective services, and I think they put the premium on efficiency more than effective, and I think that's their [objective].'

Senior services manager (S-R)
'You know, so we are contracted by them to provide the service that we do. They want it to be of a certain standard and economical, and so their objectives is for us to provide the service that they want, that the legislation tells them that people should have.'

Middle services manager (S-G)
'So their expectation would be that we deliver those services to a very high standard. Their expectation would be that we do it as cheaply as possible (laughs) and save as much money as possible along the way.'

Unit services manager (R-G)

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'To ensure that all services are run you know efficiently and effectively. The HSE I believe are budget orientated and not service user orientated…'

While some managers focused purely on the HSE as having objectives of effective quality services it is telling that only five of the thirty six managers interviewed did not bring the fiscal considerations into their perceptions of the HSE's objectives.

5.2.3 State Regulator (HIQA)

The majority of managers perceived HIQA's objective was to ensure compliance with standards and thereby safeguard the service users and ensure a 'quality' of service;

Senior support manager (R-F)
'I think HIQA is driving a quality objective. I think they are looking at the safety of service, the quality of service, […] obviously their main objective is to ensure that regulations are met. They are the regulatory authority, and in doing that [are there] to support quality service provision for people.'

Some managers, however, felt that their objective was a simplistic 'tick-box' exercise to be able to adjudicate on a literal compliance or non-compliance outcome to inspections:

Senior support manager (R-L)
'I would think they're very much legislative and regulation driven to make sure that we're ticking the boxes. '

Senior services manager (S-R)
'I think they have very clear objectives, they want to know that services are meeting the standards in the regulations, and that the service that's provided is true to the regulations and based on the regulations, and founded in the regulation.'

Overall, while, management welcomed the presence of HIQA as a force for good in terms of supporting high standards in service delivery, they did so with qualifications as to the manner in which they approached that work and the additional burden that management had to endure in terms of 'regulatory' compliance and the 'medical model' approach was not welcomed:

Senior services manager (R-E)
'The inspectors are primarily nurses, and nurses will have a […] medical model which would be

in conflict with our more person centred model. So when they come in the focus is primarily on care plans [and] medical procedures, or [the] different types of gloves for [...] hygiene purposes. They are not really looking at [whether] the person is happy where they are.'

5.2.4 The Board

The majority of managers struggled with capturing a sense of the objectives of the board, often citing that they had little to do with them. This was particularly prevalent in the two NPOs with religious backgrounds:

Senior services manager (R-E)
'The Board are more, I suppose, indirect and they are less visible. They are kind of more in the background, [...] they are more of a support to the Director of Services. Like, I'm on the Senior Management Team, I would meet with the sub-committee on quality, but generally wouldn't meet with the Board.'

Conversely in the two NPOs with a secular background there appeared to be a greater awareness of the role of the board and a heightened perception that due to 'recent' increases in awareness of the importance of corporate governance, that this had driven an increase in engagement of the board with such responsibilities:

Senior support manager (S-K)
'Well the board, in my opinion, are there to govern the organisation. To be the assurance to [...] the broader community and to our funders and to the exchequer that we're doing exactly what we say we do. They are our highest ranking governance in the organisation.'

Of the unit level managers that expressed a view they tended to align the board with themselves in having an objective of meeting service user needs and securing what was necessary to do that:

Unit services manager (R-Q)
'God I would really hope that the board of [organisation]'s objective is the same as mine, to deliver a quality of service to people with intellectual disability.'

Unit services manager (S-P)
'What I would sincerely hope it is to make sure that the service users get everything that they need and should have, without having to constantly argue for it. So I would see the Board as driving for the finance and the facilities for my service users.'

For the most part senior level managers and middle managers viewed the objectives of the board as a mix of strategy, governance, regulatory compliance <u>and</u> meeting organisational objectives:

<u>Senior support manager (R-F)</u>
'I think they want to be assured that the [organisation name] are providing a good service to people with intellectual disabilities in the catchment area of the [the organisation]. They have an investment in us meeting regulatory standards [...], and in ensuring that [in that regard] we are ... coming out okay.'

<u>Middle services manager (S-M)</u>
'The objectives of the Board are probably to make sure that there's good governance in place and that [the organisation] is being run well. You know and it's keeping to regulations and policies and procedures and that, and they can be kind of assured that the services are of good quality.'

Some senior level and middle managers tended exclusively toward strategy, corporate governance, and regulatory compliance as their primary objective:

<u>Senior services manager (R-E)</u>
'I suppose the primary objectives [are] governance of the service to make sure that we are [...] accountable, and we are operating according to our SLA [service level agreement with the HSE].'

<u>Middle services manager (R-G)</u>
'The objective of the Board, [...] is that we perform as an organisation and comply with their Articles of Association and that we deliver what we're supposed to be delivering.'

While implicit in a lot of the responses by interviewees noted above, only one manager directly referenced the organisational mission:

<u>Senior services manager (S-F)</u>
'A primary objective of the Board is to ensure that we are in line with our vision and our mission, that we are delivering what we say we should be delivering and that we are compliant with all the things that we need to be compliant with, which again changes all the time.'

In summary, while there was a certain element of remoteness from the Board, in particular expressed by Rel 1 and Rel 2 managers, there was general high level understanding of the governance and oversight role of the Board.

5.3 Management's perceptions of stakeholder salience and importance

In this section management's perceptions of both stakeholder 'salience' and stakeholder 'importance' are presented (see section 4.5.2 and footnote [15] below for an explanation of the difference between stakeholder 'salience' and 'importance'). First, the overall, and disaggregated, data from the scoring of management responses as to their views of the relative possession by each stakeholder of the three salience attributes, power, legitimacy, and urgency; and comparatively, their views on the relative 'importance'[14] of each stakeholder, are presented as findings in section 5.3.1. In each case, the data from the scoring is augmented with interview data from the primary data source – the semi structured interviews. While some initial observations accompany the presentation of this data, the detailed analysis and discussion of findings is presented in Chapter 6.

Secondly, data, in the form of observations derived from the interviews, of management's perceptions of each of the stakeholders as regards the three salience attributes, power, legitimacy, and urgency, are separately set out in section 5.3.2. Finally, as 'context' in relation to management's perceptions of salience attributes emerged from the interviews as a pertinent theme, the observational data in this regard is also presented in section 5.3.3.

5.3.1 Relative perceptions of stakeholder salience attributes and overall stakeholder 'importance'.

Management were asked for their views of stakeholders being relatively possessed of the three salience attributes (power, legitimacy, and urgency), comparing the four stakeholders relative to each other. Management were then separately asked about their views of the relative 'importance' of each of the

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[14] In the context of this research the terms 'salience' and 'importance' represent two different perceptions of management. The term 'salience' represents their composite perceptions of the three salience attributes of 'power', 'legitimacy', and 'urgency' that ordain a particular stakeholder typology as described by Mitchell, Agle et al. (1997). The term 'importance' represents management's perception of the centrality of a particular stakeholder to organisation mission; stakeholders viewed as more 'important' are perceived by management to have a greater or more central role in the focus and realisation of organisational mission. See also Chapter 4, section 4.5.2.

stakeholders to the organisations. These relativities were translated by scoring into a numerical descriptive representation, as described in Chapter 4 (4.5.2), and are set out in tables throughout the relevant sections presenting the results.

To facilitate ease of review for the reader, the manner in which the relativities were scored and translated is presented here in brief:

Stakeholders perceived by a manager as being possessed of the greatest relative level of a salience attribute were scored '1' and thereafter '2', '3', and '4', with '4' for the stakeholder deemed to have the least relative level of the attribute.

Stakeholders perceived by a manager as the most 'important' were scored '1' and thereafter '2', '3', and '4', with '4' for the stakeholder regarded as of least importance to the organisation.

By collating the data from the responses of each interviewee, an overall relative score for both perceptions of salience attributes, and perceptions of stakeholder 'importance', is derived. The lower the collated descriptive scores indicates the greatest relative level of being possessed of an attribute, and of relative 'importance', the converse being true for higher scores. It should be noted that the scoring system has no statistical weight and is merely used to facilitate an understanding and discussion of management's relative positioning of the stakeholders in terms of the three salience attributes and 'importance'.

The presentation of the data below draws on the stakeholder typologies as described by Mitchell et al. (1997) and set out below in Figure 5.1:

Figure 5.1 – Stakeholder typologies revisited

STAKEHOLDER TYPOLOGY	STAKEHOLDER ATTRIBUTES		
	POWER	LEGITIMACY	URGENCY
1 DORMANT	■		
2 DISCRETIONARY		■	
3 DEMANDING			■
4 DOMINANT	■	■	
5 DANGEROUS	■		■
6 DEPENDENT		■	■
7 DEFINITIVE	■	■	■
8 NON-STAKEHOLDER			

Adapted from: Mitchell et al. (1997, p. 874)

Further, to facilitate the description of the data, the following descriptors, as set out previously in Table 4.6, are employed:

Table 5.2 – Salience attribute descriptions

Highest, most, or greatest level of an attribute	
Second highest, most, greatest level of an attribute	*Moderate Levels of the Attribute*
Third highest, most, greatest level of an attribute	
Least level of attribute	

Finally it is important to note that even though a stakeholder may fall to be described as the least relatively possessed of an attribute, it does not mean that they do not have that attribute. In fact all stakeholders were regarded as being possessed of some level of the three attributes with differing relative views expressed by management as to the degree. Further, as set out in section 5.4 below, managers at times were of the view that a stakeholder may be possessed on an attribute in one context, and not in a differing context. This, therefore,

implies and confirms the propositions of others such as Neville et al. (2011) that stakeholder typologies are themselves variable. This means that in applying the stakeholder typology framework of (Mitchell et al., 1997), which adopts a dichotomous approach to typing whereby stakeholders were regarded as either possessed or not of a particular attribute, a stakeholder, in recognising that context may indicate two differing views as to whether a stakeholder is possessed of an attribute, could fall into two differing typologies. In such instances this is highlighted in the presentation of the data below. This has led to the descriptions used in the presentation of the data below at times suggesting a stakeholder would 'generally' be regarded as falling to be described as a particular stakeholder type, or is 'tending toward' a particular typology which may differ in differing contexts.

Overall observations

Table 5.3 displays the raw scores from the responses by managers when asked to rank the relative level of the differing attributes for each of the stakeholders and separately their overall relative view of the 'importance' of the stakeholder. As the scores are simply ranking indicators their absolute value have no significance, rather the values indicate management's perceptions of the relativity of salience attributes and separately 'importance' between stakeholders.

Table 5.3 – Overall salience attribute and 'importance' ranking

	POWER	LEGITIMACY	URGENCY	IMPORTANCE
HSE	55	108	98	94
HIQA	54	101	66	92
The Board	108	93	122	118
Service Users	127	36	58	37

Note: The lower the salience attribute score above, the higher the relative level of an attribute that stakeholder is precieved to be possed of. Similiarily, the lower the 'importance' score, the higher the percieved relative level of 'importance' of that stakeholder to the organisation.

In terms of stakeholder salience typology, the HSE with relatively high levels of perceived power, and moderate levels of urgency and the least legitimacy would

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in general be regarded as falling to be described as 'Dangerous' when urgent and when regarded as legitimate, 'Definitive' (see Figure 5.1 above).

HIQA, not dissimilar to the HSE, were regarded as being relatively possessed of high levels of power, and moderately high urgency levels second only and close to service users, but with a relatively moderate to low level of legitimacy close to that of the HSE. HIQA would, therefore, in general be regarded as falling to be described as 'Dangerous' when regarded as urgent and when also regarded as legitimate, 'Definitive'.

The Board was regarded as having relatively low levels of power, second only to service users. Surprisingly, they were regarded as the least urgent and with moderate legitimacy. This would categorise the Board as tending toward a 'Discretionary' typology or possibly 'Dominant' if and when they are perceived as having power.

Service users were regarded as the least powerful with the greatest legitimacy and the highest relative urgency, albeit in some contexts their urgency was not perceived to be as salient (see sections 5.3.2.3 and 5.3.3). This would categorise service users generally as 'Discretionary' when not perceived as urgent, and when regarded as urgent, 'Dependent'.

After moving on from that portion of the interview dealing with salience attributes, management were then asked to pause and reflect. In the context of the interview to that point they were asked to consider the word 'importance' and in relation to the four stakeholders asked if they had a view as to which stakeholder was the most important to the organisation and what degree of 'importance' each stakeholder had relative to each other. Management consistently perceived service users to be the most important overall, the HSE and HIQA were considered to be next in importance and surprisingly the Board least important (see Table 5.3 above).

The views of management in relation to services user importance was quite emphatic with at times an existential alignment between the service users and the organisation coming to the fore:

Senior services manager (S-C)
'I would consider that the service users and families are the most important stakeholder regardless of anything else, because it's why we are here, so if we forget why we are here, then we shouldn't [be here].'

Senior support manager (R-F)
'In terms of importance I think it's the service users [first], [then] the HSE, HIQA and the Board.'

Middle services manager (R-I)
'To me personally the service users [are the most important]'.

Unit services manager (S-Q)
'I think service users are the most important, they are at the centre of everything and as I've already said without them there would be none of the others (other stakeholders).'

After service users, the HSE and HIQA were cited by management as the next in 'importance'. While the Board was regarded as more 'important' that the HSE and HIQA by a minority of managers[15]. Overall the Board emerged as being considered to have relatively less 'importance' than any of the other stakeholders:

Senior services manager (R-E)
'The next most important [after service users] would be HIQA and having good regulations in place, and good standards [...] the HSE would be the next most important [...] and then our Board is well, is probably … similar.'

Middle services manager (S-H)
'I shouldn't say the Board [are least important] but, do you know, I suppose … they are'.

While the views on the lesser regarded importance of the Board are somewhat surprising, it does not mean the Board were not regarded as having an important role, but rather that the other stakeholders ranked higher in their view in terms of importance. Important roles for the Board were identified in terms of strategic oversight and governance, however, as mentioned earlier, a significant number of managers in the NPOs with a religious origin, Rel 1 and Rel 2, expressed a feeling that the Board were 'removed' or 'distant':

Senior support manager (R-K)
'You know as I say I find it difficult to think of the Board even, because I've only met one member of the Board. It's that [its] removed … from me … the Board, but I do think it's important to have a strategic arm [...] that has the overview.'

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[15] Of the 36 interviewees, only 8 managers regarded the Board to be on a par or of more importance than the HSE and HIQA.

What is of particular note from the data presented in Table 5.4 is that although the service users are regarded as the most 'important' stakeholder to the organisation, management's perception of them in terms of salience places them as the least salient stakeholder, 'Discretionary' or at best 'Dependent' (when also regarded as urgent). Table 5.4 below sets out a comparative of salience attributes, stakeholder typologies, and stakeholder perceived 'importance'.

Table 5.4 - Comparison of salience attributes, stakeholder typologies, and stakeholder perceived 'importance'.

	Comparative			Typology	Comparative Importance
	Power	Legitimacy	Urgency		
HSE (Funder)	Most *(Jointly with HIQA)*	Least/ Mixed	Moderate	Dangerous/ Definitive	Moderate/ Low
HIQA (Regulator)	Most *(Jointly with HIQA)*	Moderate/ Mixed	Most	Dangerous/ Definitive	Moderate/ Low
The Board	Moderate/ Low	Moderate	Least	Dominant/ Discretionary	Least
Service User	Least	Most	Most/ Mixed	Dependent/ Discretionary	Most

Note: The descriptor 'Mixed' has been used to indicate when the attribute had an element of being context dependent (see Section 5.3.4). Further a dual discription (for example: Moderate/Low) was used when the scoring suggested that the relative posession of the attribute or level of 'importance' were in thoses instances proximate to either.

During the course of the interviews, in describing their perceptions of stakeholders as possessed of the salience attributes, management invariably drew from their day to day management experiences. This suggests that when management are engaged with the operational management of the NPO, it is the relative stakeholder salience as described above that informs them. Management perceptions on stakeholder 'importance', however, was captured when interviewees were later and subsequently encouraged to reflect on the stakeholders in relation to their 'importance' to the organisation. It was telling to

note that some management appeared to become aware of this disparity as a result of this reflective element of the interview:

Senior support manager (R-K)
'Well to me personally the service users are the most important, but I don't think that [...] the service users are seen as the most important.'

Senior support manager (R-A)
' they should be top of the list (in importance). I know I say the service users have the least power but it's not that we choose to have it that way, like we're doing our best to get their views and the whole bit, but if you chose to ignore them you probably could. Despite that they are absolutely the most legitimate group of stakeholders, definitely.'

In the first quote above it is apparent that expression 'seen as most important' is equivalent to 'seen as salient'. Others reflected on the disparity by citing specific salience attributes:

High service user importance at odds with low urgency:

Senior support manager (R-B)
'Okay the service user [is the most important], like that's the job. Like and that's it and it's at odds with things I said about the [lack of] urgency and all that sort of stuff.'

High service user importance at odds with low power:

Unit services manager (S-O)
'Well I would think straight away the most important [stakeholder] would be the service user. Now whether they have the most power or not is another thing.'

Disaggregated descriptive data from the scoring of interview responses

The data as set out in Appendix G allows for a disaggregation of the data in terms of: the nature of the NPOs as informed by their foundational origins, religious and secular; the nature of management, whether in a support role or a direct service role; and the level of management, whether at 'senior' or 'middle & unit' levels.

Observations by nature of NPO

In the first instance the data on salience attribute relativities and stakeholder 'importance' relativities are split between the NPOs with a secular foundational background (18 managers) and the NPOs with a religious foundational background (18 managers); Table 5.5 below:

Table 5.5 - Salience attributes ranking split between Sec 1 & 2 (secular) and Rel 1 & 2 (religious) NPOs

Secular Orgs.

	POWER	LEGITIMACY	URGENCY	IMPORTANCE
HSE	30	54	47	44
HIQA	26	55	34	47
The Board	54	39	61	53
Service Users	59	18	27	19

Religious Orgs.

	POWER	LEGITIMACY	URGENCY	IMPORTANCE
HSE	25	54	51	50
HIQA	28	46	32	45
The Board	54	54	61	65
Service Users	68	18	31	18

Note: The lower the salience attribute score above, the higher the relative level of an attribute that stakeholder is precieved to be possed of. Similiarily, the lower the 'importance' score, the higher the percieved relative level of 'importance' of that stakeholder to the organisation.

It is interesting to note that there are few if any differences in the salience attribute relativities and in management perceptions of relative 'importance' of stakeholders regardless of the origins of the NPO, nor for that matter with the overall relativities reported on.

Observations by nature of management function

Table 5.6 gives a split between the relative salience attribute and stakeholder 'importance' rankings as between 'Support' management functions (10 managers) and 'Service' management functions (26 managers).

Table 5.6 – Stakeholder salience attribute and 'Importance' ranking split between Support Managers and Service Managers

Support Mangt.

	POWER	LEGITIMACY	URGENCY	IMPORTANCE
HSE	12	31	23	21
HIQA	18	27	14	26
The Board	28	25	37	33
Service Users	36	10	23	12

Service Mangt.

	POWER	LEGITIMACY	URGENCY	IMPORTANCE
HSE	43	77	75	73
HIQA	36	74	52	66
The Board	80	68	85	85
Service Users	91	26	35	25

Note: The lower the salience attribute score above, the higher the relative level of an attribute that stakeholder is precieved to be possed of. Similiarily, the lower the 'importance' score, the higher the percieved relative level of 'importance' of that stakeholder to the organisation.

For the salience attribute legitimacy and the overall assessment of importance there are no differences in ranking between the groups. In terms of power, however, while both management groups see service users as having the least power relatively, the support managers rank the HSE in relative terms ahead of HIQA on power whereas the service managers reverse that order. In terms of urgency, service managers, in line with the overall collective management group, rank service users as the most urgent, however, support managers see HIQA as the most urgent with service users and the HSE the next most urgent and ranked

equally. This may be a consequence of the relative proximity of managers with different functional responsibilities to the differing stakeholders. For example, support managers would have more dealings with the HSE than service managers and may therefore be more sensitive to the power of that particular stakeholder. In terms of urgency it is understandable that service managers with greater day to day involvement with service users would see them as more urgent. Support managers on the other hand interface with the regulator, HIQA, in terms of delivering and receiving reports and assessments and have less direct involvement with service users and may therefore regard HIQA to be more urgent.

Observations by level of management

Table 5.7 gives a split between the relative salience attribute and stakeholder 'importance' rankings as between 'Senior' management (18 managers) and 'Middle & Unit' management (18 managers).

Table 5.7 - Salience attribute and 'Importance' ranking split between Senior Managers and Middle & Unit Managers

Senior Mangt.

	POWER	LEGITIMACY	URGENCY	IMPORTANCE
HSE	26	54	42	45
HIQA	27	48	26	48
The Board	57	47	63	59
Service Users	64	18	39	20

Middle & Unit Mangt.

	POWER	LEGITIMACY	URGENCY	IMPORTANCE
HSE	29	54	56	49
HIQA	27	53	40	44
The Board	51	46	59	59
Service Users	63	18	19	17

Note: The lower the salience attribute score above, the higher the relative level of an attribute that stakeholder is precieved to be possed of. Similiarily, the lower the 'importance' score, the higher the percieved relative level of 'importance' of that stakeholder to the organisation.

For senior managers there is no difference in relative salience attribute ranking in terms of power, legitimacy and overall importance compared to the overall relativities reported by management as a whole. In terms of urgency, however, there is a difference with senior management ranking HIQA as more urgent than service users. Once again this may be down to the relative proximity of the differing management levels to differing stakeholders. Senior management would be more likely to have report and assessment meetings with HIQA compared to middle and unit level managers and may also be more sensitive to the implications of adverse findings by the regulator for the organisation. Other than this difference in results there are no material differences in the relative attribute and importance ranking between middle & unit management compared to management overall as set out in Table 5.3 above.

5.3.2 Management's perceptions of stakeholder salience attributes

This section draws in more detail of the data from the interviews and sets out in detail management's perceptions of the differing salience attributes, power, legitimacy, and urgency for each of the stakeholders. The data presented is drawn from the interviews and where appropriate contrasted with the data from the relativity scoring of management responses as set out in 5.3.1 above. Where appropriate observations are included to supplement the data. For each attribute management perceptions as regards, service users, the HSE, HIQA, and the Board are presented in that order – Table 5.8 below:

Table 5.8 – Management perceptions of the salience attributes by stakeholder

Attribute	Stakeholder	Section
Power	Service Users	5.3.2.1
	Health Service Executive (HSE)	
	Health Information and Quality Authority (HIQA)	
	The Board	
Legitimacy	Service Users	5.3.2.2
	Health Service Executive (HSE)	
	Health Information and Quality Authority (HIQA)	
	The Board	
Urgency	Service Users	5.3.2.3
	Health Service Executive (HSE)	
	Health Information and Quality Authority (HIQA)	
	The Board	

5.3.2.1   Power

Service Users

While service users were universally seen as having the least power relative to the other stakeholders (Table 5.3) this did not mean that they were universally regarded as not having any power and for some managers there was a conflicting presentation.

A small number of managers (6) expressed the view that service users were very powerful:

<u>Senior services manager (S-F)</u>
'Well you see in my world the family is the service user as I've said and I think they are very powerful.'

<u>Middle services manager (R-M)</u>
'So yes, we underestimate service users a lot of the time. But they have, I think, huge power.'

Interestingly, however, the majority of these managers (4) still ranked the service users as having the least power relative to the other stakeholders and the others still ranked them as being less powerful than the HSE.

Further, some managers (8) were of the view that service users (and/or their families) did have 'intrinsic' power that had increased in recent years:

> *Unit services manager (R-J)*
> *'It's the service users are influencing the type of service that's being set up in the area.'*
>
> *Unit services manager (S-Q)*
> *'I think it's increased I think for a number of years that service users have probably the least amount of power, whereas now […], taking into account […] their whole support system from outside [of the] organisation, say families and things like that, I think they have more power and they are more vocal about it.'*

Once again, however, the majority of these managers (6) still ranked the service users as having the relatively least or second least power compared to the other stakeholders.

Nevertheless the majority of managers (30 of the 36) felt that service users simply had little or no power compared to the other stakeholders and this was represented across the full range of management positions and functions:

> *Senior support manager (R-F)*
> *'I think service users are largely disempowered in this structure. I would see individuals who use the services as slightly different from families, but even including families as well, I think that the model of service that evolved in Ireland is still very much coming from a charitable type of a model, and a model where there isn't an awful lot of choice available to families in the main.'*
>
> *Senior support manager (S-J)*
> *'I would not have an awareness that they have power in that way (to influence or direct the organisation). [While] I know that there are things like service user conferences […] to give feedback, I'm not sure how they have developed a power to influence [the organisation].'*
>
> *Senior services manager (R-N)*
> *'I would like to think you've all the power as a service user, technically you don't.'*
>
> *Middle services manager (R-P)*
> *'I actually feel they (service users) are probably the persons, even though the whole thing is built around [their] needs, […] that have the least amount of power, absolutely.*
>
> *Unit services manager (R-Q)*
> *'Dear oh dear. They don't have any of the power really which is very very sad. They don't really, […] they don't have any of the power.'*

A significant number of managers felt that as service users had no voice or an inadequate voice (advocacy), they did not therefore have power, or whatever power they had was dependent on staff, or other stakeholders, or other support voices (advocacy), that were, for the most part, in their view inadequate. When management did recognise that there can be some level of service user power, in the words of a senior support manager, it was felt that it only allows for 'a certain level of influence'. Again this was reflected across the span of management in function and hierarchy:

> *Senior support manager (R-A)*
> *'...because without somebody strong to work with them in advocacy they probably have little enough voice, [un]like some people and the better able, you know that are able to express themselves. Well we have some service users [that are] severe profound[ly disabled], obviously they're nowhere. They are very much dependent on us to see what their needs are. I'd say the service users probably have the least power in the organisation.'*

> *Senior services manager (R-N)*
> *'I would like to think they have [power] because I'm an advocate [as a service manager] do you know what I mean, but do you know they probably have very little [power] at the minute.'*

> *Middle services manager (R-I)*
> *'So in order for them to be able to get what they want, access what they need, they are depending on all the other stakeholders everybody else, they are depending on them. So they have the least amount of power.'*

> *Unit services manager (S-P)*
> *'So it's very important that they have a [service], but how do you ensure that that is a proper [service], where is their voice? How do we know what the service users want? So then is it driven by their parents, and that's fine if you have a very vocal parent. But if you have got an elderly parent who's looking for a service,]or] who has a child in the service and they won't say when they don't like something, because they are afraid they will lose the service. That's an awful fear for anyone to have, so what I'd like is if there was some way that the service users could have a strong voice.'*

Another aspect that emerged was that service users were a complex stakeholder. While service users are viewed by management as individuals, they are viewed as individuals with families some of whom, but only some, may be vocal, and thereby contribute power by advocating on behalf of their family member. Such advocacy is not however consistent and is dependent on the circumstances of the service user's family that invariably changes over time, particularly as parents age or die. Further, the age of the service user and level and nature of the limitations to their capacity to self-express, was also a factor, particularly with

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those individuals who were older and those with a profound disability. These service users were seen as having very little power and were more dependent on staff and advocates who may or may not be present or effective:

Unit services manager (S-O)
'In the service that I work in[...] most of [the service users] are non-verbal, with very high support needs, [...] many of them would have a severe, profound disability. And I think naturally enough they are not able to assert their needs, but I think this is where the staff and the manager and my role comes in.'

Finally, some managers linked lack of service user power to their resources and vice versa (funding):

Senior services manager (R-D)
'But at the end of the day money talks and with the best will in the world, people may request or complain and want things to change but if I don't have the budget to do it my hands are tied.'

Unit services manager (R-G)
'So just say we would have one person in our services with [...] substantial [personal] funds. They could have whatever they wanted, because they have a lot of money...other people then, [that would like to engage in activities] and that's [...] great, but trying to fund that person's lifestyle [if] they [only have a disability allowance] and they would have a limited budget, that's hard. So that would be difficult to do that.'

Comments, however, of funding giving 'power' to service users, while telling in terms of the 'power' of having access to personal funds, were for the most part exceptions. While the personal circumstance of service users were not enquired into, it is assumed that the overall profile of service users in this regard would reflect the wider demographic of society with services users who have substantial personal resources in their own right in the minority, and the vast majority entirely dependent on the service provider, the State, and whatever resources families can and are willing to contribute (Emerson, 2007).

HSE

The HSE were considered by all to be particularly powerful in terms of directing what the organisation could or could not do (Table 5.3). A lot of managers simply referred to the HSE as being 'very' powerful and with some expressing the feeling that their power over the organisation was increasing:

Senior support manager (S-I)
'I would consider [the power of the HSE] to be very strong okay, and increasingly so.'

Senior support manager (S-B)
'The HSE have a huge [ability to impact and direct the organisation] I believe more so recently than before in terms of how we actually deliver our services,'

Senior services manager (S-F)
'Yeah well gosh it's a funny one, because if they want to they can be [the] ultimate power. So you know I think that they are becoming more powerful in terms of the centralisation and it's not necessarily a good thing.'

Unit services manager (R-G)
'[HSE power], it's huge, it's huge, they would have an impact on what I do daily, absolutely daily.'

However the most frequent linkage to the HSE having power over the organisation was as a result of their role as the primary funder under the service level agreements, this can be viewed as utilitarian power *(however often there was a feeling that there was an element of coercion, see examples later below*):

Senior support manager (S-K)
'Well the HSE by its nature are our primary funders and the ultimate power I suppose […] is money right and he who pays the piper calls the tune for good or bad. So the power that they exert I am firmly of the view and again I'm from the finance end of the house, comes down to money.'

Senior services manager (R-N)
'I think the power is massive because they're our main funders.'

Middle services manager (R-I)
'Well I suppose they hold the purse strings, so like that is the power at the end of the day because you can't run a service without money.'

Unit services manager (R-Q)
'They have all the power because they have all the money so they directly impact the service that we provide by the amount of money that they give us, […] the amount of service we deliver is directly [related], they very definitely have that power.'

A number of managers alluded to the HSE as exerting coercive power, again for the most part linked to the fact that they are the primary funders and on other occasions that they can threaten the organisation with replacement by competitors:

Senior support manager (R-A)
'Well the HSE would have significant power because their main threat, for want of a better

word, when we refused to sign the service arrangement, for example, it was 'Well then we'll have to deduct 5% from your allocation every month from here forward until the service arrangement is signed".'

Senior services manager (S-D)
'I think if the HSE wants to see something happening I think it has a way of finding out and making sure it happens and I think from an agency point of view you seek to please because you may suffer later on down the road.'

Middle services manager (S-H)
'If we're not providing the service that we're providing, we're not going to get the money we're getting to provide it, and there's other people looking to do it. There'll be competition from other organisations looking to provide it [instead].'

Unit services manager (S-Q)
'I suppose we can be very much dependent on the HSE for our figures and our numbers and you know sometimes you have to do what the HSE says, because you know they are telling you, you have to do it and that's it.'

Interestingly, the first senior support manager quoted above, who refers to refusing to sign the 'service agreement' with the HSE highlights the degree of dependence of the NPOs on the HSE and State funding; a complete resource dependence that undermines any power they might have in their own dealings with the HSE. Refusing to sign the service agreement would be a 'last resort' action in bargaining for resources, yet the manager admits that it is futile in the face of their dependent position.

Overall the perceptions of management was that the HSE was unequivocally in possession of very significant power over the NPO service organisations, that allowed them to materially influence and at times dictate what they could do.

HIQA

HIQA were universally regarded by management as also having significant power over the organisation similar to the HSE (Table 5.3). Some managers were quick to clearly express their views in this regard:

Senior support manager (S-I)
'Well at this point in time our experience of HIQA is that they are enormously powerful, their capacity to influence our behaviour is extraordinary.'

Senior support manager (R-B)
'HIQA have a lot of power.'

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The majority of managers expressed the view that HIQA were very powerful as they were the regulator appointed under statute. Managers for the most part focused on the requirement that they had to comply with (obey) HIQA's directions and the regulations and that this had an element of coercion, 'behave or have your licence revoked'. There was, however, also recognition by management of a 'normative' element to HIQA's power in their role of policing the NPO's behaviour on behalf of society, and managers felt that this was proper, linking the regulator's power to their view of their legitimacy.

Absolute requirement for compliance as the regulator had the power to revoke service licences was often alluded to as the source of HIQA's power, with some managers particularly focused on the need to be 'legally compliant' or face consequences:

Senior support manager (S-J)
'[HIQA have] the ultimate [power] because it's got the legal mandate to come in and close down services.'

Senior services manager (R-D)
'They have quite a bit. They have really. I mean we have to do what we're told really you know, that's the bottom line.'

Middle services manager (S-N)
'[While] there's a need for [regulation], [HIQA] is this all powerful organisation who can, and they have, made people's [managers] lives [a] misery,[...] particularly for service providers, that no matter what you do is not good enough.'

Unit services manager (R-Q)
'HIQA are not all bad, but they don't cover the social side of things. They're all about ticking boxes, ensuring that if you go up the little white steps of the High Court that you have all your boxes ticked and you have all your paperwork and [...] everything [in order]. So in that sense they do have [...] a lot of power. '

In one instance a senior support manager was disparaging about his colleagues in their reaction to an impending inspection from HIQA:

Senior support manager (R-L)
'It's, oh, dear, what are we going to do? HIQA are after arriving. Drop everything. Drop

everything, there's nothing more important. It doesn't matter what we're doing today. Drop that. HIQA are after arriving into [service unit] and we have to all go to [service unit], and [it's a] storm in [a] teacup, [or] whatever. And I think that [HIQA] are aware that they create this, and I don't think it's necessary.'

HIQA's power was not always viewed as coercive in nature, stemming from their legal powers, with management referencing the fact that their intended purpose overall was to ensure that services met a minimum standard and that this was a good thing. This recognition was suggestive of a recognition by management of a normative aspect to the power HIQA were perceived to have:

> *Senior support manager (S-B)*
> *'It is about the quality of lives that people have and okay if they sanction [the organisation] yes and you don't want the negative publicity for the organisation. But ultimately it's about people's lives and it's actually being able to say we do provide good care and we do, it is about the service users and it is about the quality of care that we provide for them.'*

> *Senior services manager (R-D)*
> *'I mean if you don't meet the standards, if you're not compliant with the regulations then we won't be open, that's it you know and that's a good thing. We need something to keep us very focused in what we do.'*

> *Unit services manager (S-Q)*
> *'I think now HIQA it has some of the biggest power at the moment [...], we've seen it with the media portrayal of services through HIQA's eyes and the reports that they have. So I think they are using that in a good way [...] to bring up the level of quality of services and also the fact that it's legislation, you have to be compliant to HIQA. So they do have a huge amount of power.'*

Interestingly, a lot of 'middle' and 'unit' managers identified the power of HIQA as being capable of being harnessed to achieve a service objective that might not have been otherwise achievable. In a way borrowing HIQA's power to enhance management's own power when dealing with other internal stakeholders (more senior management, the board) and when dealing with the HSE:

> *Middle services manager (S-M)*
> 'I think HIQA has a very high level of impact in the organisation, in terms of directing us in what to do. And I've seen examples of that in the last year in terms of even our premises and structures, and for example if you've got a HIQA visit coming up, you can be guaranteed even if its extra staffing you need, [...], you will get what you are looking for.'

> *Middle services manager (R-H)*
> 'It's great we've someone to come in [HIQA], and it's even, I've used it as a tool, if we don't do this now HIQA will come in.'

'..the power of HIQA and I suppose for myself (reflected power), being able to use that report [HIQA Inspection Report] in the right way.'

Similarly, HIQA was also seen by some managers as useful in managing staff performance:

Senior support manager (S-I)
'I think that [the] cut and thrust with HIQA has helped to up the game in terms of performance like right around, right around. Because people (staff} just take things more seriously.'

Middle services manager (R-O)
'..it's good for management that they have some tool to kind of make front line staff [...] accountable for what they do. It's a help to management really.'

This 'harnessing' of HIQA's power by management is different from non-management stakeholders borrowing power from one another and points to an interesting strategic deployment, consciously or not, of power awareness by management toward achieving a strategic operational advantage.

The Board

As outlined earlier in the section describing manager's perceptions of stakeholder objectives (section 5.2), managers generally, but in particular in the religious origin NPOs, felt remote from the board. This impacted on manager's perceptions of power which were less tangible compared to their perceptions regarding other stakeholders. For the most part managers across the differing organisations, level of management, and function, tended to see the board as relatively less powerful than the HSE or HIQA (Tables 5.3 to 5.7) and were viewed largely as having a 'governance' and 'oversight' role with power confined to that sphere:

Senior support manager (R-B)
'As regards influencing actual practices, they have some power, but they wouldn't be significant compared to the powers of the HSE or HIQA.'

Senior support manager (S-A)
'So I mean they do have an influence, but they don't interfere. They look for information, they look for reports, they look to be briefed or updated and all that, but they don't interfere in the running of the Organisation.'

Senior services manager (R-C)

'I'm aware this is confidential, but I don't know that the local Board have that much power. They have a governance piece, but I don't know have they that much power to direct how this service progresses.'

Middle services manager (R-M)
'I suppose, I imagine the Board has quite a lot of power. I don't have an awful lot of engagement with them. So therefore, it is not something that's on my radar.'

Unit services manager (S-P)
'Well they do (have power), because ultimately the Board approve every policy and procedure within [the organisation).'

Unit services manager (S-Q)
'I suppose it's more at a governance level, I think on the ground the impact of the Board wouldn't be seen as much.'

While still perceiving the board to have less power than HIQA and the HSE, as indicated earlier, management in the organisations with a secular origin, unlike those of a religious origin, viewed the board as playing an increasingly engaged role. As a result some of these managers felt that the power of the board was consequently increasing:

Senior support manager (S-B)
'But it's a different level of engagement now, you are more aware of the Board and I think it's probably because of the governance changes and the changing of legislation around their corporate responsibilities and the level of accountability, whereas maybe up to two years ago you would probably have seen it more as the management being responsible [for that], but actually it is the Board that has the accountability and the responsibility ...'

Senior services manager (S-F)
'Again I think that's changing, I think they are becoming more powerful, a number of years ago [...] it was the CEO [who] would go in and brief them basically and get their sign-off and it was almost [that] they weren't really that involved .... [Now} the whole national picture has changed, there's a greater emphasis on the responsibilities of Boards and I think it's becoming a bit clearer what those responsibilities are.'

Middle services manager (S-H)
'Well I suppose from a leadership point of view [...] it's no longer us going up just [to get] a rubber stamp on what we're doing, it's very much they're coming back asking more questions and maybe even asking us to think about why we're doing something.'

Notwithstanding the views of some managers that the role of the Board is changing and that it is becoming more powerful, the Board was regarded overall as having relatively little power and unlike in the case of service users, this is not

at odds with management's perception that the Board is comparatively the least important stakeholder.

5.3.2.2 Legitimacy

Service Users

Service users were universally viewed, not just as the most legitimate compared to other stakeholders (Table 5.3), but as having what many manager's termed 'absolute legitimacy'.

> *Senior support manager (R-B)*
> *'Well I think they are the customer of the service and they are the reason that the organisation is here, and so, of all the stakeholders, they have [...] absolute legitimacy.'*
>
> *Senior services manager (S-F)*
> *'..., if I'm not going home at the end of the week [having] delivered supports that are meaningful for people leading to improve lives for people, I really shouldn't be getting my pay cheque at the end of that week.'*
>
> *Middle services manager (R-R)*
> *'...they (service users) are a citizen the same as everybody else, and they've rights and they have everything, you know everybody has a right to a good life, and they have the most legitimacy of all in terms of what they want.'*
>
> *Unit services manager (S-Q)*
> *'I think service users would be seen as the most legitimate, because without service users we would not be here and I think that's [...] the foundation of what all services are built on, the fact that we have people that we need to support, and without them we wouldn't be here. '*

The complete absence in hesitation by managers when asked about the appropriateness of service users in terms of having a stakeholder relationship with the organisation was, while understandable given service users centrality to organisational mission, nevertheless remarkable. Every manager ranked service users as having the greatest legitimacy compared to the other stakeholders. Reflecting on this, and evident in the quotes above, management often connected the legitimacy of service users with the existential role they play in terms of the organisation and its mission. Their perspective of the legitimacy of service users would fall to be described as 'normative legitimacy', a perceived legitimacy characteristic of stakeholders to whom 'the organization has a moral obligation,

an obligation of stakeholder fairness, over and above that due other social actors simply by virtue of their being human' (Phillips, 2003, p. 30) .

HSE

Overall the HSE was regarded, together with HIQA, as the least legitimate stakeholder (Table 5.3). This does not mean that they were regarded as wholly illegitimate and particularly in the context of the funder they were viewed as having a legitimate relationship with the NPOs (and therefore the organisation should be accountable to them). In addition to the 'context' of the HSE being the provider of funds, two other significant themes emerged from management's comments on the legitimacy (that it is 'proper' and 'appropriate' for the stakeholder having a relationship with the service organisation). These were: legitimacy was undermined by distrust; and legitimacy was undermined as management viewed the HSE as disconnected from the realities of service provision. These three aspects are evident from the exemplar quotes below:

The HSE as funder is legitimate:

> *Senior support manager (S-A)*
> *'....what the HSE would look for us on an on-going basis in terms of satisfying them, that we are doing what we say we are doing with the 28 million that they are giving us, [...] I don't think it's inappropriate.'*

> *Senior services manager (R-E)*
> *'Well I suppose we get a huge amount of money, so [we] have to be accountable for that.'*

> *Senior services manager (S-F)*
> *'I would say they have total legitimacy, they are our funders, they are spending your... money [and mine] to deliver services and they need to ensure that we are doing what we say we are going to do and that we are doing it in a way that is best value and which includes best results for people.'*

> *Middle services manager (S-H)*
> *'We have to be [accountable], we're getting quite a lot of money, you know so it's quite a big budget.'*

There was nearly a universal view by management that the HSE, as the conduit and the responsible public body, for the distribution of funds to the NPOs under

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the service agreements, had a legitimate demand on the organisation to be accountable for those public funds. This was often qualified, however, with a general distrust of the HSE. This distrust appeared to be framed from a view that the HSE did not know what the NPOs did, or did not understand intellectual disability and what was required to support people with intellectual disabilities, and further, that the HSE, possibly due to this perceived ignorance, did not themselves have a positive view of the NPOs and what they did:

> *Senior support manager (R-B)*
> *'Well I think it (the HSE) doesn't fully understand ID (intellectual disability) in many cases, I think it is very much undercut by its own organisational issues.'*
>
> *'I think the HSE have a very dim view of organisations such as ours. I think they don't realise the work that's been done and you know they should, because [...] I would say their own services aren't all that hot, and I would say probably had better funding and all that sort of stuff.'*
>
> *Senior services manager (R-N)*
> *'The HSE distrusts the [organisation name] and the [organisation name] distrust the HSE.'*
>
> *Unit services manager (R-G)*
> *'They don't seem to get the complex needs of our people, and so when we are doing business cases for the HSE, because we do have to do a business case for extra staff, and we would put in as much as we can, and attach risk assessments and all of that type of thing, and still told no funding.'*
>
> *Unit services manager (S-P)*
> *'I think they probably have a role financially, but I wouldn't see that they would have an authentic role otherwise.'*

In their distrust of the HSE, some managers referenced the perceived poor record of the HSE in providing services for people with intellectual disabilities themselves[16]:

> *Senior support manager (R-B)*
> *'I've noticed ... that the HSE will have a far higher staffing ratio in the services they deliver, but lower quality staff. And the rosters they have are staff friendly rosters rather than service user friendly. Now our own rosters have a hint of that, but I think it's far more extreme with the HSE.''*

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[16] The HSE are estimated to directly provide, with their own staff and units, between 10% and 15% of support services to people with disabilities in Ireland. National Federation of Voluntary Bodies, *'About Us; Introduction; Who Are We'*, available at: www.fedvol.ie/introduction/Default.758.html [Accessed on: 25 June 2018].

Senior services manager (R-D)
'Well it's kind of like if you don't have your own house in order (the HSE) how can you criticise somebody else?'

Middle services manager (S-N)
'You know they wouldn't have the best reputation in the world for providing services themselves, you know so they should be learning a hell of an awful lot from the likes of us really and truly.'

The perception that the HSE was remote and disconnected from the sector, the NPOs whom they contract to provide services, was a regularly referenced aspect by managers when talking of their perception of the HSE's legitimacy. That they were removed from the realities of service provision and consequently had unrealistic expectations of what the NPOs could actually deliver under the service agreements with the agreed block funding grant and any negotiated increments thereto:

Senior support manager (R-B)
'...not [properly funding services] takes away from [HSE] legitimacy, because built into the system, and there's no way to run a service without doing it, is the fact that they say 'we are just funding you for staff, and we are not funding you for petrol to put in the car that transports the service user to the activities', [activities] that HIQA say [we] should be doing.'

Senior services manager (R-N))
'I do think that she [HSE Manager] might think that we have fairies here who are swindling away bits of money. I think they don't realise what it takes to run a service all the time. Like they can say I'm giving you [this money] for this, but that mightn't be how we'd like to run it.'

Middle services manager (R-R)
'Sometimes with the HSE there's a disconnect... a disconnect in the vision for people's lives. As a manager I get the [need for audit] trails and I get the recording piece, and I get the accountability. But I don't get the disconnect between what you can actually do, to what you are given to do it with?'

Unit services manager (S-Q)
'I think often times with the HSE, it comes down to numbers and budgets and they wouldn't be... familiar with the individuals and the requirements of services. And having worked within the disability sector [you realise], one person is not the same as another and... while you can say there's a space (a place in the services) here and there's a space there, you could be talking about two totally different people to go into that space who require more or less supports. And I think in that sense there can be frustration around legitimacy of the HSE.'

Management often expressed very negative views as to how they perceived the HSE itself was managed and run, and in particular what, if anything, they did with all of the information the NPO was required to report back to them:

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Senior support manager (S-I)
'So in part we have this kind of feed the ducks kind of a role, do you know, just keep feeding it up [the line], do you know, and it seems rather random to us okay. Now it's becoming increasingly present and pervasive in terms of [...] the volume of work that's involved in completing returns etcetera, etcetera. So we have a paper accountability I guess, we supply an awful lot of information, but to be honest the extent to which that information is analysed, used... is not evident ... and I would say, locally, that they are just fulfilling another KPI or other that they are told to collect from above and so they do it... and then it vanishes up into the ether somewhere....'

Senior services manager (S-R)
'I think the HSE as a whole is generally unhealthy, and it could be contagious you know, if an organisation isn't very careful to stick to [its] values. There's a possibility of being infected from [the] HSE.'

Middle services manager (S-E)
'Yeah, sometimes it's the HSE, and this is just my experience now, I suppose the street language for this is 'cover your ass', you know, but there's a lot of returns in relation to that kind of [practice] ...'

Unit services manager (R-G)
'I'm required quarterly to check my complaints and forward them onto my line manager, and they forward them onto the HSE under the tick box thing that goes on, but I've never got feedback... I'm sure they are published some place, you know nationally but.....'

On balance management's views as to the legitimacy of the HSE could be divided into two perspectives, first the HSE is legitimate as the funder, and secondly that they are not regarded as legitimate due to a complex melange of distrust derived from differing negative views of the HSE in terms of knowledge of the sector, the levels of funding provided, the way they go about providing services themselves, and, finally, the manner in general in which they manage their own organisation and behave. This second aspect is grounded in the NPOs relationship with the HSE in the context of how services are managed and delivered, and the NPO held accountable for the nature, type, and quantum of service provided, and the reporting of assurances of service data.

This points to the context of the relationship between the HSE and the NPO as a possible explanatory factor in terms of management's view of their legitimacy. This aspect is further elaborated on later in this chapter, together with other instances of contextual sensitivities in terms of management's perceptions of the salience attributes of legitimacy and urgency (see: section 5.3.3).

HIQA

HIQA was perceived, together with the HSE, as the least legitimate relative to the other stakeholders (Table 5.3). For the most part managers considered HIQA to have a legitimate role as the State regulator and welcomed their involvement in helping to ensure people with disabilities received appropriate quality of services, however managers perceived HIQA differently in terms of their role in developing the regulations and the manner in which they went about their inspections.

HIQA are legitimate as the statutory regulator:

> *Senior support manager (R-K)*
> *'I would see HIQA having a good role to play in regulating what's going on. I think they are needed.'*

> *Senior services manager (R-C)*
> *'They have been given the power for that, so yes they have [legitimacy] yeah. And from a standard [enforcing] perspective I think that's perfectly right, [...] and they really are putting the resident as well at the forefront.'*

> *Middle services manager (S-N)*
> *'They are the watchdog and standards and compliance and its right.'*

Managers, however, had difficulty in terms of HIQA's role in crafting the 'regulations'[17], at times describing them as over medicalised or inappropriately based on HIQA's experience in regulating nursing homes (residential homes for the elderly) and not suitable for the residential settings of people with disabilities:

> *Senior support manager (R-B)*
> *'They [HIQA] are very much focused on you know the nursing home model and stuff like that, and [while] they've come [on] an awful lot in their understanding of our services, [...] they need a dose of realism...'*

> *Senior services manager (R-D)*
> *'I think there's probably ... I'm not so sure that they've got their own house in order. I'm not so*

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[17] HIQA were responsible for the drafting of national standards for residential and day services (Appendix E) that were published in 2013 for residential and in 2012 for day services. While the disability sector were consulted in the drafting of these standards, HIQA then went on to develop 'Regulations' to be applied in policing the Standards and did so without the same level of consultation with the sector and were subsequently criticised by sector stakeholders as being too medicalised. See: National Disability Authority, 2015, *Review of the implementation of regulations and inspections in residential services for adults and children with disabilities,* available at: http://nda.ie/nda-files/Review-of-the-implementation-of-regulations-and-inspections-in-residential-services-for-adults-and-children-with-disabilities1.pdf [Accessed on: 4 October 2018].

sure they're very clear what we do, particularly in the community. I think they might be slightly more understanding when you've got a nurse-led model. I don't think they really do in a social care model…'

Middle services manager (R-M)
'I think they've followed a model from the older services into ours, which I don't think is appropriate.'

Many managers also expressed a negative view about the manner in which the HIQA inspectors went about their work, once again feeling that their approach was overly medicalised and inappropriate to the sector and also that inspectors were not consistent in their approach:

Senior support manager (R-L)
'As a regulatory body, they have a function… [and while] I accept their methodology… it's very closed door thinking, as I would see it.'

Senior services manager (R-E)
'The difficulty I found with HIQA is that none of the inspectors have a disability background, so they are all coming from the nursing home elderly services, and they are coming with that perspective. So they've a very medical kind of [approach], so they will come in and they will look for care plans, where we've moved away from that kind of stuff you know. We are more into… person centeredness. There's also big… inconsistencies across inspectors, so you will have one inspector will come in, and they will have all this, you think oh is this the view of HIQA. And then the next inspector will come in and they won't mention [it], there will be no focus on what was the previous focus in the previous inspection.'

Middle services manager (S-L)
'HIQA come in and they […] look at their regulations and they look at their 18 outcomes and some of what they do is really good and some of what they concentrate on isn't of any benefit nearly to anybody, just for them to tick a box.'

Not unlike with the HSE, management's views on the legitimacy differed depending on the context, or the role perspective taken. First, HIQA when viewed as the State statutory regulator working to ensure that services for people with disabilities were delivered to a minimum standard, were perceived as legitimate. This changes however when their role in the crafting of the regulations and their inspections based on those regulations were considered; when considered from this perspective their legitimacy was undermined with the medicalised approach and inconsistency in inspections the main difficulties observed and experienced by managers.

Similar to management's perceptions of the legitimacy of the HSE, this points to the context of the relationship between the HIQA and the NPO as a possible explanatory factor in terms of management's view of their legitimacy, in particular management's perceptions of legitimacy differed when management considered their distinct roles as the statutory regulator, their role in developing the regulations, and the manner in which they conducted their inspections. This aspect is further elaborated on later in this chapter, together with other instances of contextual sensitivities in terms of management's perceptions of the salience attributes of legitimacy and urgency (see: 5.3.3).

The Board

The Board was seen as relatively more legitimate than the HSE or HIQA but less so than service users (Table 5.3). Nevertheless, in the main, the Board was seen as legitimate as they were accepted as having a role in governance and were identified with the origins and existence of the organisation be it religious or secular in origin. However it wasn't a uniform view across management or across the organisations. As highlighted earlier management's response to 'the Board' as a stakeholder prompted mixed views. Remoteness, lack of engagement and uncertainty as to the role of the Board cited. This gave rise to uncertainty at times as to the legitimacy of the Board with conflicting views even in the one organisation:

> *Rel 1 – Senior services manager (R-E)*
> *'I just kind of feel that maybe they are not, they don't have the range you know the expertise maybe or the background that's required.'*
>
> *Rel 1 – Senior support manager (R-A)*
> *'I think our Board are absolutely excellent and I think we're very lucky and possibly different in that and I think it's a factor of particularly three of the current members of our Board, their background, their understanding, their personality, the whole … I think we're very lucky with our Board.'*

The Board were, however, frequently identified as legitimate from a governance perspective and as embodying the 'origins' and 'identity' of the organisation:

> *Senior services manager (S-C)*
> *'Well I mean… the [organisation] wouldn't exist without the Board and I think you have to have some kind of an internal way of ensuring that we are doing what we are supposed to be doing. So I think that I would see the Board and [the organisation] as being one really, I don't see the*

separation of the Board from what we do, because they are just representatives to manage the whole thing, you need to have that in any organisation, I would imagine, in order to… to exist I suppose.'

'Well I think in fairness to the Board, they are all voluntary members, and they are all giving up their time. They are all motivated to kind of you know support the Organisation and so you know in fairness, you know they are not coming in with an agenda or kind of baggage.'

5.3.2.3   Urgency

Service Users

Urgency, as explained in Chapter 3 (3.2.4) is when 'stakeholder claims call for the immediate attention' of management (Mitchell et al., 1997, p. 867) . Simple vignettes were suggested to interviewees where they were asked to contemplate a scenario where they had to decide on which stakeholder to respond to if two or more were looking for their attention. Service users were perceived as the most urgent stakeholder relative to the other stakeholders (Table 5.3). Service users were generally regarded as being highly urgent and deserving of timely attention with management's immediate reaction as one of responding straight away to their need. As explained later, however, management, on reflection, often qualified their response in terms of the nature of the service user's need.

Senior support manager (R-F)
'The need to respond in the sense that there will be a consequence if you don't, or [we] need to respond because of a moral imperative, [will be] very different.'

Middle services manager (R-R)
'Well I definitely would respond to the person coming through the door, the person [being] our service user, there's never any doubt [about] that… that supersedes everything in this organisation. I couldn't hear any other manager sitting here saying that that wouldn't be what they would do.'

Unit services manager (S-P)
'The service users [would be prioritised] it's immediate…'

As noted above, management, while regarding the services users as deserving of their immediate attention often qualified their response, introducing context, or

the nature of the service user's need, as a moderating factor in terms of feeling that they had to respond urgently or not:

Senior services manager (R-C)
'If it's an emergency we act very quickly, but then there could be a delay with their response, because I suppose in some instances it could turn out to be a quite costly service that needs to be provided.'

Unit services manager (S-Q)
'I think the services are at the heart of everything that we do. So [service users] would come extremely high in the level of urgency that we would need to respond. Again it's very much based on the individuality of the situation though.'

Management's qualifications in this regard were at times apparently dependent on the perceived risk of not meeting the need presenting, such as in the first quote above that cites an immediate need to respond in an 'emergency'. The same quote from this senior manager highlights the financial implications of meeting that need, with the implication that if there is a cost that that might delay the urgency of addressing the need. The second quote from the unit manager above, reinforces the 'individuality of the situation' as moderating the urgency of response. This aspect, where 'context' or the nature of the claim or need of the stakeholder moderates responses to urgency is further elaborated on later in this chapter (see: 5.3.3).

HSE

The HSE was seen as relatively more urgent than the Board but less so than HIQA or Service users (Table 5.3). As the HSE are viewed as powerful, with their role as the funder of particular significance in that regard, it was not unexpected to find that management's perception of their urgency was often associated with that aspect of their relationship to the NPO, with a sense of heightened risk if they did not respond within an acceptable timeframe.

Senior support manager (R-A)
'Depending on their (the HSE's) request, but if it's a request that will affect our resources which 9 times out of 10 it is… it gets prioritised, it does.'

Senior support manager (R-K)
'They (the HSE) provide the money and if they want to get a report back from you, I think you should comply with that and give them the report.

Senior services manager (S-C)
'The HSE would be similar [to HIQA] in that [while] they mightn't be regulated to respond [to] (they do not have the statutory regulatory standing that HIQA have), but you would respond to them, you know, when they would request something, [...] you respond as soon as possible.'

Senior services manager (S-F)
'They are getting it (information they have requested) to give it to somebody else more often than not, [HSE managers] are the middle men and yes [even if] you don't know if it's useful information, you don't know if it sits somewhere [and left]... that doesn't matter, the urgency is the same, we just have to [deliver] it and because they are our funders, you have to respond to that, you don't have a lot of autonomy. In my view [...] you would not, not send it (the requested information) back by the required date, and other work would have to be put aside to deliver that.'

Middle services manager (NM)
'HSE, we just jump to the HSE. (laughter). The HSE, I suppose we'd respond to them in the same way as we would HIQA really. Normally if they're contacting me for something they need it urgently.'

HIQA

HIQA were regarded as relatively very urgent, second only to service users (Table 5.3). This is not unexpected given their statutory powers where the NPOs licence to operate in the sector could be withdrawn and/or the possibility of negative consequences ensuing from bad publicity if there was a negative HIQA report[18]:

Senior support manager (R-F)
'HIQA, I think that there is appropriately a requirement to respond, and they demand it. So I think it's appropriate and they demand it, and they have the muscle, which maybe families don't have, to demand it.'

Senior services manager (R-E)
'[For] HIQA... we would [respond] straight away, like we would be [doing] everything... we would respond, sirens blowing and everything.'

Middle services manager (S-E)
'If this morning I came in and I have a HIQA visit in a few days and somebody (a service user) is looking for an enhancement of services you'd be juggling but you would have to respond, you would have to respond to HIQA.'

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[18] HIQA, as part of their regulatory function publish their inspection reports.

Middle services manager (S-M)
'[Response to HIQA is] pretty fast and it's generally, and again it's probably driven by HIQA themselves as well in the way they pursue you. You know generally speaking if they look for something, they will use a few different communication systems [to escalate] to follow up with you, to track you down.'

The primary sense emerging from management in relation to their response to HIQA was one driven by the risk that there could be serious negative consequences of not giving timely attention to their requests.

The Board

The Board, comparatively with all other stakeholders, were considered to be least urgent (Table 5.3). This appeared to stem from the difficulty managers had conceptualising an interactive relationship with the Board where they would have to respond:

Senior support manager (S-J)
'You see the board, I don't think… there is a briefing I think maybe 10 times a year. I don't think there's a sense of urgency around it, as in you know as long as the information is provided and shared, I don't think they make urgent demands.'

Senior services manager (S-C)
'If the Board requested something, they would have a response within a fairly reasonable {time} and [while] the degree or urgency might be less, it would still be within a short timeframe.'

Middle services manager (S-N)
'So to me the Board wouldn't be urgent.'

This is not to say that management felt that they could ignore the Board, or were not in some instances perceived as requiring some level of urgent attention, however, it was largely senior managers that appeared capable of formulating a perspective on urgency and the Board:

Senior support manager (R-A)
'I would never go to a Board meeting unprepared so in that case I would respond… but the Board is more structured, in that you know [there is] a meeting after each quarter and then if there is an emergency meeting for whatever reason, you know what's expected of you, so… you do respond [in that way].'

Senior support manager (R-K)
'Absolutely yes we do reports to the Board regularly and I think it's important that we do tell them what we are doing, and explain to them the reasons why we are doing it.'

As highlighted by the views offered by the managers above, their regard for the Board tended to confirm a respectful urgency while acknowledging that Board demands tended to be scheduled and regular.

5.3.3 Context and salience attributes

A recurring aspect that emerged from the interview data was that managers would qualify, or suggest moderations to, their perceptions of a particular salience attribute in terms of context, or the nature of the particular stakeholder claim. This was most prevalent in terms of 'Legitimacy' and 'Urgency' but absent from views on 'Power'.

5.3.3.1 Context - Legitimacy

HSE

When talking about the perceived legitimacy of stakeholders, managers frequently struggled with two stakeholders, the HSE and HIQA. For these stakeholders their legitimacy was not viewed in a simple unitary way but rather manager perception of the stakeholder's legitimacy was viewed differently depending on the purpose of the stakeholder's interaction or the perceived motivational framing of that interaction.

With respect to the HSE, nearly all managers viewed the HSE as having a legitimate call on the organisation as their primary funding body. The HSE as a funding body was seen as legitimate in terms of holding the organisation to account for funding received:

Senior support manager (R-K)
'I think you have to be accountable for the Government's money, that's public money, I'm paying my taxes towards it. I want to know that it's being spent in the best way possible. So I absolutely think that you have to answer for that.'

Senior services manager (S-R)
'I think it is proper that there is a relationship (with the HSE) most definitely. They are the money men...'

Middle services manager (R-O)
'Well I suppose they have the resources, so we need them, they are very important to us, and I suppose we have to as an organisation answer to them.'

However, when it came to the management's perception of the HSE in their role as a stakeholder with responsibility for oversight and commissioning of services, managers did not view them as having the same level of legitimacy in that context.

Senior support manager (R-B)
'I consider the HSE as a very dysfunctional organisation. I think they have a conflict of interest in relation to being a commissioner and deliverer services.'

Senior support manager (R-F)
'I think it's important that the funder has a view, I'm interested at the extent to which the funder doesn't really have a lot of knowledge I think of the operation. So I don't think they know or concern themselves too much with the organisation beyond budgets which is interesting to me.'

Senior services manager (R-N)
'I would think as regards to funding us and service level agreements and that[s] legitimate. There's a little bit of me... I don't really think the HSE are a legitimate organisation. I do think they fund [us] and they absolutely have every right to ask us how we use our funding but [then] there's... how they distribute funding, I still do not think is legitimate.'

Senior services manager (R-D)
'Well it's kind of like if you don't have your own house in order how can you criticise somebody else? '

Middle services manager (S-L)
'Okay, they (HSE) believe I suppose [...] that they nearly get the right to decide on where maybe say a service user could go, or say they know there's a vacancy [somewhere] so [they] have the right to say that person goes there, right. However, in my view they don't have that right. What they need to know is that we're going to fill that vacancy and we're going to do it with the most appropriate service user.'

Unit service manager (S-P)
'So the HSE are looking for value for their money, so I think that the HSE could do with a little bit [...] more of looking at the quality of the service, not so much what they are getting for their Euro.'

Unit services manager (S-O)
'I think they (the HSE) probably have a role financially, but I wouldn't see that they would have an authentic role otherwise.'

The interview data shows that management had perceptions of HSE legitimacy that were at once legitimate and illegitimate depending on the context of the interaction, and particular 'role' the HSE was viewed as performing, a legitimacy duality.

HIQA

When it came to HIQA one fault line dividing differing perspectives of legitimacy that emerged from the interview data was in management's differentiation of HIQA between its role as: (i) a statutory regulator with a remit to ensure that standards of services were appropriate; and (ii) their role as the author of the regulations used to police those standards and the manner in which they carried out inspection visits. Most managers had less regard for HIQA when talking about their role in the drawing up of the regulations and the manner in which they carried out inspections, while viewing their role as a statutory regulator, promoting the principle of a minimum standard of service, as legitimate.

HIQA legitimate in enforcement of minimum standards:

Senior support manager (S-B)
'You know you've an external body accounting for the quality of your service and I think it is appropriate.'

Senior services manager (R-D)
'Yes because I do think we need oversight. I think we should have to justify. I should have to justify every day what I do. I should have to justify the decisions I make. So I don't have a problem with HIQA, I actually welcome the fact that somebody is saying 'this isn't good enough'.'

Middle services manager (R-O)
'Well I suppose as I said already, I think they (HIQA) are a good [thing], [in] making sure that our services are run the way they should be run. And that they are making us accountable, they are making us sit up and think [...], they are motivating us to ensure that we deliver a good service and a fair service, and a safe service. '

HIQA not legitimate in their role in drafting the regulations:

Senior support manager (S-I)
'It's just that they are so anal about stuff that doesn't seem to matter a damn, [...] that would not, on the face of it, change a person's life, okay or materially improve people's lives, but

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because of some of the regulations okay it has to be done this way. So an example alright, they have turned many of our houses into well what I think is like dentist waiting rooms, with all the signage and I'm saying how can this [be] okay. The best example I have is their bloody certificate, it's nearly the size of that flip chart right and you are to hang that up in your hall as a mark of esteem and now bring in your neighbours and say like we are socially valued, you know, like nobody thinks we are different.'[19]

<u>Senior support manager (R-K)</u>
'I think it's a pity that they based the standards for intellectual disability on nursing homes standards - on a medical model, and I am obsessive in keeping on, and droning on [to] them at every inspection. We [have] a social and developmental model of service delivery, you know it's not all about the medical needs. People are as you and I, and they may have some medical needs [but].'

<u>Middle services manager (S-L)</u>
'I feel that HIQA haven't moved from nursing homes to disability services. They haven't shifted their mind-set.'

<u>Middle services manager (R-I)</u>
'The services are specialised, and say people coming from nursing home backgrounds and drawing up standards, to nursing home standards for people that are living in the community, I don't agree with that.'

HIQA legitimacy came across in management's views as undermined when inspectors are seen as overly concerned with 'ticking boxes' and with staff having to do paperwork detracting from their time with service users:

<u>Senior services manager (S-C)</u>
'So I mean what I would say about my services that are [under] HIQA, I would say [to staff] just do the paper work and get on with your job; because it actually is not the job. So the paper work and the regulation while it says it's person centred it has people spending a lot more time recording stuff that isn't always directly seen as being useful to the [service user]. So [they are] not necessarily understanding that a person centred approach is more than a set of paper work.'

<u>Senior services manager (S-D)</u>
'You see to be very frank, from my knowledge of working with HIQA, [...] and not that we know it all, but sometimes you are engaging with people who know stuff on paper but don't really know stuff.'

<u>Unit services manager (R-Q)</u>
'It's all about regulations and they say it's about standards but I don't believe they spoke to one service user in this organisation [during visits] and I think we've had, I don't even know how many inspections [... it's] all about ticking boxes, it's all about regulation, regulation[s] [are] not standards. They're completely different.'

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[19] This manager is highlighting that the regulations require a lot of 'institutional' type signage to be put up in people's homes and that this is alienating from a social inclusion perspective.

In terms of management's perception of the legitimacy of the HSE and HIQA multiple perceptions co-existed, in each case dependent on the differing and multi-faceted contexts of the role of those stakeholders in their relationship with the NPO.

5.3.3.2 Context - Urgency

From the interview data it is apparent that urgency proved to be a challenging concept for managers in terms of the response to service user needs or claims. In contrast, HIQA were invariably regarded by management as urgent and the HSE somewhat similar, if less so, and when it came to the Board management appeared to consider their urgency as derived from the need to be respectful and in recognising their oversight and governance role. In the case of servicer users, management drew distinctions between interactions with the stakeholder on the basis of their perceived risk, financial implications of their need/claim, and temporal sensitivity. In this regard service users were viewed as having co-existing but differing degrees of urgency for differing needs/claims some more or less urgent than others.

A frequent example given by management was that of a service user that may be at 'risk', often viewed as an 'emergency' situation or one that could develop into an emergency. In these situations the service user needs would take precedence over all else. In contrast, the same service user may have a need for a change in service structure that had no immediate 'risk' impact and would therefore be seen as less urgent and fall behind other stakeholder claims in terms of urgency. These latter types of claim/need were often cited as less urgent as they could also have a cost implication that management knew would not be capable of being met in the immediate future:

> *Senior support manager (R-A)*
> *'You see they (service user) should be number one [in being responded to] and I think they're very clearly not [...] when specific needs are highlighted by the service user (that has a cost implication), a recent example was a service user needed a specific vehicle and we could only respond to that when we got the money.'*
>
> *'I think they (service users) should absolutely be responded to very quickly but there's only so much you can do in the context of resources.'*

'[For example] immediate response [to service user needs] recently was we moved people out of their house and into a different house because the house was found to be unsafe and there's work that has to be done [...] I think [...] it goes down the line as to how urgent [something might be], and how much impact, it will have.'

Senior services manager (S-C)
'If it was somebody who's looking for an additional service then that's harder to respond to if you need to be funded for it, so that would be, [while] it would be an urgent request... for us, we would be limited by what we would be able to do with the resources we have.'

Middle services manager (S-L)
'Okay well you see you're always working on the long [term needs], say the enhancement [of services] [over] the long-term... whereas when it's an emergency, you usually have to react straight away. [At] this moment in time [we are] looking at service users that want to increase their service for resident to go from 14 nights maybe to 20 nights, and that's been at that [stage] since last October (a year past), [we are] looking at how we [might] do that so it is happening but then you might have a service user where their behaviours have escalated so far that they can't live with someone else, so you have to respond to that straight away. '

Middle services manager (R-P)
'Okay well if there was ever anything around safety, safeguarding that is number one, and you would drop everything at this moment in time I'd walk out that door [to attend to it] if I got that call about somebody.'

Once again, these perspectives offered by management appear to point to a context driven duality of the presence of the attribute of urgency, where service users might have differing levels of urgency at the same point in time, dependent on context. For example a service user may have an immediate medical need that is regarded as urgent and at the same time may have a need for an enhanced residential setting, that management regard as less urgent and something to be addressed over a longer timeframe.

5.4 Description and characteristics of MCS elements

Three distinct MCS systems were identified as the primary MCS elements of the case study NPOs: the 'client service delivery and control system (CSDC)', the 'budgeting system', and the 'assurance of services system (AOS), (see Chapter 4, section 4.4.5 for a description of the process of identifying the primary MCS

elements). The characteristics and essential design elements of these three systems are described below.

5.4.1 Client Service Delivery and Control (CSDC) system

All of the organisations based their CSDC system on the 'personal outcomes' (PO) approach or variations thereof. The PO approach forming the basis of the CSDC systems is one developed by 'The Council on Quality and Leadership in Supports for People with Disabilities' (CQL) in the US[20]. The CQL system identifies twenty one PO 'measures' or categories. All of the organisations bar one utilised the POs from the CQL system combined with the HIQA standards[21] to structure their CSDC. The organisation that did not directly use the CQL based PO categories used a bespoke list of PO categories similar in description to and derived from the CQL based categories. Each CSDC incorporated two broad elements:

1. An annual meeting between the care and clinician staff, the service user and/or external persons relevant for the service user's circumstances (for the most part immediate family). The meeting sets out to review the 'outcomes' of the prior year based usually on verbal reports from the support and clinician staff drawing from their own notes and records ('action plans', see below). The meeting would then review the service user's support, residential, safety, social, therapeutic and medical needs to affirm the relevance of the existing services. The review is led by the clinician and support staff. Any proposed changes to the existing services provided for the service user are discussed and agreed. The meeting also seeks to identify key PO objectives for the coming year (usually three or four prioritised outcomes). The POs identified range across the full spectrum of support needs (Social support services, multi-disciplinary clinical supports, day occupational, and residential services). The output from the meeting is

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[20] 'The Council on Quality and Leadership in Supports for People with Disabilities (CQL)' is based in Towson, MD 21204, USA. Established 1969, CQL established standards for excellence in providing services for people with disabilities and the definition, measurement, and improvement of quality of life for people with disabilities. CQL is a leading external accreditation body employed by disability service providers in Ireland.

[21] Health Information and Equality Authority , National Standards for Residential Services for Children and Adults with Disabilities, January 2013.

an agreed Individual Plan (IP) for the service user for the year (sometimes referred to as the Person Centred Plan- PCP). The IP is the key expected outcomes delivery benchmark for management and staff for the year ahead for each service user.

2. Formal action plans are drawn up from the IP by the 'unit service manager' (hereafter referred to as the 'unit manager') and approved by the 'middle service manager' (typically responsible for a number of units in a region). Action plans are monitored quarterly using a variety of methods from a traffic light system - '*complete*', '*in progress*', '*outstanding*', to simpler 'delivered/non-delivered' notation. Action plan monitoring is structured around quarterly support and supervisory meetings between 'unit service managers' and the district/area level services manager (typically 'middle services managers') and ad-hoc interactions between unit managers and primary care staff. The fact that unit managers are involved in caring duties alongside the primary care staff facilitate these ad-hoc interactions and discussions. The formal meetings are documented and the action plan updated for progress and notation of any required additional measures to be taken in order to progress the achievement of the POs identified in the IP. Unless management assess that there is a need, or the service user and their family or other acknowledged advocate request it, the IP is not generally reviewed with the service user until the next annual IP meeting. Action plans are collated at middle management level and reviewed on an overall basis by the senior service manager responsible, these reviews vary across the service organisations from monthly to quarterly and sometimes less frequently.

While senior management, the Board, and HIQA are provided with regular and ad-hoc reports, typically based around compliance with having an IP in place for each service user (yes/no), some collated data on achievement or completion rates of 'action plans', and analyses between service units and service managers. Service users (nor their families or immediate external carers) are not provided with any formal reports, written or otherwise, and only an annual verbal report at the annual IP meeting.

5.4.2 The budgeting system

For each organisation the budgeting system was structured around the funding characteristics and the reporting obligations of the organisation to the HSE under their annual 'Service Level Agreement' (SLA). The HSE manages the allocation of State funding to the sector.

Funding in the sector is characterised by annual 'block' funding and is not split out by differentiated service needs. This 'block' funding has been historically 'arrived at' for each organisation. The 'block' funding amount is adjusted annually on an incremental basis driven by volume increases/decreases in service (calculated on a crude average basis), changes in centrally determined salary scales and benefits (pension etc) [22], negotiated 'Development Funding' (to meet required service changes for service users), and any nationally imposed 'public sector' pay adjustments or block 'austerity – cuts'[23]. The 'Development Funding' element has historically been characterised, in the eyes of the service organisations, as rarely being sufficient to meet demands on those organisations to address expected service user needs. Allocation of 'Development Funding' between differing organisations has been determined by negotiation and concession. This has, and continues to be, a source of tension between service organisations and the HSE (indirectly, the State).

Block funding is split between 'revenue' (pay and non-pay recurrent expenses) and 'capital' (new capital project investment and improvements). Virement between agreed broad expenditure heads are rarely permitted. Once allocated, 'Block' funding is not service user specific and it is at the remit of the NPO to determine the service activity and service user allocation basis.

In recent years, in line with changing Government policy toward individualised budgets, service organisations may agree an 'individualised' budget when an organisation has agreed to provide a service to a new service user, or a service

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[22] While the four organisations, the subject of this study, are autonomous and independent of the State, they are tied into national 'public sector' pay rates under their SLAs.

[23] In the years post the general economic recession that commenced in 2008, the State imposed 'austerity cuts' to most public sector budget heads.

user moves from one category of service to another (e.g. from 'childhood services' to 'adult services'). This is a relatively new development and the vast majority of funding is still provided on a 'block' funding basis.

The design of the budgeting system in all of the organisations reflects this funding model. With limited exception the systems did not cater for service user individualised budgets, with the budgeting structure built around service units as opposed to service users. In the few cases where an 'individualised budgets had been agreed for a service user, this was typically accounted for outside of the main budgetary system. A 'service unit' typically consists of a day or residential unit providing services for a number of service users from 2 to 6 (sometimes more in day services). Service unit budgets are primarily driven by the number of staff by grade required to run the unit based on service user needs and health and safety regulations. This is the basis of the negotiations with the HSE when establishing the SLA for the year. Non-pay and central service elements (centralised clinicians and administration) are negotiated based on the prior year's expenditure and any agreed acknowledgement to take into account material variations in cost base (e.g. fuel costs) and any agreed service enhancements. Budgets are not in any way informed by, or linked in a formal manner to, the 'Client Service and Delivery System' (see next section). District/area (middle service managers) and unit managers are provided with their budgets as early in the new year as possible and thereafter with monthly and quarterly variance reports. The senior management team review budget outcomes monthly and typically report to the board on a quarterly basis.

5.4.3 Assurances of Service (AOS) System

The AOS systems in use across the four organisations varied in structure; however, all had the same core objectives and captured the same data:

1. Incident reports (accidents and any other occurrence that might have impacted the health or safety of a service user or staff member).
2. Medical administration and incidents (captured separately or with '1' above, covering medications administered, any incident of error or mal-

administration of medications, or any medical management issue or referral).

3. Complaints (each organisation is required to have a complaints system with an identified person/s to which complaints can formally be made. Complaints could come from a service user or their family or a member of staff).

4. External required compliance reports primarily for the regulator, HIQA, and the HSE but also including other reports and data/statistical returns for State authority bodies in areas such as 'Fire & Safety', and 'Food Safety' etc.

In all of the organisations the data is collected through the maintenance of manual records at unit level. Some units did transcribe the information to an IT based client and unit record system (one organisation had developed a rudimentary dashboard based reporting system). None of the organisations had an integrated IT based system around the data collection and reporting, with each assurance area recorded and reported on separately. Collated reports were mostly manually prepared or in some cases using spreadsheet systems into which the data had been transferred. Two of the organisations are in the process of developing a bespoke IT based system for AOS. None of the organisations at the time of the study had developed an integrated system, through IT or otherwise, to facilitate the cross collation of data from each assurance area or indeed to integrate with the CSDC system. Any such cross collation and comparison that did occur, did so on an ad-hoc and unstructured basis by some middle and senior management on their own initiative (e.g. incident reports cross mapped with medication use reports, staff rostering etc.).

Collated AOS reports are used in two ways, first as a control tool for unit, middle and senior management in the monitoring of assurances data across units of service and service manager areas and for demonstrating compliance with regulations (HIQA and others), and secondly for meeting required reporting obligations to the HSE on incidents and complaints under the SLA.

Some organisations had management committees charged with regular review of certain of the AOS data ('health committee' ,'rights committee' etc.) while

others simply incorporated the review of the AOS data into the formal 'supervisory meetings' as set out in the section above on the CSDC systems. Periodic reports are extracted from the systems for presentation to the Board, the HSE, and HIQA.

5.4.4 MCS control typologies

Drawing on the suggested framework of MCS control typologies in NPOs as set out earlier in Table 2.2, each of the three MCS elements described above are found to have a mix of control types that have been set out in Table 5.9 below.

Table 5.9 – Case Study NPOs - MCS Typologies

MCS Element	Description	Control Type
CSDC	Continuous rolling assessment and evaluation of individual service user desired 'life outcomes' and progress in their realisation.	Predominantly Social/Behavioural elements with some Planning and Administrative elements and limited Cybernetic
Budgeting	Annual financial budgeting and planning process with monthly variance reporting and accountability processes.	Predominantly Cybernetic with some Planning, Administrative and Social/Behavioural elements
AOS	Data gathering system for monitoring of compliance with internal protocols/policies and external regulatory requirements.	Predominently Administrative with some Cybernetic elements

5.4.5 Accountability and MCS

As noted earlier in section 2.4.1, accountability processes are a central element of effective MCS. Each of the three MCS elements were analysed to examine the accountability processes. Drawing on the documentation of the systems as reported in 5.4.1 – 3 above, and relevant interview data, the reporting practices

and meetings held with each of the stakeholders were identified and are summarised Table 5.10 below:

Table 5.10 – MCS accountability processes and stakeholders

MCS Element	Stakeholder	Accountability Reporting
Client Service Delivery & Control (CSDC)	Service Users	limited accountability, annual meeting, no evaluative reports
	HIQA (regulator)	receive reports requested in advance of inspections and ad-hoc reports
	The Board	receive regular, and ad-hoc reports
	HSE (funder)	receive no reports
Budgeting	Service Users	receive no reports
	HIQA (regulator)	receive no reports
	The Board	receive regular reports
	HSE (funder)	receive regular reports
Assurance of Services (AOS)	Service Users	receive no reports
	HIQA (regulator)	receive regular, advance inspection, and ad-hoc reports
	The Board	receive regular, and ad-hoc reports
	HSE (funder)	receive regular, and ad-hoc reports

The most striking aspect of the accountability processes associated with each of the MCS elements is the relative lack, other than in the case of the CSDC and even then this is limited, of accountability to service users. However, in the case of the other stakeholders, the HSE, HIQA and the Board, significant accountability processes are observed.

5.5 MCS utility in supporting stakeholder objectives

Management's perception of MCS utility, in the context of supporting stakeholder objectives were recorded during the interviews. 'Utility' is used as a descriptor in reporting the results in this section to mean the importance of an MCS element, as perceived by management, in supporting the realisation of the objectives of the different stakeholders. In accepting NPO performance as a montage of the objectives of multiple stakeholder constituencies (see Chapter 2, section 2.3.3),

capturing management's perceptions of the utility of the different MCS elements, and further their views on what if anything they would change in the design and use of the MCS elements, was central to addressing the research question. First the data, with observations, on the overall perceptions of management in relation to MCS utility in supporting the objectives of the four stakeholders is presented (5.5.1.) Thereafter the data is analysed comparatively between management groupings: managers of NPOs of secular and religious origin, support managers and service managers, and senior managers and middle/unit managers (5.5.2). Finally, a comparison of management perceptions of MCS utility in supporting stakeholder objectives, management perceptions of stakeholder salience, and MCS typologies, is presented (5.5.3).

5.5.1   Overall perceived utility of MCS and stakeholder objectives

For clarity of presentation, views on MCS utility were translated into a descriptive numeric representation (see section 4.5.2) and are included in the relative sections of this results chapter.

Interviewees were asked to consider how important each of the three MCS elements were in supporting the realisation of the objectives of each stakeholder separately; i.e. the utility of the MCS element in supporting the realisation of stakeholder objectives. During this section of the interview, taking each of the four stakeholders one at a time, they were asked to consider once again their understanding of the objectives of the stakeholder, as covered earlier in the interview. They were then invited to express their views on the importance (utility in this context) of each of the systems in supporting the objectives of that stakeholder. They were asked to consider, in that regard, the following descriptors and select which they felt was most appropriate for each MCS element and each stakeholder (Table 5.11):

Table 5.11 – MCS utility – descriptors and score weightings used in the analysis

Of Absolute Importance (4)
Of Great Importance (3)
Of Some Importance (2)
Of Little Importance (1)
Of No Importance (0)

Management were clear in their views, when prompted they readily offered their view as to the importance (utility) they felt each of the MCS had in supporting the objectives of the four stakeholders. As described in Chapter 4, section 4.5.2, no restriction was imposed and management could ascribe the same level of importance (utility) of an MCS element for any number of stakeholders. To generate the overall descriptive picture, a score of 0 to 4, rising in perceived level of importance (utility) in supporting the realisation of the stakeholder's objectives, was assigned to the responses. If a manager described the importance (utility) as being between the categories presented to them, an average score of the two categories was assigned. The overall scores were then translated into a percentage of the total maximum score that could be achieved if all managers described the element as having 'absolute importance' (utility). These overall percentage scores were simply used to allow for an overall view and the scores in themselves are meaningless and only provide a relative comparison of the perceived utility of the MCS element across the four stakeholders. The raw scores are set out in Appendix H and the collated scores are presented in Table 5.12 below. It is worth emphasising once again that these 'scores' are purely descriptive, and only facilitate a degree of relative comparison and have little meaning other than in that context. This allows for an overall picture across all managers and once the data is split between NPO foundational type, management role, and management level, facilitates a comparison between these categories as to MCS utility perceptions.

Table 5.12 – Utility of MCS as perceived by management - %

	CSDC	Budgeting	AOS
HSE	50	88	64
HIQA	78	31	92
The Board	67	82	72
Service Users	91	60	75

The highest and lowest score for each MCS element are circled.

CSDC

It is interesting to note that the CSDC was perceived to have the least relative utility in supporting HSE objectives and compares to the high relative utility, which would be expected, for service users, and a relatively high utility for HIQA also. The objectives of the Board were not perceived to be as highly served by this system relative to these latter two stakeholders.

Budgeting System

Management felt that the budgeting system had the greatest relative utility in supporting the HSE's objectives. This is not surprising as management's expressed views on the objectives of the HSE typically emphasised fiscal efficiency. The Board are also perceived to be well served by the budgeting system, in terms of utility in supporting their objectives; this would be expected given the views of management as to their governance function.

The budgeting system is perceived to have least relative utility in supporting HIQA's objectives with many managers expressing their view that HIQA had no interest in finances and were solely interested in the implementation of the service standards and regulations.

Senior services manager (R-E)
'They've […] said from day one that they had no real interest in how the service is funded and whatever.'

Senior support manager (S-A)
'I don't think HIQA are too interested and to be honest I don't get it, they haven't talked to us at all about it (budgets).'

Middle services manager (R-I)
'I'd say HIQA don't give a rattle about it, the [budgeting system]…'

The perceptions of the relative utility of the budgeting system in supporting service user's objectives reflects a contrasting view amongst managers; with some taking the view that the budgeting system was of significant utility in supporting service user objectives, in that the management of costs and funding was indirectly important in that regard:

Senior services manager (R-E)
'Well yeah, I suppose it is important for them that for the future viability of the service, that we operate within our budgets and that we are audited and we don't deviate.'

Senior support manager (R-K)
'Well it's very important for the service users that the system is used properly. And that their money is spent properly, accounted for properly. That it's managed in the right way, and that it's put into the right parts of the budget for them.'

Others were of the view that it was of little or no interest to services users and therefore of little direct utility in supporting service user objectives. In this regard, services users were portrayed as having little or no involvement with matters of a financial nature associated with their service:

Senior support manager (S-I)
'Alright, well okay my view of it for them [service users] is [of importance], but their own view of it may be like, they may have no view, like no sense of it […] like it's just not relevant in their view of the world do you know. It's an abstraction.'

Senior support manager (S-B)
'I think when it comes to the service users and their families you know, they are not hugely […] involved or connected with the budget or the resources, they have a sense of it and I think in some respects they don't understand the cost of it or care about the cost of it in terms of the service that's actually provided.''

Senior services manager (R-C)
'At the end of the day it's the service that the service user is looking at, not really how it's paid for, so you know I'd say it's of little importance to them, to tell you the truth.'

AOS system

In terms of the AOS system it was interesting to note that management felt that this system was of the highest relative utility for HIQA. While this is not that surprising given their role as regulators and the significance of this information to that function, the lower relative utility perceived for the HSE was not as expected as the HSE require information directly extracted from this system. Some managers expressed the view that while they felt that the AOS system was very important in supporting HSE objectives, they did not know what the HSE did with the information and were sceptical as to the use if any that the HSE made of the information returned:

> *Senior support manager (R-F)*
> *'Of little [or no] importance .... I don't think they have a game plan for the use of that information, and it's only good if you use it.'*

> *Senior support manager (R-A)*
> *'I'd say of some importance in that it allows them to say they've achieved a goal or they've … we have this information. What they do with it afterwards I'd have my doubts. I'd say very little.'*

The perceived moderately high relative utility of this system in supporting the Board's and service user's objectives is expected given the governance role of the Board and the direct impact that negative assurances can have on the lives of service users (i.e. medical errors, critical incidents, etc.). It is surprising, however, that overall the utility of the system in supporting service user objectives was regarded as relatively less than the perception of its utility in supporting HIQA's objectives.

5.5.2   Organisation and management level comparisons of perceived MCS utility

When the percentage scoring of management's perceptions of MCS relative utility are split between the NPOs of religious and secular origin, no material differences in the relative perceptions of each group compared to the overall

average scores emerge. Some differences between the groups do become apparent, however, see Table 5.13 below:

Table 5.13 – Utility of MCS as perceived by management - %:
Secular Organisation V Religious Organisation

Secular Orgs.

	CSDC	Budgeting	AOS
HSE	58	85	60
HIQA	76	34	89
The Board	67	80	69
Service Users	93	55	65

Religious Orgs.

	CSDC	Budgeting	AOS
HSE	41	91	67
HIQA	81	32	96
The Board	68	83	75
Service Users	90	65	85

The highest and lowest score for each MCS element are circled.

It can be seen that management of NPOs with a secular origin perceived the CSDC system to have a higher relative utility in meeting HSE objectives than the management of NPO's of religious origin, albeit with both management groups perceiving the utility of the system in supporting the objectives of the HSE to be relatively low overall. When it comes to the budgeting system, management in the NPOs of religious origin perceive marginally greater relative utility in supporting the objectives of the HSE and service users. Finally, the management of NPOs of religious origin also perceive the AOS system to have greater relative utility in supporting the objectives of both HIQA and service users and to a lesser

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extent the Board. Overall, the management of NPOs of religious origin displayed higher levels of perceived relative utility for all stakeholders for both the budgeting and AOS systems than their colleagues in the NPOs of secular origin.

When the data is split between support management and service management once again no observable material differences in the relative utility perceptions of each group compared to the overall averages emerge. Some differences between the groups do, however, become apparent, see Table 5.14 below:

Table 5.14 – Utility of MCS as perceived by management - %: Support Management V Service Management

Support

	CSDC	Budgeting	AOS
HSE	45	90	56
HIQA	70	16	85
The Board	65	81	75
Service Users	86	46	69

Service

	CSDC	Budgeting	AOS
HSE	51	88	66
HIQA	81	40	95
The Board	68	82	71
Service Users	93	65	77

The highest and lowest score for each MCS element are circled.

For the CSDC system some differences in degrees of perceived relative utility emerged consistently across the four stakeholders with service managers perceiving the system to have marginally higher utility for all stakeholders in

supporting their objectives than their support management colleagues. The budgeting system was perceived as having relatively greater utility for both HIQA and service users by the service managers compared to the support management with little differences in the case of the Board and the HSE. This may be reflective of the greater level of interaction on a day to day basis by service managers with both service users and in dealing with HIQA inspectors. Similarly with the AOS system, service management perceived greater utility in supporting HIQA, service user, and on this occasion HSE objectives compared to support management. It may be that service managers have greater exposure to the AOS system on a day to day basis thereby engendering a higher appreciation of its utility.

Table 5.15 – Utility of MCS as perceived by management - %:
Senior Management V Middle and Unit Management

Senior Mangt.

	CSDC	Budgeting	AOS
HSE	48	88	59
HIQA	75	28	88
The Board	68	83	69
Service Users	88	47	64

Middle & Unit Mangt.

	CSDC	Budgeting	AOS
HSE	51	89	68
HIQA	81	38	97
The Board	68	81	75
Service Users	94	74	86

The highest and lowest score for each MCS element are circled.

The descriptive data when split between senior management and middle and unit managers highlighted no observable material differences in the relative perceptions of the utility of the systems in supporting the objectives of each stakeholder compared to the overall averages. Once again, however, some differences between the groups do become apparent, see Table 5.15 below:

While both management groups perceived the CSDC system to have a relatively high utility in meeting service user objectives, middle and unit managers perceived the utility as greater than senior management; once again proximity of day to day engagement with the system and service users may be a factor. This trend was also evident for perceptions of the utility of the budgeting system, with middle and unit level management's perception of the utility of that system in supporting service user objectives significantly higher in relative terms than their senior colleagues. Although having a low overall perceived utility in supporting HIQA objectives, middle and unit managers also had a higher perception of utility of the budgeting system compared to senior management for this stakeholder. The AOS system was perceived by middle and unit managers as having much higher levels of utility for all of the stakeholders in terms of meeting their objectives compared to senior management and most notably for service users. Again, this might be reflective of the greater proximity middle and unit management experience with service users compared to 'senior' management. All of these comparative differences resonate with those observed when comparing the 'support' management function to the 'service' management function described earlier above with management proximity to stakeholders and MCS systems presenting as a possible factor.

5.5.3 MCS typology, utility, and stakeholder salience

Taking an overall perspective and relating the MCS analysis above to the results described earlier in respect of stakeholder salience (see section 5.3.1) and MCS typology (see section 5.4.4 above) allows for an overview of the profile of the MCS elements and perspectives on utility, stakeholder salience and MCS typology. This is captured in Table 5.16 below.

Table 5.16 – MCS Utility, Stakeholder Salience, and MCS Typology

	MCS Element - Relative Utility			Stakeholder Salience Typology
	CSDC	**Budgeting**	**AOS**	
HSE	(50)	(88)	(64)	Dangerous / Definitive
HIQA	78	(31)	(92)	Dangerous / Definitive
The Board	67	82	72	Dominant / Discretionary
Service Users	(91)	60	75	Dependent / Discretionary
	Predominantly Social/Behavioural elements with some Planning and Administrative elements and limited Cybernetic elements	Predominantly Cybernetic with some Planning, Administrative and Social/Behavioural elements	Predominently Administrative with some Cybernetic elements	
	MCS - Control Typology			

From table 5.16 it is noteworthy to observe that for the stakeholder whom management perceived as the least salient ('Dependent/Discretionary'), service users, the MCS typology for the MCS element that is perceived by management as being of the greatest utility in supporting that stakeholder's objectives, the CSDC, is 'Social/Behavioural'. Contrastingly, for the stakeholders with the highest perceived salience ('Dangerous/Dominant'), the HSE and HIQA, the MCS elements perceived by management as having the greatest utility in supporting the objectives of these stakeholders, the Budgeting and AOS systems respectively, have typologies with greater 'Cybernetic' and 'Administrative' elements and less 'Social/Behavioural'.

5.6 MCS Change and stakeholder salience

In order to further enhance the data on management's views of the design and use of the three MCS elements, management were asked, for each MCS element, what if anything they would change and why? This question was posed after the section of the interviews addressing perceptions of the utility of the

differing MCS elements in supporting stakeholder objectives. Interestingly, management when contemplating change to any of the MCS elements focused almost exclusively on enhancing the delivery of services to the service users or on improving their ability as managers in general, with little or no direct focus on enhancing the ability to meet the objectives of the other three stakeholders. This reflects the overall perception of management of service users regarded as the most 'important' stakeholder to the organisation (see section 5.3.1 above). Further, this may provide some evidence that management, on reflection, view the MCS in general as being deficient in utility in assisting them directly in meeting service user objectives, a symptom potentially of the relative lower salience of service users compared to other stakeholders.

CSDC

When it came to the CSDC system managers focused for the most part on service users. The dominant identified shortcoming was not in the basic structure of the system but rather the manner in which it is being operationalised in terms of capturing relevant information and in terms of how that information is documented, stored, and reported on.

Key to the effectiveness of the system is the capturing of the goals and planned outcomes at the annual service user meeting that generates the service user's IP for the coming year. Many managers questioned whether the approach to gathering/eliciting the objectives (needs, wishes, goals) of service users was appropriate, or effective in terms of reflecting actual service user objectives. Some managers also questioned the appropriateness and effectiveness of the approach and/or attitude of staff members to the annual service user IP meeting:

> *Senior Support manager (R-K)*
> *'I think [the personal outcomes for service users] can be chosen too quickly. I don't think we spend enough time looking at the interests of the service user, their assets and skills and [...] what can they do, what do they like to do? [...] I think people (staff) focus on "we have to get them four goals". So they may decide [...] what [the service user] like[s], and what would be nice for [the service user] and whatever. But it could turn out that [the service user] really had no interest in that. I don't think they spend enough time discovering the person, and so planning for them [is deficient].'*

> *Senior services manager (R-E)*
> *'The difficulty is you are reliant on staff, the key worker, and their [...] qualities and their training. And if they don't get the concept of person centeredness, then the whole thing*

(generating the IP) will be of very poor quality. You are dependent on them [and] if they don't recognise that certain individuals [are] important to be present, or that you need to engage family properly [...] it can be very much of a kind of a just ticking the boxes exercise.'

<u>Unit Service Manager (R-Q)</u>
'I would do our (IP) meetings differently. Our meetings are full of staff and [organisation] staff. So we need the meetings to be about families, [for them to] come into the meetings as well. Of course they do but there's more people in people's lives than family, so we need to broaden the search.'

The observed difficulties with the system in capturing the relevant PO information in order to have an effective IP, as set out above, also appeared to be stymied by an overreliance on a paper based system that was seen as complicated and cumbersome with insufficient use of IT; that this was obfuscating the need to focus on the service user in a real 'person centred' manner; these views were for the most part expressed by middle and unit level management:

<u>Middle Services Manager (R-O)</u>
'Well I suppose you would be thinking about maybe trying to cut out [...] a lot of the paperwork the repetitive paperwork, they might have to be [completed, however,] you would be trying to make things a bit more easy for the organisation to try and make things work [better], because a lot of staff's time is gone on paperwork. '

<u>Middle Services Manager (R-I)</u>
'Well the system that we use is too complicated, the staff and the service users don't understand it, and therefore the objective of it, which is extremely important, is lost.'

<u>Unit Service Manager (R-J)</u>
'I think, the whole thing should be up in an IT system... I think definitely it'll cut back on the paperwork. It's quite cumbersome. I think [...] if it was an IT [based system], I think it would be more user friendly. I think [the] paperwork has become so cumbersome. And I think, to a certain degree, it's taking away maybe from the service user a bit.'

Some managers felt that the periods of review were too infrequent:

<u>Senior support manager (R-K)</u>
'I suppose just one comment, [...], at times people (staff) can set goals (personal outcomes in the IP), and then very early on in the [IP] cycle that one of the goals is achieved. But no one decides maybe we should put in another goal now and not wait for the review?'

<u>Unit Services Manager (S-P)</u>
'So priorities change as well, I think a year is too long for a plan, you know and we [should] do three month reviews 'not achieved', 'partially achieved', why? [What are the] barriers? I don't know, I just think the process is a bit long-winded.'

Finally some managers felt that the annual meetings unfairly raised service user expectations with no means of realising them:

> *Middle Services Manager (R-R)*
> *'I think the gathering of information in the IP system and all this raises expectations for people.'*

> *Middle Services Manager (R-M)*
> *'We ask people for their dreams and wishes and then we can't afford to do it. We have no staff to do it. That annoys the devil out of me. And we go back the next year and we ask them the same thing.'*

Other than a need to upgrade the system to make it more efficient and reducing the 'form filling' and paperwork, the predominant sense from management comments on changing the CSDC system was that they felt that it was deficient in capturing the reality of service user objectives. Management felt that service users (including family members and immediate external carers) were not being facilitated or supported in expressing their objectives. This, management felt led, to a deficient articulation of their objectives in their IPs.

Budgeting System

When expressing their views about possible changes to the budgeting system, managers often defaulted into complaining about the lack of resources provided by the HSE as opposed to addressing internal budgetary system changes. When management did address the actual budgetary system their objective for any suggested change was nearly exclusively to enhance the service to service users or to assist themselves as managers directly:

In this regard one aspect that emerged was the lack of financial/budgetary reporting to the service users, this was seen as something that would inform service users and their advocates and thereby bring a greater element of reality to the annual IP discussion:

> *Senior Support Manager (R-B)*
> *'I think [I would change the system] primarily for service users...I think if the service users and their advocates [...] were more aware of the [resource] constraints and all that sort of stuff, it might generate a [more] positive [IP experience].'*

Another significant theme was management's acknowledgement that the system could be significantly enhanced in terms of managing service delivery if budgetary resources could be integrated and directly linked to the IPs and the POs contained therein generated by the CSDC system; a bottom up approach as opposed to a top down and that that might be crucial in building 'business cases' with the HSE when looking for funding:

Senior Support Manager (R-F)
'Well I suppose in terms of the HSE, they talk about moving to individualised funding and things like that. So if this was done, if you had robust person centred planning, and you could attach [...the] finance resource to the (IP), and then that [would] help to inform funding and the type of service that is approved... and business cases [for the HSE could] even emerge through the person centred planning process.'

Senior Support Manager (R-A)
'If we could set it the way HIQA would like us to set it from [the] bottom-up based on [individual] need, then it would definitely help the service users, their caught [now] in that we set [an overall unit] budget based on what's available?'

Senior services manager (S-R)
'I would like more control over it, or more say in how money is used, [with] more individualised budgets, and a fair examination of budgets, and a bit more planning in [...] how money is spent.'

Senior Services Manager (R-E)
'Well I suppose that you could, if you could match the funding into the goals the person has, if there was more of a direct link or there was some way that. You see it's kind of, you are dependent on very much like what resources the person has [now], as opposed to..., what resources the person [might have] access [to] in the service. If you could tie that in more...I think it would help.'

In this context some managers pointed out that without individualised budgets, and recording of costs linked to the individual, that this impinged on other service users when for whatever reason one service user was now consuming more resources (having developed an urgent need), or when the service user needs in a particular unit changed, the budget nevertheless remaining the same. In these instances, as the budget is 'block' structured it means that there are less resources to secure the needs of the other service users:

Middle Services Manager (R-M)
'I think that it would be useful if you were moving towards individualised [budgets]. Because you have situations where people go through times in their life where they need more support. And they are taking up a lot more time of the staff in the day centre, and two or three other people (service users) there are having to manage without the attention. Maybe they could be achieving more, but because there's a higher need here now (for the other service user), you

know that's not [going to] happen for them.'

Middle Services Manager (R-P)
'I have 20 cost centres and each of them have a set allocation of money. And I suppose there's times where some cost centres could do with less, and other cost centres could do with more. If I had a magic wand, I would just amalgamate every single budget and start from zero and see where I [could] go with it and try and develop services around the individuals, because [in] a lot of services, older ones that were set-up you know a number of years ago, people fitted into the service as opposed to the service fitting around the person's needs.'

Finally a number of managers complained at the lack of timeliness in the budgeting system rendering the system less effective as a management tool and control:

Senior Support Manager (R-K)
'So I think that timely information is very important, so and there again maybe that's down to the IT infrastructure not being good enough. I think if it was better, it would be more helpful for managers to manage.'

Middle Services Manager (R-I)
'Our accounts come three months in arrears. So that's a little bit of a difficulty, especially when things are very tight. So if I [could change things], I would [...] have access to the accounts sooner than that.'

The most regular theme emerging from management views on changing the budgeting system was a wish to move from a 'block' funded system with the budgeting system build around that structure, to one where budgets would be designed around individual service user needs and requirements (objectives). Some managers pointed out that this might be best achieved through the integration of the budgeting system with the CSDC system. The absence of such an individualised and integrated system was identified by management as contributing to the lack of realisation of objectives for some service users over others.

AOS System

It was not surprising that management cited service delivery for services users as the reason why they would seek to change of the AOS. The nature of this system is to capture critical data for management on matters directly impinging on service user safety, health and welfare. Suggested changes were primarily aimed at enhancing the quality of the data, in particular safety and protection,

primarily through changing the manner in which data is captured. Managers pointed to systems that were largely paper based once again, were cumbersome, time consuming to maintain, and lacked integration (between, the different data sources: incidents, complaints, medical, health & safety etc.).

Senior Support Manager (R-B)
'In relation to this, I think we are producing volumes of data, but how we are interpreting that data and actually making it usable in relation to say incident reporting [I am not sure]. The information is on paper, so we are not looking at trends or correlations between various different things. It needs to be a database, it needs to be crunched, just to find correlations, just to raise questions that can be investigated, and we are not doing that and I think that's a weakness.'

Senior Support Manager (R-K)
'I think a better IT system certainly for that, we are working on one at the moment, but we don't have it up. If we had the [IT] infrastructure and [...] we could track complaints, accidents, incidents, look at our trends, you know because it's just we can't move onto quality enhancement unless we have basic assurances in place.'

Senior services manager (S-F)
'I don't think that we really utilise that information on a broad scale to help service users. We have examples of it and like an example of where we are trying to move forward at the moment with the incident injury, our managers are supposed to sit down and do a quarterly analysis of all incidents that have come through their service which is such good practice. But that's just an example of where we are trying to make use of all that information that's put in [...] let's have a look at all of this together and see the patterns, can we learn anything.'

Senior services manager (S-R)
'I think that we could probably make better use of technology in it, you know and that would help with a deeper integration, [...] I think we could do it better.'

The predominant change cited by management as desirable, similar to the budgeting system, was that the system needed to be more integrated, across all of the assurances areas. That without this integrated data they were potentially missing out on key patterns that would help them in managing the service user experience and in particular their safety.

5.7 Additional observations from the data

During the interviews management frequently referred to 'advocacy' on behalf of service users, or referred to the 'voice' of the service user, usually in the context

of been weak or lost. These references most frequently arose when their perceptions of stakeholder salience were being explored. A further aspect from time to time referenced by management were views that the quality of 'humanity' was being lost from the sector. These two areas are addressed below:

Advocacy

The data presented earlier (section 5.3.2.1) in relation to management's perception of the 'power' of service users clearly indicates that management linked a lack of service user 'voice', or inadequate 'advocacy', with the lack of power of that stakeholder. While there was some acknowledgement that in particular younger service user families had some voice, a general lack of organisational attention to the need for service user advocacy in meeting the needs of service users was cited. This was so, even when organisations did have an advocacy policy, however, such initiatives when they were mentioned were cited as being inadequate, yet essential:

> *Senior Support Manager (R-B)*
> *'What needs to happen is there needs to be a strong independent voice for the customer of the services, and I think HIQA form part of that, and advocacy and all this sort of stuff needs to be strengthened. And it's very difficult, and what we don't have is independent advocacy….'*

> *Middle Services Manager (S-H)*
> *'Well advocacy, […] we've been so bad at that, helping people, allowing them [to be heard], listening to them.'*

> *Middle Services Manager (S-G)*
> *'I believe that it's improved in that service users have more control and I suppose more control around some decision making and more control about what happens for them. But it's a long, long way to go, like we don't even have independent advocacy in the organisation.'*

Some managers, in acknowledging that their organisation did have initiatives to support advocacy for service users pointed out that it was not, however, as effective as they would wish, with one manager going so far as to refer to their advocacy initiatives as 'lip-service':

> *Senior Services Manager (R-E)*
> *'We have structures, we have an advocacy council, and they meet with members of the Senior Management Team. Their advice is that we need to hear a lot more [from service users], I suppose the challenge for us is that our population is at the lower ability grouping, and the more elderly. [Listening and advocacy] it's easier when you [have] younger and more articulate [service users] but we don't have that in our population.'*

'... there would be like a lot of it [advocacy but it] can be lip service and an organisation can pretend to listen and pretend to advocate and whatever.'

Middle Services Manager (S-G)
'Service users are informed [through advocacy initiatives] more in a way that's meaningful to them. So it gives them that little bit more opportunity to make informed decisions but it's a long, long way to go.'

While some managers did feel that they were improving in terms of supporting service user advocacy this was confined to one of the NPOs in the case study, Rel 1:

Senior services manager (R-D)
'We've done a lot of work in that area in terms of with advocacy groups both at a local level and at a regional level and so the senior management team meet the advocacy groups on a regular basis and I think that has made a difference in maybe explaining our position.'

In general there was a pervasive recognition that service user advocacy was important to ensuring that service users were able to express their views and life objectives, however management, with limited exception, recognised that their organisations were not doing enough to address the perceived lack of such support.

Erosion of 'Humanity'

Throughout the interviews, in particular when referring to the MCS elements, management at times referred to the loss of humanity in the services due to people becoming regarded as numbers, that 'accounting' takes precedence, or that the regulations take over:

Senior Services Manager (R-E)
Disability services changed ... in [in the past] they would have been [...] led by a kind of social [...] model of services. [T]he power of the accountant and the HR side of things, has kind of totally taken over. '

Middle Services Manager (R-P)
'[Services users] would be known [to us] and they would be personal and that, [and] when that relationship goes to the HSE they lose that personal value. You know it's just another person, and it goes a step lower again when you go towards HIQA, because now we have attached numbers to people. So it's no longer Peter (name changed), it's R4, 5, 6, so I feel that you know the most intimate and legitimate relationships that people have are with their primary

organisation [staff]. I feel once it goes [beyond] that, you are just either a number or a need.'

Unit Services Manager (R-J)
'I hate the name 'business plan'. Like, I think it's crazy, you know. You have to do a business plan to get a wheelchair for someone.'

Or due to the increase in regulatory compliance and inadequate systems that service users were being displaced in terms of attention:

Senior Services Manager (S-R)
'I think they [HIQA] have very clear objectives, they want to know that services are meeting the standards in the regulations, and that the service that's provided is true to the regulations and based on the regulations. I think that [...] people can get a bit lost in that, in that a lot of services in my experience act like they work for HIQA when they don't you know!'

Senior Support Manager (S-A)
'And I just get an impression that at the moment [the] concentration of staff in residential and respite services is on having all the paperwork in place to satisfy the HIQA requirements. But the lives that the people that are living in the house has [...] become secondary to that a bit and there needs to be a little bit of rebalancing.'

Middle Services Manager (S-H)
'It wasn't to sit at a computer [that I decided to work in this sector], it was to work supporting people so it makes it real but we need to listen and we need to stop ... you know sometimes with HIQA you nearly have to say I haven't time for the service users because we have to tick, tick, tick, tick, tick.'

In particular the HSE was singled out by middle and unit level management as lacking in humanity in its approach to service contracting:

Middle Services Manager (R-I)
'I don't think the HSE give a [swear word] about anybody's [personal service] plan to be honest.'

Unit Services Manager (S-Q)
'To be honest in my eyes [...] I think often times with the HSE, it comes down to numbers and budgets.'

Unit Services Manager (R-G)
'The HSE I believe are budget orientated and not service user orientated.'

The emergence of a perceived erosion of humanity was clearly linked to the manner in which management perceived the two external stakeholders, the HSE and HIQA, imposed accountability requirements on the NPOs. The accountability and reporting to the HSE was perceived by managers as focused on numbers and not the lived lives of the service users, and the increased level of reporting

required for HIQA, as the regulator, was perceived as consuming time and resources that might otherwise be spent in direct service support to service users.

Chapter 6.   Analysis & Discussion of Findings

6.1 Introduction

Chapter 5 set out the data from the scoring of management's responses to specific questions on their relative perceptions of stakeholder salience, stakeholder 'importance', and MCS utility, together with additional data with relevant observations derived from the interviews and other sources (see Chapter 4, sections 4.4 and 4.5 for data sources). This data collectively informs the analysis and discussion in this chapter to address the research question:

Research Question:

How do management's perceptions of stakeholder salience inform the design and use of Management Control Systems (MCS) of NPOs engaged in the provision of public services and health and welfare services in particular?

The first two sections of the chapter directly relate to the research question above:

Section 6.2, discusses the insights gained in terms of management's perceptions of stakeholder salience of the four stakeholders from an analysis of their relative perceptions of salience attributes and highlights disparities that emerge in the context of performance management and MCS.

Section 6.3, looks at management's perceptions of the utility of MCS in the context of stakeholder salience and their objectives. This section draws on the disparities identified in the first section and the challenges they pose for performance management of NPOs, together with other aspects of stakeholder theory, in a discussion and analysis leading to the primary findings on MCS design and use.

The third section of the chapter, 6.4, analyses and discusses observations in relation to stakeholder salience theory and its practical application and use in stakeholder research. In the first instance observations on the manner in which

management perceive stakeholder salience is discussed, identifying heretofore unexamined complexities in that regard. The analysis supports the case for a refinement of the manner in which salience attributes are regarded and the development of this aspect of stakeholder salience theory. Further, 'risk' is identified as playing a particular role in relation to perceptions of stakeholder urgency, and, finally, the potential for synergy in the application and use of stakeholder salience theory with other aspects of stakeholder theory is examined.

The final section, section 6.5, presents findings drawn from pertinent additional observations which emerge from the data and research analysis, that point to possible areas for further research covering: the potential role of MCS design in reinforcing stakeholder salience (section 6.5.1); stakeholder salience attribute appropriation by management (6.5.2); and management epistemology and moral positioning as mediating forces in salience perceptions, (6.5.3), finally observations from the data on management proximity to stakeholders and their perceptions of their salience are discussed (6.5.4)

6.2 Stakeholder salience and organisational performance

Mitchell et al. (1997) in their original paper on stakeholder salience theory, considered a stakeholder as having differing degrees of salience when one, two, or three, of the identified attributes of 'power', 'legitimacy', and 'urgency' were either present or not. This informed their stakeholder typology framework that allows for the categorisation of stakeholder's into seven differing typologies with differing salience depending on the presence or absence of one, two, or all three of the attributes in differing combinations (see Figure 3.1). Mitchell et al. (1997 p. 868), recognised that the mere presence or absence of a salience attribute was simplistic, and that in fact all three could be viewed as 'variable, not a steady state, and can change for any particular entity or stakeholder-manager relationship' and acknowledged the shortcomings of this 'static' approach to considering salience attributes (Mitchell et al., 1997 p. 881). While their model, in recognition that a stakeholder might acquire or lose attributes, allows for a certain dynamism, recognising that stakeholders might move between the seven

typologies, this does not, however, capture the additional dynamics at play if it is accepted, as they did, that attributes 'operate on a continuum or series of continua' and that this would require additional study and enquiry.

Neville et al. (2011 p. 362), in revisiting stakeholder salience theory and relevant research in the intervening years (as discussed in Chapter 3, section 3.2.5), pointed up the differing dynamics that had been examined and/or identified as important in developing the theory at that time. In addition to highlighting the need for an examination of 'the role of urgency in the identification and prioritization of stakeholders' and 'the role of legitimacy in stakeholder salience and its theoretical underpinning', they highlighted 'the variability of the attributes' as one of the three key issues that required further attention in the development of the theory. In relation to the variability of attributes they argued 'that the continued definition of salience in terms of the accumulation of dichotomous attributes, whether for reasons of theoretical abstraction, empirical simplification, or oversight, is inaccurate and potentially harmful,' and further pointed out that the salience and typology model of Mitchell et al. (1997) is 'not able to capture varying levels or degrees of the attributes' (Neville et al., 2011 p. 367). Drawing from the work of Parent and Deephouse (2007) and Jones et al. (2007), Neville et al. (2011) suggest that dynamic differentiation is complex with not just the possibility of variability in attributes over time but also that the 'weight' attributed to the differing attributes may also vary, i.e. in one instance 'power' may be viewed as having greater 'weight' than 'legitimacy' and vice versa in differing contexts or by differing managers. Neville et al. (2011) further suggested that a different 'weight' might also be attributed to the same attribute when considering differing stakeholders, that is, while two stakeholders may be possessed of 'power' one may be viewed as more or less powerful than the other and thereby being greater or less salient. For the purposes of the salience typology of stakeholders in this study, for a stakeholder possessed of relatively less of a particular attribute, compared to the other stakeholders, it is taken that that attribute can be discounted in terms of contributing to an assessment of their salience.

While the relativities of management's perceptions of salience attributes has not heretofore been addressed in empirical research to any significant degree, one

recent study of note in the NPO domain is that of Chen et al. (2018). In their survey based study, in the Australian NPO health and education sector, Chen et al. (2018), sought to capture the degree to which management perceived stakeholders being possessed of the three salience attributes. While the results of the Chen et al. (2018) study resonate with some of the results of this study, some significant differences also arose. These differences are explained by a combination of the different approach adopted to their study compared to this study in terms of: the statistically based quantitative nature of the methodology; a differing, normatively confined, definition of the salience attribution of 'legitimacy'; the basis of assessing management's perception of stakeholder salience in a manner set apart from their assessment of the individual salience attributes; and, finally, the particular profile of service user stakeholders in the NPOs in this study. In particular, Chen et al. (2018), found that the senior manager's surveyed viewed 'clients' as powerful, second only to the 'government' (primary funder), urgent, and to be highly salient. This is in contrast to the findings of this study, as discussed at section 6.2.2 below, where service users are perceived as relatively powerless and when combined with mixed perceptions of their urgency, renders them to be the least salient stakeholder of the four examined. The difference, however, is not surprising as the 'clients' in the study of Chen et al. (2018) were those of educational and general health NPO service providers, and therefore with a very different profile to the 'service users' in this study who are characterised by high vulnerability and a constrained ability for self-expression. Further, while this study finds that management perceive the HSE (primary funder) to be the least legitimate, Chen et al. (2018) found the 'government' (primary funder) to be highly salient with high degrees of power, urgency, and legitimacy. That Chen et al. (2018), confined their study to senior management who may identify with the government role as funder as legitimate, may be an explanatory factor, in contrast this study included all levels of management. In addition, Chen et al. (2018) went on to discount legitimacy as a factor in the salience of stakeholders other than stakeholders perceived as 'normative', i.e. 'clients' and 'volunteers'. The details of the differences in approach and profile between this study and that of Chen et al. (2018) and the consequent implications for comparability are set out in section 3.2.5.

In this study, management were also the sole focus in capturing stakeholder salience, however, to inform the analysis, and allow for the possibility of pertinent observations to emerge, management's relative perceptions of the three salience attributes that each stakeholder possessed were captured in a qualitative manner, through in-depth interviews. Management were asked to express their views on whether they perceived one stakeholder, relative to another as being possessed of greater or lesser degrees of each of the salience attributes, power, legitimacy, and urgency. This differs from attempting to 'measure' the quantum of an attribute perceived by management as possessed by a stakeholder, an exercise that would be subjective and not suited to a qualitative approach, and instead managers were asked only to express their perception as to relative differences, i.e. whether a stakeholder was possessed of greater or lesser of an attribute (power, legitimacy, urgency) compared to the other stakeholders. This also differs from an approach that views salience attributes as dichotomous. For example, if a dichotomous approach is adopted, service users, who are perceived by management in this study as being possessed of all three attributes to some degree, would therefore be classified as a 'definitive' stakeholder, alongside the other three stakeholders all of whom are also possessed to some degree of each of the three attributes. The perceptions of management captured in this study, however, points up that service users are perceived as having comparatively little 'power' to an extent that renders the power they do have ineffectual and therefore discountable in attributing a stakeholder typology to them; if they are also perceived as urgent this, given their perceived legitimacy, would then alternatively render them as fitting a 'dependent' stakeholder typology. Similarly, in respect of service users, when context ordains a significantly lower level of perceived urgency, i.e. their perceived urgency in relative terms is less than other stakeholders, this renders their urgency discountable for typological purposes and they therefore fall into a 'discretionary' stakeholder typology.

This qualitative and non-dichotomous approach to this study, using relativities to clearly distinguish differences in perceptions of the salience attributes across the relevant stakeholder set, allows for a richer exploration and understanding of management's perceptions of stakeholder salience and in consequence the attention they afford to those stakeholders. Further the identified salience

outcomes derived from exploring salience relativities can be compared to management's perception of the relative 'importance'[24] of the four stakeholders in the context of organisational mission. This comparison allows for insight into alignment of organisational mission and management attention to the differing stakeholders and their objectives. As a way of exploring stakeholder salience attributes as variable and complex, management perceptions of the relative extent of possession of salience attributes by each stakeholder, compared one to the other, have not heretofore being specifically employed in qualitative research. This, coupled with the data on management's perceptions on stakeholder 'importance', has yielded some interesting insights into differentiating how management perceive stakeholders in terms of both 'salience' and 'importance', uncovering significant disparities and tensions between them. These insights provide an enhanced understanding as to how stakeholder salience theory contributes to a more dynamic understanding of the management of organisational performance in NPOs.

6.2.1 Stakeholder 'importance' and mission

The mission statements of both NPOs state that their mission is to meet the individual and social needs of people with intellectual disabilities in a person centred socially holistic manner. The needs of other stakeholders do not feature in the mission statements confined therefore to a secondary function as part of the means of achieving the stated organisational objective. Key elements of the mission statements include:

- Supporting people to be 'valued and equal citizens'.
- To be able to live in the community and have 'ordinary' life experiences.
- To support 'independence' and 'choice'.
- To 'empower' people.
- To provide 'quality' and 'innovative' services and supports.

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[24] Op. ct., 'Salience' v 'Importance' p. 139. See also Chapter 4, section 4.5.2.

Management were consistent in their representation of their understanding of the objectives of service users as one of ensuring that they have a safe environment to live, with a good quality of life, encompassing their needs in a holistic manner. This perspective aligns very closely with the organisation mission statements and resonates with the views of management that service users are the most 'important' stakeholder – arguably the 'definitive' stakeholder. Managers frequently articulated an existential interrelationship between the service users and the organisation emphasising a strong co-identity and further underlining the centrality of service users to organisational mission.

In the context of 'importance' to the organisation and its mission, management, regardless of the organisational unit, level, or function, consistently identified service users as the most 'important' stakeholder in relative terms with the HSE and HIQA cited as the next in importance and, surprisingly the Board cited as the least important. This does not mean the Board were perceived as not having an important role, but rather that the other stakeholders were viewed as being of relatively greater 'importance'.

6.2.2   Comparative stakeholder salience and performance management

As indicated above the approach to the study allows for a comparative analysis of stakeholder salience and 'importance'. Analysis of management's perceptions of stakeholder salience attributes is used to suggest appropriate stakeholder typologies as described by (Mitchell et al., 1997). The analysis looks at salinece attribute relativities across the four stakeholders using a non-dichotomous approach to attribute assessment. This allows for the discounting of attributes for typing purposes when the perception is that the stakeholder, while posessing a degree of the attribute, is posessed of relatively less of that attribute compared to the other stakeholders. In such scenarios it is taken that the attribute is rendered insignificant in the eyes of management with the other stakeholders dominating with regard thereto. In the first instance each of the stakeholders are discussed individually before considering the tensions and disparities that emerged between stakeholder 'salience' and 'importance', the latter of which is related to

organisational mission. The relative salience and 'importance' data, together with the suggested stakeholder typologies were set out earlier in Table 5.4 and is replicated in Table 6.1 below for reference purposes.

Table 6.1 - Comparison of salience attributes, stakeholder typologies, and stakeholder perceived 'importance', revisited.

	Comparative			Typology	Comparative Importance
	Power	Legitimacy	Urgency		
HSE (Funder)	Most *(Jointly with HIQA)*	Least/ Mixed	Moderate	Dangerous/ Definitive	Moderate/ Low
HIQA (Regulator)	Most *(Jointly with HIQA)*	Moderate/ Mixed	Most	Dangerous/ Definitive	Moderate/ Low
The Board	Moderate/ Low	Moderate	Least	Dominant/ Discretionary	Least
Service User	Least	Most	Most/ Mixed	Dependent/ Discretionary	Most

Note: The descriptor 'Mixed' has been used to indicate when the attribute had an element of being context dependent (see Section 5.3.4). Further a dual discription (for example: Moderate/Low) was used when the scoring suggested that the relative posession of the attribute or level of 'importance' were in thoses instances proximate to either.

6.2.2.1   Service users

Management had a clear perspective of the objectives of service users and viewed this stakeholder as central to the organisational mission. Unsurprisingly therefore, service users were perceived by management to be relatively the most 'important' stakeholder. This is at odds with management's salience perceptions of this stakeholder. While service users were perceived as possessing the greatest comparative legitimacy of all stakeholders, they were perceived as having differing degrees of urgency dependent on context, and further they are perceived as having the least power relative to all other stakeholders, Table 6.1. The overriding view of management that service users had the relatively least power compared to the other stakeholders, evidenced in the findings of this study, arguably renders this attribute discountable for salience purposes.

Perceptions of service user urgency were moderated by the particular context of the claim management considered when contemplating this attribute. As described in sections 5.3.2.3 and 5.3.3.2 above, at any given point in time service users have multiple different needs, each with differing perceived degrees of urgency. In situations where management felt that they have to respond urgently to the service user, this, coupled with the perception that they have the highest legitimacy and the least power, meant service users were identified as a 'dependent' stakeholder, and further when they are not regarded as urgent identified as 'discretionary' stakeholders. This is at odds with management's overarching view that they are clearly the most 'important' stakeholder, and therefore arguably a 'definitive' stakeholder. Service users, however, are not perceived as possessing a sufficiency of power that would render them as falling to be defined as 'definitive'. When management were asked to compare this attribute relative to the other stakeholders they consistently cited them as having the least power and at times no power. Power has been suggested in other studies to be the most significant attribute in driving salience and consequently its absence having the converse impact (see: Kamal et al., 2015; Parent & Deephouse, 2007). The contradiction, observed from the data, between management's perception of the overall 'importance' of service users, while their perception of service user salience suggested a 'dependant' stakeholder typology or indeed 'discretionary' in the absence of urgency, was at times reflected on by management during the interviews (see Chapter 5, section 5.3.1). These reflective comments reinforce management's perception that service users should be the definitive stakeholder. However, as management typically drew from their day to day experiences when assessing and expressing their views of stakeholder salience, suggests that their views on 'salience' are more aligned to their day to day management practices and experiences, while their views on stakeholder 'importance' are more removed and reflective. This might further suggest, therefore, that the observed contradiction between stakeholder 'importance', as central to mission, and stakeholder salience which guides day to day practice, is indicative of a disconnect or a disparity between organisational mission and management day to day practices.

Phillips (2003), in reference to stakeholder legitimacy, draws a distinction between 'normative', stakeholders to whom there is a recognised 'moral' obligation, and 'derivative' stakeholders, the latter gaining their status as a relevant stakeholder as they are possessed of some agency (facilitated through 'power') to impact the organisation and that contributes to supporting the needs of stakeholders with 'normative legitimacy'. Citing Freeman (1984) he suggested that 'normative legitimate stakeholders' are the answer to the question 'for whose benefit … should the firm be managed?' and further pointed out that while 'attention to derivative stakeholder demands is logically secondary' – 'these demands may still occupy more management attention at any given time', while 'logically' more salient, in practice 'normative stakeholders' maybe rendered less salient (Phillips, 2003, p. 38). The NPOs the focus of this study are involved in the provision of health and welfare support services to a section of society recognised as vulnerable, the service users are unquestionably identified by management as 'normatively legitimate stakeholders' borne out by their views of the stakeholder's relative legitimacy and the manner in which they expressed their conviction of service user legitimacy and separately their 'importance' (Table 5.3). The situation of service users being relatively least salient while 'normatively legitimate' may, as suggested by Phillips (2003), be due to stakeholders with perceived lower legitimacy in their own right (non-derived) but nevertheless with 'derived' legitimacy, often viewed as more salient in practice when their 'derived' legitimacy is combined with attributes of power and urgency, and are therefore afforded the greater attention. That service users have the relatively least power and that management recognise that their 'voice' is at best muffled, is not at odds with the social context in which people with disabilities find themselves. A. Bruce et al. (2002, pp. 15-23), in their work in the policy area of people with disabilities and human rights, outline both the manner in which society causes people with disabilities to be invisible and the manner in which the evolved 'social construct of disability is used not only to set people apart but also to keep people apart', to treat them as different and not deserving of attention.

6.2.2.2   The HSE - Public Funding Stakeholder

In stark contrast to their perspective of service users, management consistently perceived the HSE to be relatively very powerful (similar only to the regulator (HIQA)), as having the least relative legitimacy overall, and while the HSE were viewed as being urgent they were consistently viewed by interviewees as less so than service users or the regulator but more so than the Board, Table 5.3. One notable aspect was the tone and consistent nature of the manner in which management expressed their views on the powerfulness of this stakeholder.

The HSE were considered to have comparatively less legitimacy than other stakeholders other than when being considered purely as the funder, in which case they were considered highly legitimate. In non-funding contexts (service delivery direction and oversight, including quantum of services) they were considered to have little legitimacy, rendering any legitimacy in this regard to be potentially discountable when considering salience. In the absence of legitimacy this would leave this stakeholder to be identified as a 'dangerous' stakeholder with some degree of urgency and a lot of power relative to the other stakeholders. When perceived to be legitimate as well as relatively powerful and urgent, they are identified as a 'definitive' stakeholder. Given the NPOs dependence on the HSE as the funder and as the commissioner of services, it is not surprising that they will be afforded significant attention as highly salient. Again, this accords with the contention of Phillips (2003, pp. 31 - 32) that stakeholders who impact the organisation but 'derive' their legitimacy from the normative legitimacy of other stakeholders, service users in this instance, will command management attention fitting a 'dangerous' typology or a 'dormant' typology if considered not to be urgent. Phillips (2003, p. 32), was opposed to the view that 'power' should be considered as a separate salience attribute, suggesting that 'derivative legitimacy encompasses the notion of power'. In this instance the HSE are considered to be very powerful and either having a relatively low or no legitimacy, or as the 'funder' having a relatively high legitimacy. The latter could be considered to be a derived legitimacy as the HSE with agency as the provider of resources supports the normative legitimacy of the service users. This perception of salience, leading to significant management attention being afforded to this stakeholder is at odds

when compared to management's view of this stakeholder as being significantly less 'important' (Table 5.3) relative to service users.

6.2.2.3   HIQA - The Regulator

As might be expected, HIQA as the statutory regulator with attendant statutory powers of licence and revocation, were perceived as having high degrees of relative power, much greater relative to service users and the Board. They were perceived as having mixed legitimacy (similar to the HSE dependent on role context, see below), but were considered less legitimate relative to service users and the Board. Finally, they were regarded as being relatively more urgent than the HSE with only service users regarded as more urgent, Table 5.3.

Theses perceptions are again not surprising. HIQA as the statutory regulator is perceived as relatively powerful, with mixed legitimacy and relatively high urgency. This would suggest that they are highly salient and variously, not unlike the HSE, fit either a 'definitive' or 'dangerous' typology, depending on whether or not they are viewed as legitimate which depended on context. Conversely, in terms of 'importance', this stakeholder was viewed in similar terms as the HSE by management, significantly less 'important' relative to service users but again, surprisingly, more so than the Board. As 'importance' in this analysis is an indicator of the centrality of the stakeholder to organisational mission as perceived by management, this points, once again, to a disparity between mission centred importance and perceived salience. The higher legitimacy perception for HIQA, when viewed as the regulator as opposed to being the author of the regulations themselves, has the sense of being a 'derived legitimacy', in that it is due to their support of the service users who are regarded as 'normatively legitimate' and as Phillips (2003, p. 38) suggests they can command greater management attention than the stakeholder with purely normative legitimacy.

6.2.2.4   The Board

The Board was regarded as having significantly lower urgency relative to any of the other stakeholders, this suggests that what urgency they might be perceived of as having, could be discounted for salience purposes; further, while having greater power than service users, this was still regarded as less relative to the HSE or HIQA, Table 5.3. The Board was viewed as having marginally greater relative legitimacy then the HSE and HIQA but still significantly less so than service users. With relatively low power and perceived as being legitimate and non-urgent, this suggests a lower comparative salience and a typology that might be regarded as 'dominant'. Due, however, to the perception that their power was relatively low compared to the two stakeholders regarded as powerful, this perceived relative difference in power might suggest a stakeholder type that is tending toward 'discretionary'.

Surprisingly, the Board was perceived overall as having the least 'importance', which in this instance is in line with their relatively low level of perceived salience. Management appeared to have ambiguous views about the Board that may be due to the often-cited 'remoteness' that management felt when talking about their interactions or lack thereof with the board (see section 5.2.4).

6.2.2.5   Disparities between stakeholder salience and NPO mission

Performance management as the primary function of management is defined variously as the expression and realisation of an organisation's mission (Bouckaert & Halligan, 2008; A. Ferreira & Otley, 2009). While performance in an NPO context can arguably be construed as the balancing of multiple performances of differing meanings to differing stakeholders (Bovaird, 1996; Herman & Renz, 1997), the achievement of mission is nevertheless the overriding concern of management, and how management attend to this task in a multi-stakeholder context, while avoiding attention drifting from core mission, is of paramount importance. In the context of NPOs involved in the provision of health and welfare supports to a vulnerable constituency of society, the objectives and

interests of the service users are inextricably aligned to core mission. This contrasts with NPOs with pursuits that are centred on broader objectives without a focus on a particular sector of society, for example protecting the environment, animal welfare, or promoting healthy lifestyles. This identity with, or centrality to, mission is particularly notable when the intended beneficiaries of the NPO's activities (in this case the service users) are identified as in need of support due to a particular vulnerability, for example the elderly, children, minority ethnic groups, and in this instance people with intellectual disabilities.

In contrast to the views of NPO management of service user's 'importance' in this study and their centrality to organisational mission, however, is management's view that service users are regarded by management as being less salient than any other stakeholder. Service users in the eyes of management, when they were asked to consider their relative power, legitimacy, and urgency', were identified as either a 'dependent', or a 'discretionary' stakeholder when their urgency, which is context dependent, is discounted (see Table 5.4); a stakeholder typology of considerably less salience than were identified for any of the other stakeholders.

In considering the stakeholder's attributes of power, legitimacy, and urgency, in this regard, management were reflecting on their day to day experiences in managing, which suggests that it is this salience perception that ordains their attention to the stakeholders when engaged in their duties and responsibilities. Assad and Goddard (2010, p. 289), observed a similar phenomenon, finding that 'beneficiary communities do not in reality have sufficient power to push for their legitimate claims even when they are urgent' and that 'beneficiary communities are thus identified as dependent stakeholders.' Given that a stakeholder's typology influences the level of attention management give to that stakeholder, management's operational attention to service users appears to be subordinate to other stakeholders. As service users are regarded as having a strong co-identity with the organisational mission, this points up a significant disparity between management operational attention, as identified by their salience perceptions, and mission – raising concerns about the potential for mission drift. In this regard it was striking that the managers, as a result of engaging with the interview process, reflected and appeared to become aware of this disconnect.

Affirming the value of reflection as a management practice (Schon, 1983), the managers in this study commented during the interviews, at times in a surprised manner, that the service users were not as prominent, in terms of their day to day attention, as they would like or would have expected.

The implications of this disparity for management and the design and use of MCS as a component of PMS may be profound, as the sole purpose of MCS is to support management in delivering on organisational mission and further that management are the architects of the organisation's MCS. If however management are more focused on stakeholders regarded as more salient but of less 'importance' when it comes to core mission, the question of the potential for a disparity or disconnect between the design and use of MCS and mission also arises. Dacombe (2011, p. 164), in examining the implications of increased public funding for the NPO sector to deliver services and the manner in which performance is understood, presents a strong argument that when PMS is not aligned to the 'programme values' of the NPO that 'this can lead to a corruption of the sector's core values, resulting in a distortion of its goals and mission.'

6.3 Performance management, MCS utility and stakeholder salience

This section looks at management's perceptions of the utility of MCS in the context of stakeholder salience and their objectives. The section draws on the disparities and tensions identified in the preceding section (6.2.2.5) and the challenges they pose for performance management of NPOs, together with other aspects of stakeholder theory, in a discussion and analysis leading to the primary findings on MCS design and use.

The first two sub-sections (6.3.1 and 6.3.2) present findings that provide insights into MCS design and use in the context of stakeholder objectives. These findings facilitate the discussion in the following sub-sections (6.3.3 to 6.3.6) that draw the analytical focus to the central research question on stakeholder salience and MCS design and use.

In sub-section 6.3.1, findings in relation to the three MCS elements, client service delivery and control system (CSDC), the budgeting system, and the assurances of services system (AOS), are set out with a focus on:

- management's perceptions of the utility of the MCS element in terms of supporting stakeholder objectives; and
- the manner in which the stakeholders themselves are engaged by, or interact with, the MCS element.

The following sub-section, 6.3.2, presents findings on MCS typologies and integration.

In sub-section 6.3.3 an overview analysis and discussion on organisational mission, stakeholder salience and MCS design and use is presented. The analysis in this section highlights 'accountability' and 'advocacy' as key to understanding how, in the case of 'accountability' management perceptions of stakeholder salience informs MCS design and use, and in respect of 'advocacy' an understanding of management's perceptions of stakeholder salience facilitates the identification of shortcomings in MCS design and use. These two aspects are explored in-depth in the following sub-sections 6.3.4 and 6.3.5.

In the final sub-section, 6.3.6, aspects of stakeholder theory are drawn on to further elucidate the case of accountability and advocacy as interventions in the design and use of MCS.

6.3.1 MCS utility and stakeholder engagement

At the commencement of the interviews, management were asked to reflect on what they felt the primary objectives of the stakeholders were in terms of their relationship with the NPO. In order to gain an understanding of management's views as to the purpose and utility of the differing elements of the MCS, management were asked to consider each MCS on a scale of 'importance' for each of the stakeholders. Utility perceptions in this context, are concerned with management's views of the importance of the three differing MCS in supporting the objectives of stakeholders. As noted earlier, this is referred to as the 'utility'

of the MCS for the purposes of discussion. Considering each of the stakeholders, management were asked to place each MCS element on a scale reflecting their perceptions as to the utility of the MCS element. Their responses were scored to facilitate a relative comparison of degrees of perceived utility. The collated scores, together with information on MCS typologies and stakeholder salience, were set out in Chapter 5, Table 5.16. In addition, in the case of each MCS element, the engagement and interaction of the stakeholder with that MCS element, in terms of input, output, and accountability, are discussed providing further insight into MCS design and use in an NPO context. The accountability processes of each MCS element, reported on in chapter 5, Table 5.10, facilitates the discussion and analysis in the subsequent sections.

6.3.1.1   Client service delivery and control system (CSDC)

CSDC - Utility (Table 5.12)

As the CSDC is entirely focused on managing the direct support delivery to the service users it was, expectedly, regarded as having the greatest relative utility for the service users. Thereafter it was regarded as having a significant degree of utility for HIQA and for the Board. In contrast it was regarded as having the least utility for the funder – the HSE.

Stakeholder engagement/interaction with CSDC (Tables 5.9 and 5.10)

Service user interaction with the system is centred on an annual meeting with the service user, their primary family and carers, and their lead team members within the NPO. The meeting reviews the previous year and identifies the planned 'personal outcomes' for the service user for the following year. The outcome of the meeting is captured in the service users 'individual plan' (IP). The IP forms the basis of regular (usually monthly) internal review meetings (not involving the service user) led by the relevant team leader (usually a 'unit service manager') that, coupled with information from the AOS system, forms the basis for the clients service record. The service user and/or their primary family members and carers are not provided with any reports from this system and are only advised

on progress or lack thereof on an ad-hoc basis other than the annual IP meeting and after the annual IP meeting they are not provided with a copy of the new IP unless they request it.

The system is seen as being of significant utility to HIQA as regulator. HIQA inspections invariable focus on the client service records incorporating the CSDC and IPs as the base point for their inspections and reports, further they also require ad-hoc reports generated from the information in the client records. Although not as intensely, the Board are provided with CSDC data on a regular basis, most notably on compliance with the requirement to hold an annual IP meeting and in providing them with outcome progress updates. The HSE have limited to no interaction with this system and do not require any reports that would be generated therefrom.

6.3.1.2   Budgeting System

Budgeting – Utility (Table 5.12)

The budgeting system was viewed as having the highest relative utility for the HSE and the Board. Again this is not unexpected given the requirement for financial accountability to the commissioning and funding stakeholder and the governance oversight responsibilities of the Board. It was viewed as having a much lower relative utility for HIQA and of moderate utility for service users.

Stakeholder interaction with the budgeting system (Tables 5.9 and 5.10)

Service users are not provided with any information or reports from the budgeting system. The only financial information available to the service users are the publicly available published annual reports of the NPO incorporating summary financial statements. The HSE and the Board are provided with regular periodic reports on budgets, cost outcomes and variances. The regulator requires and receives no information from the budgeting system appearing to adopt the position that cost should not be a consideration for them in any findings on compliance. As far as input is concerned the formulation of the budget is entirely

in the hands of the Board, management, and the HSE and while service user data, including information formulated from the CSDC system and processes, does inform that process, service users themselves have no direct involvement.

6.3.1.3   AOS System

AOS − Utility (Table 5.12)

Management viewed the assurances of services (AOS) systems as having the highest relative utility for the regulator, HIQA. While not as significant, management did view the AOS as having a high relative utility for service users and the Board with little distinction between them. While also viewed as having utility for the HSE it was seen as somewhat lower in relative terms compared to the other stakeholders, with some managers expressing doubt as to the use the HSE make of the information and data provided from the system.

Stakeholder interaction with the AOS (Tables 5.9 and 5.10)

Not unlike the budgeting system, the service users receive no reports or information from the AOS. Regular formal reports are generated for both the Board and the HSE supplemented with ad-hoc reporting. The regulator inspections require all AOS data and reports generated to be available to them for specific and general compliance assessment.

6.3.2   MCS Typology and Integration

MCS Typology (Table 5.9)

Each of the three MCS elements, CSDC, budgeting, and AOS, were composed of a mix of MCS typologies (Table 5.9). Of particular note is the nature of the control typologies that characterised each MCS element when contrasted with both the perceived utility of the MCS element in supporting stakeholder objectives, and management's perception of stakeholder salience (Table 5.16). For the two stakeholders regarded as most salient, HSE and HIQA, the MCS

elements viewed as having the greatest utility in meeting their objectives, budgeting and AOS, had predominantly cybernetic and administrative control types. In comparison, however, for service users, perceived as the least salient, the control element considered as of the highest utility in realising their objectives, the CSDC, was predominantly made up social/behavioural and planning control typologies. The Board, considered to be more salient than the service users but less so than the HSE and HIQA, was perceived as being relatively evenly served by all three MCS elements and the mix of MCS typologies serving this stakeholder was spread across all control types. Administrative controls, as would be expected, regardless of the activity the focus of the MCS, were evident to varying degrees across the three MCS elements.

These observations are suggestive of a potential relationship between stakeholder salience and MCS typology. For a stakeholder perceived by management as less salient compared to other stakeholders, in this case service users, the MCS element viewed as of greatest utility to this stakeholder consisted predominantly of social/behavioural and planning controls. Conversely, when the stakeholder is perceived by management as more salient the MCS elements perceived as of greater utility to that stakeholder consisted predominantly of cybernetic together with administrative controls typologies. While a deeper understanding of the observed MCS control typologies identified in the NPOs in this case study would require further enquiry, there may be some explanation from the nature of the NPO activities that the differing MCS elements have been designed to monitor and control. As pointed out by Hofstede (1981), in the NPO sector outputs from key activities can be difficult to measure with further difficulty in determining cause and effect relationships and in such instances rendering them non-suited to traditional cybernetic approaches. This would certainly be the case in respect of the service user focused activities of the NPOs in this study, thus suggesting that cybernetic controls would not be suited to these activities and therefore have a limited role in the MCS element perceived to have the most utility for service users, the CSDC. Furthermore, Hofstede (1981) argued that a cybernetic approach requires a significant degree of certainty in respect of the essential control criteria of: objective clarity, measurability, cause and effect relationship, and degree of repetition/replication, with only routine controls wholly

lending themselves to a cybernetic approach. In the case of the budgeting and AOS systems the activities the focus of these systems would undoubtedly have greater objective clarity (e.g. cost control, incident monitoring, etc.), lend themselves to measurement, and are to a degree repetitive. While the cause and effect relationship would have some degree of ambiguity for some of the activities, it is apparent that cybernetic controls would lend themselves to these activities to a much greater extent than in the case of the CSDC system.

MCS Integration

An overarching observation from the field work and the review of the MCS in operation was that there was a near complete lack of integration across the three systems. The Budgeting system and CSDC would have an obvious interface with the potential to allocate resource consumption captured by the budgeting system with the approach to service delivery as recorded by the CSDC. Nether, however, at the time of the study incorporated the required granularity, or the mechanisms to link the two data sets in a manner that would be meaningful for management. The budgeting system was largely managed as an allocated 'block grant' with variance reporting and had no role for managers in managing service delivery other than a negative compliance and 'do not overspend' obligation on managers who primarily viewed the budget as a 'restriction' on services. On the other hand the CSDC system was viewed as 'aspirational' on the one hand, in terms of setting out personal outcomes for service users, and 'restricted' on the other hand in that personal outcomes may not be achieved because there was no money. The CSDC does not capture the detail of service support activities by management and staff in a manner that could integrate with the budgeting system and provide visibility on the interrelationship between support activities, resource consumption, and service user outcomes. Furthermore, the AOS also stands as a separate system. The obvious interrelationship here would also be with the CSDC. The AOS captures information on among other things, critical incidents, complaints, and medical management. As the CSDC does not capture the detail of service support activities provided by service user, there is no opportunity to integrate service support profiles with the AOS data.

Management when asked to suggest any changes to the MCS that they felt might be useful did so, nearly exclusively, with a view to improving the manner in which the needs of the service user might be enhanced, or their own role as managers better supported. This reflects their unwavering perception of service users as the most important stakeholder, albeit in terms of salience attributes, not regarded as 'definitive'. The majority of suggestions were to do with enhancing the integration of data from all three systems with a need for greater timeliness in report production and enhanced use of IT also high on their wish lists.

6.3.3 Mission salience disparity and MCS

When the disparity between management operational attention, led by stakeholder salience perceptions and mission, as described at 6.2.2.5 above, is viewed in conjunction with perceptions of MCS utility and design, additional disparities are manifest. The primary MCS viewed by management as having utility for the service user stakeholder, who are central to the organisation's mission, was the CSDC with the AOS also perceived as having significant utility, however, there appears to be little formal, or structured accountability, incorporated into the MCS design to that stakeholder. The budgeting system was viewed as having little direct utility for service users and consequently incorporated no accountability processes directed at the service users. Further there was little if any integration across the three systems. Performance management to be effective requires an integrated approach, where mission, operational management, and control elements are aligned (A. Ferreira & Otley, 2009) and accountability is a central element in the management of performance (Ebrahim, 2003). Critically, in NPOs a clear understanding of organisational mission between management and relevant stakeholders is essential (Hofstede, 1978, 1981). In this case there is an observed non-alignment, or disparity, between organisational mission and management attention to the primary mission critical stakeholder, services users, that is reflected in MCS design and use, in terms of accountability, and with a deficit of accountability to this stakeholder perceived by management.

Managing to realise mission objectives in NPOs requires an integrated performance management system with operationally effective MCS that incorporates appropriate accountability mechanisms to stakeholders (Dhanani & Connolly, 2012; Ebrahim, 2003; Gibbon, 2012; Unerman & O'Dwyer, 2006). In exploring the accountability aspects of the PMS and MCS design and use significant disparities in this regard were observed. These disparities for the most part are in relation to the attention afforded services users; the stakeholder identified by management as the most important and centrally identified with organisational mission. Service users are not provided with any financial reports derived from the budgeting system notwithstanding that efficient use of resources is critical in securing both the required quantum of services and possibly even more importantly, services and the service mix appropriate to their needs. The AOS system is viewed by management as having important utility in meeting the objectives of service users, yet this system does not incorporate any reporting to these stakeholders. This is all the more surprising given the nature of the information captured and collated by these systems, information to do with client safety, security and protection, features that management identified as key objectives of service users when asked their views on stakeholder objectives. The CSDC system was universally viewed by management as the central system in terms of managing and meeting the service needs of service users. This is the only system that incorporates some element of reporting, accountability, to the service users. Interestingly, the accountability mechanism to service users that forms part of this system is in the form of 'personal outcome plans' derived at an annual IP meeting. The system does not incorporate any reports, formal or otherwise, on performance evaluation or assessment of actual service delivery. In contrast to the accountability attention afforded to service users, the level of reporting to all of the other stakeholders was considerably greater. Further, the processes of accountability reporting to stakeholders other than service users were more likely to be formal, with structured elements informing system design. The Board and the HSE are provided with regular scheduled and ad-hoc reports on budgetary matters, statistics on assurances derived from the AOS system, and while the HSE do not seek and are not provided with reports from the CSDC, the Board do request limited ad-hoc reports from this system. The regulator,

HIQA, does not seek and are not provided with any reports from the budgetary system. Their primary concern as regulator is served through the provision of detailed reports on request (usually inspection related) from the AOS and CSDC systems. A similar finding was reported by Assad and Goddard (2010, p. 295) in an investigation of the influence of stakeholders on accounting practices in non-governmental NPOs, they observed that accountability was significantly influenced by donors who were considered to be the most salient 'definitive' stakeholder, with the 'flow, frequency, and density of accounting information strongly related to resource flows'. They found that beneficiaries were among the least important in terms of accounting and accountability relationships.

This disconnected approach to MCS design does not lend itself to the reflection of stakeholder needs in an integrated manner. This, once again, is most apparent in terms of the service user stakeholder with the least salience and suggests, in keeping with the findings of Assad and Goddard (2010) in relation to accountability and accounting processes, that greater attention in the design and use of MCS is afforded to the needs of those stakeholders perceived as highly salient over those perceived to be less salient. Significantly, as attention to the expression of values and mission in MCS processes has been identified as an important aspect of MCS design and use in NPOs (Hofstede, 1981), this disparity between MCS design and use and attention to service users as a stakeholder central to mission may lead to a divergence from the core mission and values of the NPO. Furthermore, it is notable that, in reflecting on their views that service users had limited power and the consequent implications in terms of the attention they were afforded, notwithstanding their centrality to organisational mission, appeared to spark an awareness in Management of this disparity. In this context, management repeatedly expressed the view that the organisation was not doing enough to address the lack of 'power' of service users, particularly considering the organisation's mission and frequently referred to a deficit in service user 'advocacy'.

6.3.4 MCS, performance and accountability to stakeholders

In complex public service settings that traverse organisational boundaries, such as that examined in this research, the manner in which MCS is conceptualised has been identified as a key area of focus. Kurunmäki and Miller (2011), suggest that the recognition and incorporation of 'mediating instruments' as an integrating component of MCS might be an effective way of dealing with differing stakeholder perspectives, and 'connecting actors, agencies and aspirations'; that rather than 'viewing management control practices as simply the "implementation" of policy, they [could be] viewed as inter-defined with the political, professional, and organizational categories that animate them,' i.e. the 'aspirations' and objectives of the stakeholder actors within these categories are integral to the effective design and use of MCS (Kurunmäki & Miller, 2011, pp. 237 - 238). While focusing on the political, professional, and organizational categories of stakeholder and the potential for MCS to assist in traversing both real and perceived boundaries between them, the arguments supporting such a role for MCS can be extended to all stakeholders. From the analysis of management perceptions and MCS in this research, accountability, recognised as an essential component of MCS (Thomas Ahrens & Chapman, 2006; Merchant & Otley, 2007; Messner, 2009), would appear to offer some utility as such a 'mediating instrument' in this regard. The review of the literature on accountability and NPOs in section 2.4.1 informs the analysis below.

Stakeholder theory has focused on accountability as a critical constituent of the stakeholder relationships in NPOs (Connolly & Hyndman, 2017; Cordery & Sim, 2018; Dhanani & Connolly, 2012; Ebrahim, 2003, 2005; Gibbon, 2012; Kearns, 1994; O'Leary, 2017; Unerman & O'Dwyer, 2006)[25], and while the concept of 'accountability' in terms of the individual and the organisation has and continues to be questioned with the articulation of differing constructs and abstractions (see: Gibbon, 2012; Messner, 2009; Roberts, 1991; Sinclair, 1995), accountability in practice has been unambiguously identified and examined as an essential element of effective management in an NPO context. It is not surprising therefore, that accountability emerges as an important aspect of the MCS in this case study,

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[25] See Chapter 2, section 2.4.3 for a full discussion on 'accountability' and NPOs.

in particular the observed deficiencies in accountability emerging from the analysis (see sections 5.4, 6.3.1, and 6.3.3 above). Six aspects of accountability are identified as of particular relevance in the case of the NPOs in this study and are examined separately below: 1) the relational nature of accountability, 2) the role of power, 3) accountability and organisational mission, 4) the role of NPM driven accounting processes, 5) the challenges of 'knowing' certain stakeholders, and 6) the transformative potential of accountability.

Accountability as a relational process

As well as recognising the need for multi-directional accountability in NPOs, upward, typically to funders, and downward, typically to beneficiaries (Ospina et al., 2002), the 'relational' nature of accountability, in particular that accountability 'does not stand objectively apart from organizations but is reflective of relationships of power among organizational actors' is central to understanding accountability processes in NPOs (Ebrahim, 2003, p. 196). The importance of the 'relational' quality of accountability has been the subject of significant scholarly attention (see: Ebrahim, 2003, 2005; Edwards & Hulme, 1996; Gray et al., 2006; Johansen & Nielsen, 2016) and is of particular import in settings with multiple stakeholders at once cooperating for and vying for management attention. This study, in examining management perspectives of stakeholders and MCS design recognises this 'relational' nature of accountability, adding to the understanding of the role of accountability in NPO settings involved in health and welfare service provision. From a governance perspective, accountability to stakeholders of NPOs is central to the discharge of organizational responsibility to stakeholders and, critically, the realisation of organisational mission. That is, mission realisation is to a significant degree bound up with accountability to all relevant stakeholders, without which, individual stakeholder outcomes can default, in the extreme, to the residual that is delivered after management have attended to those stakeholders to whom they feel compelled to account (Connolly & Hyndman, 2017; Dhanani & Connolly, 2012; Unerman & O'Dwyer, 2006).

Accountability and stakeholder power

Management perceptions of 'power' in terms of stakeholders is central to this study and has emerged as being perceived as both varied and asymmetrically distributed among the stakeholders. Gray et al. (1997, p. 334), in their work on social accounting, recognised that information flowing to a stakeholder 'will be determined by the power of the parties to demand it'. In order, however, for a stakeholder to 'demand' it they must first have a voice. In this study, service users emerged as having a particularly weak voice, underpinned by their perceived lack of power.

Notwithstanding the relative perceived powerlessness of service users, this does not mean that the organisation should limit their attention to them. While stakeholder theory recognises relevant stakeholders as all those that may be impacted by the organisation, the question of whether or not the organisation has an obligation to account to them remains and has been the focus of some scholarly research. In a stakeholder accountability framework in NGOs proffered by Unerman and O'Dwyer (2006), they suggest three perspectives of stakeholders to whom the organisation may be accountable and the case can be made that the service users in this study meet the criteria of at least two of those perspectives. The first, a broad perspective embracing all of those individuals and organisations who may be impacted by the effects of the NPOs actions (whether known or not); power is not a factor considered in this perspective and the service users of the NPOs in this study would certainly be deserving of accountability under this perspective. The second perspective focuses only on those stakeholders who have the power to 'progress or retard' an NGO's achievement of mission, and it is unlikely that service users would meet this criterion given their perceived lack of power. The third perspective suggested is a narrow view moving into 'identity accountability' where those in charge of an NGO would 'only consider themselves accountable' to a 'narrowly defined group of people involved in managing or funding the' NGO with a focus on integrity and mission. While this final perspective would undoubtedly include: the HSE (funder), HIQA (regulator), and the Board, it can be argued, that as service users are regarded as central to the mission of the NPOs, then in this regard, the NPO should be

accountable to them. While it would appear that stakeholders would struggle to meet the criterion for accountability of the second perspective (due to their power deficit) as described by (Unerman & O'Dwyer, 2006), a strong case is made, nevertheless, that service users are deserving of accountability when the other two perspectives are considered.

There are, however, counter views on the manner in which power becomes manifest and distributed in NPOs. Connolly and Hyndman (2017, pp. 160-162), observed that in charities "there is close alignment between donors' interests and beneficiary needs", and concluded that funders, while regarded as powerful stakeholders, ceded power to 'beneficiary' stakeholders suggesting the commonality of stakeholder objectives in the NPO setting gave rise to a rebalancing of power toward beneficiaries that might otherwise skew attention toward economic fiduciary obligations. While this observation/assumption may be true of pure 'donor' funded NPOs the subject of their paper, it does not necessarily hold true when the 'donor' is the State operating through an intermediary public body in contracting for services. In this study we find that there is a clear recognition that the funder, the HSE, while 'on paper' (the 'service agreement') articulates objectives in contracting for services that serve the needs of service users, in practice, as evident from the manner in which they characterised their perceptions of stakeholder power, management do not believe that they (the HSE) have service users interests to the fore in their dealings with the NPO. Economic fiduciary concerns, centred on meeting service quantum requirements, are perceived by management as dominating. The perceptions of management, as articulated during the interviews in this study, point to a clear conflict between a perceived dominating objective of the HSE to meet quantity of service needs (number of service user places) over the quality of life objectives that management perceive as most relevant for service users. In consequence management see themselves at the centre of a tension between HSE fiduciary economic concerns and the concerns of service users. It is apparent from the views expressed by management that they do not perceive that the HSE cedes power to the service users, quite the opposite, with implications for accountability asymmetry and a consequent potential for mission drift.

Accountability and organisational mission

The need for NGOs to be attentive to mission when considering their responsibility for accountability was further explored by O'Dwyer and Unerman (2008) who suggest that three lessons for management might be applicable: First, the need for managers to be attentive to their core mission, notwithstanding pressure towards a 'performance' accountability to perceived powerful stakeholders; secondly, managers need to develop strategies to manage potential tensions between a narrow hierarchical accountability and mission achievement; and thirdly, a need to find a balance between accountability mechanisms that are 'control and justification' orientated and those that are tools for 'learning and dissemination' in order to avoid a tendency toward mission drift. While the NPOs the subject of this study are not 'rights based NGOs', central to their mission are constructs of the 'rights' of service users and these three 'lessons' resonate, particularly in light of the findings in relation to the perceived lower salience of service users compared to other stakeholders, in particular the HSE as funder.

This observation also resonates with the role of 'internal accountability' as a necessary means to ensure a continuous focus on mission in order to avoid 'mission drift', central to which is an alignment with appropriate accountability to stakeholders (Ebrahim, 2003, p. 208). This study has identified a deficit of accountability toward service users, the most 'important' stakeholder in terms of mission, with the emphasis on accountability and MCS design pulled towards those stakeholders considered to be more salient, the HSE as funder, HIQA as the regulator, and to a lesser extent, the Board. In the absence of any significant accountability to service users, the NPOs in this study are nearly entirely focused on 'upward accountability' toward the HSE and the Board in terms of governance, and what could be characterised as 'lateral' accountability to HIQA, the regulator. This draw of the more salient and powerful stakeholders of the NPOs in terms of management attention and accountability, at the expense of attention to the less salient service users, who are central to mission, poses a risk for mission drift.

Accountability and NPM driven accounting processes

There is an additional difficulty in aligning accountability to mission for NPO organisations substantially funded by the State, as is the case with the NPOs of this study, where there is a real danger that accountability processes will be dominated by imported 'new public management' (NPM) driven performance measurement processes, giving rise to an overly 'funder' focused management who may 'prioritize [these] kinds of performance measures over its core mission' (Dacombe, 2011, p. 165). The HSE (and its predecessor bodies) as one of the most substantial public sector organisations of the Irish State have not been immune to the impacts of NPM in this regard (Robbins, 2006; Robbins & Lapsley, 2008). The annual 'service agreements' that form the basis of the HSE/NPO funding relationships in this study have incrementally incorporated greater levels of NPM driven accountability and reporting requirements, drawing greater and greater attention of management in meeting their obligations in this regard, with consequences for the attention afforded other stakeholders.

Accountability and 'knowing' stakeholder objectives

'Value' creation for stakeholders, from a stakeholder theory perspective, is arguably the central purpose of the organisation against which 'performance' is assessed (Parmar et al., 2010). Of particular relevance in the case of the service users as stakeholders of the NPOs the subject of this study is that they have varying degrees of capacity constraints due to differing expressions of intellectual disability. This presents difficulties for managers, firstly in understanding the nature of relevant knowledge for these stakeholders in terms of their value objectives as recipients of supports from the NPOs, and secondly in terms of the challenges to identify and secure the appropriate 'material conditions' to facilitate value creation in such contexts, in this case an ability to clearly communicate with service users. These challenges were clearly expressed by management in this case study when expressing their views on what they would like to change in

relation to the CSDC system, particularly in relation to the determination of service user needs and objectives for reflection in their annual IP (see section 5.6). In order to understand what 'value' means for stakeholders, and to communicate what the organisation has and is doing in relation to realising that value, it is necessary to both 'listen' and 'talk' to the relevant stakeholders, and accounting and reporting systems form a central avenue for such communications (Hall et al., 2015, pp. 909-910). If as Hall et al. (2015) suggests, management epistemic beliefs and organisational material conditions both enable and constrain the effective recognition of stakeholder voices within these systems, this presents a particular challenge for management in NPOs providing services for capacity constrained service users particularly in the area of communication. First, the potential to 'discount' communications from these service users as failing to encapsulate or represent 'real' knowledge of their own needs must be recognised. The manner in which management form epistemic understanding, derived from their personal belief system, becomes a factor in 'hearing' service users and consequently understanding a central element of their organisations core mission, meeting the 'quality of life' needs of service users. Second, if the service users are to be facilitated in having their voice heard, then NPOs require the appropriate material conditions to be in place that facilitates such communication, and while it would be expected that this might be the case given the purpose and mission of these NPOs, management, nevertheless, consistently pointed to service users as lacking a 'voice' and in need of more support in that regard. Both of these observations have implications for management in terms of how they may be accountable to this stakeholder.

It is also apparent that a propensity for management to focus on beneficiaries as 'core' in terms of accountability, as recognised by Ospina et al. (2002) in the case of 'identity' NPOs, is not manifest in the NPOs in this study. 'Identity' NPOs are formed and operated by a particular constituency to serve that constituency, for example an ethnic minority group, or people of a particular gender. The NPOs in this study, as would be common in NPO led services for people with intellectual disabilities, the elderly, children, and people with mental health issues among others, are managed and operated by parties that are at least once removed from the beneficiary constituency and dominated by 'professionals'. This, it would

appear, creates an identity barrier between management and beneficiaries, even though management may well be vocationally driven to serve the particular constituency of beneficiaries in question. That such a barrier exists, or has evolved, in the NPOs in this study is suggested by the views expressed by management on the erosion of 'humanity' (see Chapter 5, section 5.7). It would appear that, due to the characteristics described above, that the internal environment of the NPOs in this study is reflective of the external social environment as described by A. Bruce et al. (2002, pp. 15-23), who articulated a societal 'identity barrier' driven by society treating people with disabilities as different to non-disabled people. It may be argued, that an identity barrier existing between management and service users, however solid or porous, detracts from the accountability that might otherwise be manifest to service users as 'core' beneficiaries. Both the nature of management 'epistemic beliefs' and the appearance that there is an 'identity barrier' between managers and the least salient stakeholder, service users, present a challenges for effective accountability to that stakeholder, challenges that may be addressed in part through advocacy. The potential role of 'internal advocacy' in this regard is taken up in section 6.3.5 below.

Accountability as a transformative function

Accounting and MCS systems clearly have a role to play in giving 'visibility' to stakeholder interests (objectives) in NPOs, with a potential 'to influence the way that stakeholder interests are seen, thought about, and acted upon by organizational members (and potentially other stakeholders), and thus has important implications for the way organizations' can engage with and create value for its stakeholders' (Hall et al., 2015, pp. 929-930). Examining alternative accountability approaches from reporting, to facilitating discourse, and inclusion of stakeholders in service decisions and governance, are all important if the acknowledged difficulties in 'downward' accountability (to service users) are to be engaged with (Brown & Dillard, 2015). In particular the direct inclusion of, and engagement with, service users in the crafting of effective approaches to accounting technologies and accountability is vital as 'the involvement of

stakeholders is essential in order to establish an efficient stakeholder-centric accountability system' (Kaur & Lodhia, 2018, p. 359). In this regard, however, Brown and Dillard (2015, p. 982) point out that 'difficult issues arise regarding the representation of vulnerable stakeholders who may have limited capacity or power to represent themselves', as is the case of the service user stakeholders in this study. This observation supports the concept of managerial 'internal advocacy' as a necessary mechanism for the effective inclusion of such stakeholders in the process of accounting technology development, deployment, and evaluation. The concept of 'internal advocacy' is taken up later below in section 6.3.5.

The harnessing of accountability practices and processes as a means of promoting transformative learning with beneficiaries, that facilitates stakeholder self-determination, as articulated by O'Leary (2017), resonates with the assertions made by Brown and Dillard (2015) as to the potential of stakeholder involvement in the design of accounting systems and processes. O'Leary (2017)'s study involved a dual case examination of accountability in 'rights based' NGOs operating in a wider global societal context of deprivation and under-development, parallels can be draw with the circumstances of services users with disabilities to whom the NPOs in this study hold out an objective of enhancement of quality of life, encompassing 'independence' and supportive of self-determination. O'Leary (2017, p. 36) found that 'accountability obligations were not simply "discharged" when [the NGOs] provided an account of their actions to beneficiaries, or when beneficiaries participated in needs assessments or evaluation of NGO performance', that they were only 'satisfied when accountability was enacted in a manner that related to the fulfilment of specified promises, particularly those that had transformative intentions.' This extends accountability from a domain of control and report to one where the accountability processes become a means of achieving core organisation mission goals as opposed to simply reporting strategic and operational activities and outcomes, even if evaluated in consultation with the stakeholders. In the case of NPOs providing support services to people with capacity constraints that limit their ability to achieve a basic quality of life, the extension of accountability processes in this manner would appear to have potential in realising core mission objectives of the

NPOs. Extending the accountability of the NPOs through the CSDC system to incorporate service user learning and empowerment through 'grass-roots' monitoring and evaluation with service users as the active driver, and a focus on facilitating and enabling the core mission objectives from the outset of these processes, would emulate the observations of O'Leary (2017) in the case of the rights based NGOs she examined and have the potential to emulate the observed benefits in enhancing self-determination.

6.3.5 Stakeholder salience and MCS – the case for 'internal advocacy'

That management may have a role to play in deliberative interventions of support for one or more stakeholders in their relations with the organisation itself, is not something that has been explored to any material degree in accounting and management literature with only passing mention by some scholars. Ospina et al. (2002, p. 29), identified a role for 'managerial activism' in the strategic satisfaction of accountability obligations to multiple stakeholders, however, they do not propose what form such activism by management should take, nor how managers should choose to deploy such activism between differing stakeholders. Further, while Mitchell et al. (1997, p. 877) suggest that power might be exercised in the interests of 'dependent' stakeholders (who lack power) 'through the advocacy or guardianship of other stakeholders, or through the guidance of internal management values' they do not explore how such guidance on 'internal management values' might be effected or used to this end. The findings of this research support an active role for NPO management in addressing the 'lack of voice' of service users through 'internal advocacy', in order to rebalance disparities between stakeholder salience and mission importance. This has a particular significance in the context of NPOs in the provision of services to persons who have limitations on their capacity to self-advocate and who fall to be categorised as 'dependent' or 'discretionary' stakeholders. The review of the relevant literature on advocacy in health and welfare settings in section 2.4.2 informs the analysis below.

The focus of research on advocacy undertaken by organisations in a performance management and/or accountability context has largely been on the organization's external advocacy. Typically the advocacy activities examined are of the nature of promoting policy change or supporting stakeholders in having a meaningful 'voice' with their interactions with other stakeholders or State agencies (Hielscher et al., 2017; Kendall & Knapp, 2000; Unerman & O'Dwyer, 2006). While the possibility that the 'salience' classification type of a stakeholder might be alterable through interactions with other stakeholders has long been identified by stakeholder theory scholars the role of management, however, in this regard has received little attention (Erdiaw-Kwasie et al., 2017; Mitchell et al., 1997; Neville et al., 2011; Wood et al., 2018). An understanding of this aspect of the dynamic nature of salience was drawn on by Erdiaw-Kwasie et al. (2017, p. 95) in their development of a possible model toward the enhancement of corporate social responsibility practices by businesses. They posit 'that the actual salience class of the stakeholder can be altered when such a stakeholder is empowered either by NGOs, state institutions or businesses.' Their model is built around stakeholder empowerment which they suggest can be achieved through access to information, accountability, inclusion and participation, and local capacity building (Erdiaw-Kwasie et al., 2017, p. 94). While concerned with the 'business world', identifying the 'business' itself as a source of empowerment for stakeholders with a deficit of power, is suggestive of a role for management in 'internal advocacy' activities, in any organisational type including NPOs. In the NPOs the subject of this study such a role for management is suggested as a means of helping to realign stakeholder salience with the NPO mission. Connolly and Hyndman (2017, p. 163), point to the potential 'need for "champions" of change to provide encouragement (or even coercion) and guidance as to what is required' to achieve greater holistic accountability to stakeholders. The analysis in this study suggests that there is a role for management as the internal 'champion' of service users by engaging in 'internal advocacy' towards salience realignment.

In this context 'internal advocacy' is taken to represent any advocacy activity or intervention by management with the purpose of enhancing the 'voice' and/or 'visibility' of a stakeholder, in this case service users, in their relations with

management themselves. The examination of such 'internal advocacy' in accounting, and wider management and organisational research, is uncommon as it would appear that 'internal advocacy', as described above, is itself a phenomenon not commonly identified as an internal management practice. In the domain of intellectual disability services it has also been noted by scholars that there is a lack of empirical research on 'support worker' advocacy (Abbott & McConkey, 2006; Brolan et al., 2012; Llewellyn & Northway, 2008). Barriers to internal advocacy in intellectual disability services have been identified as including difficulties for staff in having a free voice and/or the resources at their disposal for advocacy activities, and a lack of support to embracing a 'person centred' approach to service provision (Brolan et al., 2012, p. 1089 and 1093). The evidence from this study, capturing management's perspectives, suggests that such activities are inadequately resourced, or insufficiently encouraged, as a means of increasing service user voice, and further evidenced by management's views on the erosion of the 'humanity' within the services (section 5.7). The views of service users themselves are also pertinent in this regard. Abbott and McConkey (2006, p. 284), found that people with intellectual disabilities felt that there should be 'greater opportunities for advocacy' as 'a counterbalance to the power that service managers and staff are perceived to have over people's lives'. This is in keeping with the perceptions of management captured in this research that service users have relatively less power and a weak voice, and underscores the potential role of 'internal advocacy' in supporting what service users perceive as necessary to redress power asymmetry and to reinforce their quality of life.

In the other social support areas, and in the medical domain, 'client' and 'patient' advocacy is recognised as a significant factor in service provision. Studies in these areas offer some additional insights. In general health care and community welfare service settings, client and patient advocacy is recognised as an essential element in the effective support of patients and clients in underpinning autonomy and patient rights, and achieving better patient and client outcomes. Mahlin (2010), points to the need to address systemic issues that undermine patient care and that advocacy is a necessary intervention to counteract the patient's lack of power relative to other stakeholders, an observation that is reflected in a

significant body of work in these domains (Burhans & Alligood, 2010; Coker et al., 2012; Hague & Mullender, 2006; Hubinette et al., 2017; Mahlin, 2010; Mechanic, 2000; Pickett et al., 2012). Difficulties, however, in engaging service users and patients through advocacy, while 'vital', are also recognised, due to service users being 'hampered by social exclusion and by the complex and sometimes invisible operation of power' (Hague & Mullender, 2006, p. 571).

Often seen primarily as the responsibility of nurses or other support staff such as social workers, as well as physicians, advocacy in a health context generally tends to be centred on "ensuring access to care, navigating the system, mobilizing resources, addressing health inequalities, influencing health policy, and creating system change" (Hubinette et al., 2017, p. 128). The suggested areas of intervention include both 'external' and 'internal' elements the latter in relation to access and navigating the systems encountered by the patients and clients. Further, Mahlin (2010, p. 249), in calling not just for individual members of staff to advocate for patients, but for 'collective' advocacy, supports the case made in the analysis in this study of a role for a collective management response to service user advocacy as well as advocacy interventions by individual managers. In focusing on 'systemic' issues, Mahlin (2010) and Hubinette et al. (2017) point to the role of 'systems' in both hindering, and possibly facilitating, advocacy for patients, something that is drawn out in the findings of this study in the context of MCS design and use. The lack of accountability to service users as a component of MCS in the NPOs is observed as hindering their autonomy and voice with the suggestion that this may be redressed through MCS redesign to incorporate both increased accountability to service users and by incorporating internal advocacy.

Hubinette et al. (2017, pp. 130-132), distinguishes between two components of advocacy: "agency", the enhancement of a patient's ability to 'navigate the system'; and "activism", supporting patients in bringing about system and/or policy change. In the case of the service users of the NPOs in this study, management acknowledge that there is need for greater 'internal advocacy'. Interventions by management to support greater 'internal advocacy' might entail changes to MCS design and use, both through an 'agency' element, with a focus

on assisting in 'navigating the system' through supported involvement and provision of information, and an 'activism' element that supports service user participation in system and policy change within the organisation.

The recognition that there is limited 'internal advocacy' in the NPOs in this study, supports the case for deliberative management interventions to mitigate the observed disparity between organisational mission and stakeholder salience. Requiring management to be accountable for establishing, promoting, and monitoring' internal advocacy' interventions on behalf of service users as part of the PMS and MCS, could provide the reinforcement necessary to change the practice of supporting internal service user advocacy from what was described by one manager as 'lip-service' to something that brings about a real and sustainable shift in service user salience and a re-categorisation of service users to a 'definitive' stakeholder typology (as opposed to a temporary shift in salience due to changes in urgency or temporally bowered 'power'). This would lead to a fundamental reframing of the power profiles of the stakeholders and realign the salience of service users with their centrality to mission. The need for a deliberative 'internal advocacy' intervention is further emphasised when considered in the context of a social environment where the bias of the power of the 'medical model' of support for people with intellectual disabilities continues to hold sway in informing perceptions of people with intellectual disabilities. The medical model imputes that people with intellectual disabilities are relatively powerless, not capable of an equitable social existence and in need of medicalised forms of support to live (Llewellyn & Northway, 2008, p. 223). Thus, against this normative influence which is in itself powerful, 'internal-advocacy' as an agency intervention is arguably essential.

6.3.6 Stakeholder salience and the 'management : stakeholder' agency relationship

The stakeholder analysis in this study, framed through the lens of stakeholder salience theory, has provided insight into the manner in which management perceive the distribution of power amongst stakeholders. Power distribution between organisational actors, in particular management and stakeholders, is

also a central concept in stakeholder agency theory (Hill & Jones, 1992). The insights provided by the findings from the stakeholder salience analysis in relation to stakeholder power, supports the incorporation of stakeholder agency theory as a complimentary frame of analysis in concert with stakeholder salience theory to provide further depth in examining the dynamics of the management stakeholder relationships observed in the study (section 3.2.7 in Chapter 3 sets out the central principles of stakeholder agency theory). In addition to extending the examination of the role of power, stakeholder agency theory adds to the analysis by providing insights on the potential for management self-interest and what this may mean for overall performance management.

The finding of this study, that service users are perceived as less powerful and therefore less salient than other stakeholders, takes on a particular significance when the nature of the service users are examined. The service users in this case are people with an intellectual disability, with particular challenges for self-expression, advocacy, and a recognised lack of 'voice'. This opens up the potential for 'moral hazard' in terms of management behaviour. Coupled with the observed deficits in accountability, the lack of salience of this stakeholder, primarily as a result of having little power, potentially leaves management in a position to be drawn to be self-interestedly attentive to the other stakeholders; attending to the needs of the funding stakeholder and those of the regulator in particular preserves their position in the eyes of these powerful stakeholders. Further, accepting that NPO performance is a montage of the objectives of multiple constituencies (stakeholders) that in turn are socially constructed, the danger that management may resultantly tend toward opportunistic behaviour exploiting the difficulty of defining performance is very real (Forbes, 1998). The possibility of this as a behavioural tendency must be recognised and is emphasised by the observation that management depend on the funding from the HSE and good inspection reports from HIQA to sustain their own positions, and further that it was notable that management became aware of the disparity between organisational mission and service user salience only on reflection as part of the interview process.

Stakeholder agency theory recognises that at any point in time there will be a power differential between the principal (the stakeholder) and the agent (management) the direction of which can change over time as a result of interventions or become entrenched due to the use of power dominance (Collier, 2008; Hill & Jones, 1992). The theory assumes that stakeholders will engage in interventions in order to minimise utility losses arising from their involvement with the organisation and management's potential self-interest. The 'internal advocacy' and accountability interventions in terms of changes to MCS design and use suggested earlier could be described as necessary agency interventions for service users. However, the lack of perceived power and the lack of an ability to self-advocate, coupled with the potential for management self-interest, places service users in a vulnerable position as they are wholly reliant on others, and in this instance, management themselves to intervene. This observation recognises, that if management do not see their interests as aligned with those of service users, then service users will be dependent on management recognising that they have an overriding 'normative' obligation to intervene on their behalf. That there is potential for this was apparent with management recognising, given the vulnerability of service users and their lack of agency, that there was a need for greater service user advocacy. Furthermore, management perceived service users to be the most legitimate of all stakeholders, with their representation of their legitimacy suggestive of a normative legitimacy and management in this instance appearing to fit what Jones et al. (2007, p. 145) described as a 'moralist' managerial cultural type, with 'a genuine concern for the welfare of normative stakeholders'.

6.4 Stakeholder theory and salience complexity, duality, and risk.

The responses from management when asked to reflect on the differing salience attributes of the four stakeholders in this study displayed a complex and composite make up of perspectives for each of the attributes but most notably, legitimacy and urgency. This presents challenges for stakeholder salience theory and recognises a need to develop the framework to embrace this complexity.

Before discussing this complexity it is apposite to recap on some of the results of the research in this regard. The complexities were for the most part in relation to management's perceptions of the salience of service users, the HSE, and HIQA. When it came to the Board while there were issues of remoteness and difficulty in relating to this stakeholder, these differed from the complexities observed in terms of the other three stakeholders.

6.4.1 Complex perspectives

Service users - urgency

For service users, management's perspective on urgency was very much context dependent and could be high if the immediate claim is perceived as having a high risk (i.e. self-harm, medical safety etc.) suggesting a 'dependent' stakeholder typology when coupled with their high perceived legitimacy and relatively little power. In contrast, urgency was perceived as low when the service user's particular claim on the organisation had a longer term profile such as for 'service enhancements' (i.e. a change in accommodation not as a result of a risk situation), suggestive of a more 'discretionary' typology, see Figure 5.1. This suggests a possible, context dependent, duality of stakeholder typology.

HSE - legitimacy

For the HSE, role contextual factors were evident in terms of legitimacy with management viewing the HSE as possessing high legitimacy in their role of funder on behalf of the State; however, this fell away considerably when management considered the HSE role in service oversight as commissioners of the service with management regarding them as possessed of relatively little or no legitimacy in this context. This would suggest that the HSE would fall to be categorised as a 'dangerous' stakeholder except when it comes to its funding role which, being regarded as legitimate, would suggest that in this context the HSE is a 'definitive' stakeholder. Again this is suggestive of a complex duality in terms of stakeholder typology with the HSE appearing to fit two differing typologies at

the same time, each defined by the role context of the management stakeholder interaction.

HIQA - legitimacy

As the statutory regulators, HIQA, were regarded as having high degrees of legitimacy, however, in terms of their role in the development of the regulations, and in carrying out inspections, they were viewed as having relatively lower levels of legitimacy. Once again there is evidence of a possible duality of salience typology with HIQA at the same time regarded as a 'dangerous' stakeholder (possessing power and urgency, when viewed solely in their role as a party to the drafting of the regulations and in their approach to inspections, and in a differing role context, that of the 'statutory regulatory' with power to close down services, viewed as a 'definitive' stakeholder possessing high degrees of all three attributes.

6.4.2   Salience duality and the role of risk

The observations above point to a complexity in perceptions of salience whereby in terms of the stakeholder typologies described by Mitchell et al. (1997), a stakeholder can have a simultaneous duality of stakeholder typologies at one point in time. This differs from a stakeholder moving from one typology to another over time as perceptions of the degree of possession of an attribute changes, or a stakeholder having a differing salience in the eyes of differing managers (Neville et al., 2011), and is suggestive of a more complex salience picture. Neither, particularly in the case of the HSE (funder) and HIQA (regulator), is this the case of management experiencing 'role ambiguity' in terms of the purpose of these stakeholders having a relationship with the organisation; management were very clear that these stakeholders simultaneously wore differing hats for differing proposes, and were very clear as to those purposes.

Duality of stakeholder typologies for the HSE and HIQA arose due to these differing yet co-existing roles, they were in consequence simultaneously regarded

as legitimate and illegitimate. This led to them falling to be defined as both 'definitive' and 'dangerous' at the same time. For service users, urgency perceptions were seen to be context dependent. A service user could present with multiple needs at the same time, some regarded as urgent and some not and they were, therefore, simultaneously viewed as a 'dependent' and a 'discretionary' stakeholder.

While variability in salience attributes has been identified from the earliest development of salience theory by Mitchell et al. (1997), it was in the context that perceptions of salience might vary over time and between differing managers in terms of their relationship with a particular stakeholder. Neville et al. (2011), in their review of the theory and its development pointed to the challenge of attribute variability and the relative comparison problem that this posed. Further, Tashman and Raelin (2013, p. 598) noted that 'stakeholder salience [to the organisation] is a continuous construct because, in practice, the possession of resources, the ability to generate symbolic power from stakeholder coalitions, and the legitimacy and time sensitivity of interests are properties that can exist at continuous levels.' All of these observations, however, are concerned with the nature of attributes as being variable across a 'continuum'. The observations in this study, on the other hand, are grounded at a point in time and concern management as a whole and indicate a complexity of stakeholder salience perceptions, duality, not heretofore described. The prospect that a stakeholder can occupy a duality of stakeholder typologies at a point in time resonates with the principle of 'quantum superposition' from physics. The principle was famously described by the esteemed physicist, Erwin Schrödinger's in 1935 ('Schrödinger's Cat' – mind experiment), and posits the possibility that something can be simultaneously in two states and only collapses into one or other once observed, with the state that it becomes, dependent on the perception of the observer (Wang et al., 2016). What this suggests for stakeholder salience theory, is that management could, at a single point in time view a stakeholder as possessed of a salience attribute in more than one way, e.g. being highly possessed of the attribute or not, and this is entirely dependent on the perspective taken by the manager who could freely alternate between those perspectives.

Another observation in relation to perceptions of urgency centred on the degree of risk that management attributed to address the stakeholder's need. This was particularly evident in the case of service users in terms of self-harm, medical safety etc.; when a service user presented with a need that had a heightened risk profile either to themselves which might reflect on the 'responsible' management, or directly on the manager him/herself, management indicated that their response would be immediate and would prioritise the service user's need over all other competing claims on their attention. This echoes with the observation of Driscoll and Starik (2004, p. 62) that probability has a role in the determination of urgency. While their analysis focused on the probability of an actor developing a stakeholder relationship and thereby becoming urgent, they draw on the concept of the 'probability-impact matrix' from the management literature which suggests that issues with a high probability of occurrence and high impact will receive greater attention. In this case study, this was evident in management's responses to the degree of urgency attributed to existing service users, with probable risk representing a negative impact either at the level of the organisation or the individual manager and thereby warranting more urgent attention.

A number of studies indirectly support the contention that management risk perceptions have a role to play in their perceptions of a stakeholder's salience and in particular the urgency of their response. Jawahar and McLaughlin (2001, p. 404), drawing on life cycle, resource dependence, and prospect theories, to frame an alternative approach to stakeholder theory proposed that when an organisation experiences a threat to its survival, that management will pursue a risky strategy and that 'risky strategy will involve actively addressing issues of only those stakeholders who are relevant to the immediate loss threat while at the same time defending or denying any responsibility for issues of other stakeholders, taking, of course, the risk associated with such neglect.' Similarly, Brower and Mahajan (2013), in a study of firm interaction with stakeholders found that management perceptions of risk from a stakeholders response to the firm, was a driver of enhanced activity toward that stakeholder. Further, management's perception of the nature of the 'issue' in terms of its resonance with organisational identity and strategy, where greater resonance presents an opportunity for management and less resonance presents a more threatening issue for

management both situations leading to an increase the salience of the 'issue' in management's eyes (Bundy, Shropshire, & Buchholtz, 2013). Finally, Roloff (2008), points to management's perceptions of threats to organisational welfare as a key element in stakeholder management.

Neville et al. (2011, pp. 367-368), concluded that the attributes may be viewed as dichotomous within a continuum of intensity and that there is some point (a tipping point) for management in their perception of the intensity of the attributes when they become salient in their eyes. The observation from this research suggests that there may be a connection between risk and the 'tipping point' for urgency; that the urgency attribute 'tips' into a salient position, relative to the stakeholder's other attributes and in relation to other stakeholders, once management perceive that their need if not fulfilled, is a risk to either the organisation or themselves. For, example, when a service user presents to management with a need for a change in residential setting, if that need is as a result of a conflict between this service user and another with whom they reside, and there is evidence that this has resulted in confrontations of a threatening nature, there is an immediate risk to the service user and to the manager if they do not act. In this situation the service user would be regarded as urgent, surpassing the 'tipping point'. On the other hand, if the need for change in residential setting is as a result of a preference to reside in a differing location, say closer to family, the perceived risk to the manager of attending or not attending to this need, would be less and the need perceived as less urgent also.

6.5 Further observations on stakeholder salience

This section presents findings drawn from additional pertinent observations which emerge from the data and research analysis, that point to possible areas for further research covering: the potential role of MCS design in reinforcing stakeholder salience (section 6.5.1); stakeholder salience attribute appropriation by management (6.5.2); and management epistemology and moral positioning as mediating forces in salience perceptions, (6.5.3), finally observations from the

data on management proximity to stakeholders and their perceptions of their salience are discussed (6.5.4)

6.5.1   The potential role of MCS design in reinforcing stakeholder salience

Two observed shortcomings in the design of MCS were of particular note in the NPOs in this study. First the observed deficits in accountability to service users within the PMS and MCS. The findings of this study suggest that the weak accountability to service users is a function of the higher perceptions by management of the salience of the stakeholders other than service users, most notably the HSE and HIQA and to a lesser extent the Board. The second observation was a lack of integration across the three primary MCS systems (section 5.6).

The suggestion from this case is that accountability and accounting technologies are important aspects of MCS design and that shortcomings in both aspects were observed as deficits in MCS design.   On the one hand the absence of accountability to a relative powerless and less salient stakeholder, service users, and on the other the observation by management of a deficit in integrated accounting information to both facilitate the management of performance and further enhance accountability to service users, and other stakeholders. If, as suggested by Kamal et al. (2015), that accounting information can mobilise stakeholder salience, then the absence of such information may serve, as a minimum, to render a stakeholder, who would benefit from that information, less salient. Conversely, where that information is made available to the stakeholder who would benefit therefrom, this may render that stakeholder more salient. These observations, and the analysis of management's salience perceptions, leads to the question of whether these shortcomings in MCS design serve to reinforce the salience 'status quo'. Whether, and to what extent, MCS design may serve to reinforce existing stakeholder salience, contributing to an element of inertia that might inhibit any shifts in stakeholder salience, is a relevant question.

6.5.2   Stakeholder salience attribute appropriation by management

Other researchers have pointed out that stakeholders might 'borrow' a particular attribute, usually confined to power and legitimacy (Kamal et al., 2015; Mitchell, Agle, Chrisman, & Spence, 2011; Mitchell et al., 1997; Neville et al., 2011; Neville & Menguc, 2006; Phillips, 2003). This literature identifies how one stakeholder may 'borrow' or 'obtain' power or legitimacy from another stakeholder and thereby increase in salience. Mitchell et al. (1997, p. 881), suggested that stakeholder salience theory was 'amenable to empirical operationalization and to the generation of testable hypotheses concerning, for example, predictions about the circumstances under which a stakeholder in one category might attempt to acquire a missing attribute and thus enhance its salience to a firm's managers'. This case study, however, has identified a very particular 'borrowing', that of power by management themselves to increase their power when dealing with another powerful stakeholder. Management regularly described how in their negotiations with the HSE as funder, they appropriated criticisms made by HIQA in regard to an aspect of service provision in order to better position themselves to garner more funding. This was also evident, albeit to a lesser extent, in management's dealings with the Board. That this was in all instances a deliberate action by management, as opposed to the appropriation of power by default or in an unconscious manner, renders it all the more important and warranting of exploration in future research.

6.5.3   Epistemology and moral positioning

Epistemology

Considering that information from service users is central to understanding their needs and objectives, the manner in which management form a view as to what is or is not 'real' knowledge as to service user outcomes, or what in their view is 'reliable' information in this regard, is of obvious import. The service users of the NPOs the subject of this study face considerable barriers in terms of self-expression and self–representation or advocacy and the manner in which

information on 'outcomes' for service users is garnered and accepted, is complex. However, for the most part, the views of 'proxies' who are not intellectually disabled form the main source of management knowledge in this regard.

While these 'proxies' can be from outside of the organisation, such as family members or external primary carers or social workers, there is a significant reliance on the staff of the NPO to provide views on service user outcomes. In the NPOs in this study, in the absence of the service user having the capacity to self-advocate, it was typically front line staff (key workers) and family members who were the primary source in assessing the needs and personal objectives of service users. In this way the 'knowledge value' of the 'proxies', as interpreters, will have a significant role in the determination of the service users' needs and objectives. This poses the danger of the views of the service user being discounted in situations where the 'knowledge value' of their contributions is regarded as less than the proxies that are present. The general social construct of disability is recognised as having the impact of excluding people with disabilities and not considering their views (A. Bruce et al., 2002) and that the 'contributions of specialists tend instead to be emphasized' (Abbott & McConkey, 2006, p. 276).

The findings in this study from the contributions of management have pointed up the lack of the service users voice in decision making even to do with their own support needs, and not just about broader organisational decision making on areas for example of governance or organisational, staffing, or structure. While management not having the resources or capacity to engage communicatively with services users in situations of profound capacity constraints is undoubtedly a factor, the potential that a discounting of the service user's voice may be informed by epistemological beliefs, influenced by social constructs of disability that undermine the 'knowledge value' of their voice, is evident. This poses the question as to whether management's epistemological beliefs in this regard, inform their detailed understanding of service user objectives, and what this might mean for overall mission realisation?

Moral positioning

Management perceptions of stakeholder salience are at the focal point of this study as they ordain the manner in which the organisation responds to individual stakeholders. In focusing on management's perceptions of salience it must be accepted that the personal attributes, characteristics, and beliefs of management will play some part in their perceptions of salience. While examining all of these variable factors to gain a better understanding of management's salience perceptions would be a fraught and arguably an impossible exercise, their moral positioning is of particular interest. Neville et al. (2011, pp. 363 - 369), in their review of stakeholder salience examined the literature on the implications of moral positioning and decision making for perceptions of 'legitimacy'. Phillips (2003), in looking at moral drivers of stakeholder legitimacy, suggested that legitimacy could be 'normative' or 'derived', the latter a derivative of the 'normative' legitimacy of another stakeholder. While Philips' focus was on the manner in which the organisation accepts a socially derived, or adopts a contractual or negotiated, moral obligation toward a particular stakeholder, his arguments clearly bring moral perspectives into the frame, acknowledging that that which is 'moral' is relevant in management decision making and behaviour. The findings of this study suggests that management have a normative obligation to intervene to redress power asymmetries, in particular in light of the lack of 'voice' that render service users less salient to other stakeholders and the potential for moral hazard. The moral 'obligation' to do so is given substance and expression in the organisational mission statement and reaffirmed by normative societal moral values, that those who are vulnerable need to be helped and protected. Whether management's moral positioning is a mediating factor or not in their perceptions of stakeholder salience is beyond the scope of this research, however, the findings in relation to service user salience suggest that it is an aspect that should be further considered. Additionally, whether moral positioning would reinforce or undermine the active incorporation of such interventions in practice is a pertinent question. Wood et al. (2018, p. 30), in their review of stakeholder salience theory and its contribution over twenty years point out that 'ethical arguments and proposals remain to be addressed in future research'. The findings in this study suggest that there may be a normative or moral obligation

on management to enhance the salience of the lesser salient, yet important but vulnerable, stakeholder, the service users, leading to an interesting area for potential research.

6.5.4 Proximity

Results from the study revealed that in some instances the more proximate a manager was to a particular stakeholder, in terms of their day to day functioning, there appeared to be a greater likelihood, if marginal, that they would view the relative possession of some of attributes for that stakeholder as greater than 'less proximate' stakeholders (see Chapter 5, section 5.3.1).

When management's responses were analysed between 'support' managers' who provide indirect support functions such as human resource management and accounting, and 'service' managers who are involved in the management and delivery of support services to service users, some minor differences in perceptions of salience attributes emerged (see Table 5.6). For both support and service managers there was no difference in their views as to who was the most 'important' stakeholder, and neither did proximity appear to feature as a factor for their relative views of the 'legitimacy' of stakeholders. For power, however, while both support and service managers ranked service users as having the least relative power and the Board next, the support managers, who have greater day to day dealings with the HSE as compared to HIQA, viewed the HSE as marginally more powerful than HIQA. Service managers who conversely have greater day to day dealings with HIQA compared to the HSE, viewed HIQA as marginally more powerful than the HSE. The inversion, however, was marginal with both the HSE and HIQA still perceived relative to the other stakeholders, as very powerful. When it came to urgency, service managers were similar in their relative rankings as the overall management group, however, support managers, while in keeping with the findings overall placing the Board as the least urgent, they placed HIQA as marginally more urgent to service users. Again this may be a function that support managers have comparatively less day to day involvement with service users than service managers.

When management's responses were stratified between 'senior' managers' and 'middle and unit' managers', differences in salience perceptions also emerged but less so (see Table 5.7). In this instance, there were no differences in the relative perceptions for the salience attribute, power, or the overall views on stakeholder 'importance'. For urgency, however, similar to the difference between 'support' and 'service' managers, 'senior' management inverted the overall perceptions in relation to service users and HIQA compared to 'middle and unit' managers, viewing HIQA as more urgent that service users while middle and unit managers viewed service users more urgent than HIQA. Their relative perceptions on the urgency of the Board and the HSE were the same. Again the observed differences, if marginal, may be a function of senior managers being less proximate to service users in terms of day to day involvement compared to middle or unit managers.

While proximity may be a factor in perceptions of stakeholder salience has been conceptually explored by some scholars, predominantly associated with urgency (Driscoll & Starik, 2004; Mitchell et al., 1997; Neville et al., 2011), the observations from this study are marginal and mixed, and while suggestive that proximity may be a factor in management perceptions of salient attributes in some instances, the observed proximal differences are not substantive. Further, the perceptions of management captured are 'relative perceptions' and do not purport to capture 'degrees of difference'. Therefore, that while proximity appears to be a possible factor to be considered in some instances, the findings are mixed and not sufficient in terms of 'measurement' to underpin proximity as a generalizable salience attribute.

Chapter 7. Conclusions

7.1 Introduction

This study sets out to examine the manner in which the management of NPOs engaged in public service provision, in particular health and welfare services, approach the challenge of understanding and engaging with the complex stakeholder profile of their organisations, and in particular how their perspectives of those stakeholders influences the management of performance through the design and use of Management Control Systems (MCS). The study is positioned within the broad domain of performance management and focuses on MCS design and use as a component of the organisational performance management system.

The identification of the phenomenon of the ever-increasing role of NPOs in the provision of health and welfare services, services which would otherwise be provided directly by the State, and which phenomenon has accelerated over the past three decades (see section 2.2), was the initial motivator for this study. This phenomenon, coupled with the recognition that State reliance on NPOs in the provision of public services presents particular challenges for the performance of those services, challenges that are only beginning to be understood and in need of further study (Cairns et al., 2007; Dacombe, 2011; Dahlberg, 2006; Entwistle, 2005; Gazley & Brudney, 2007; Kendall, 2000; Selden et al., 2006), framed the basis of enquiry and in particular the role of MCS in supporting performance management in NPOs, a role clearly identified as central in prior research (Bar-Nir & Gal, 2011; Barretta & Busco, 2011; Conaty, 2012; Stone & Ostrower, 2007). A deep review of the literature addressing this phenomenon, together with the nature and use of MCS in NPOs, and the construct of NPO performance led initially to the development of six suggested tenants (section 2.5). These tenants, derived from the literature, informed and underpinned the research question that has been addressed in the study:

How do management's perceptions of stakeholder salience inform the design and use of Management Control Systems (MCS) of NPOs engaged in the provision of public services and health and welfare services in particular?

The 'how' in the research question in this instance embodies not just 'how' but in combination with 'inform' embraces the implicit question of 'why' or 'in what manner' the salience perceptions of managers impinge on the design and use of MCS.

Accountability and advocacy emerged as themes during the course of the research itself as warranting attention in addressing the research question and led to the development of four additional tenets drawn from the relevant literature, that have further guided the research analysis in addressing the research question (section 2.5).

The research focus on stakeholders and their salience to management was in turn motivated by the recognition that NPOs, and those engaged in the provision of public services in particular, have a complex and challenging stakeholder set (Helmig et al., 2004; Hyndman & McDonnell, 2009), and further that NPO performance is arguably a construct of objectives of those stakeholders as a multiple constituency (Bagnoli & Megali, 2011; Boateng et al., 2016; Dacombe, 2011; Herman & Renz, 2008; Jun & Shiau, 2012). This in turn informed the theoretical frame of analysis, stakeholder salience theory, as set out in the conceptual framing in Chapter 3.

The primary findings addressing the research question and contributions to theory are summarised below, before being presented in detail in the following section (7.2); the next section presents contributions to methodology and method (7.3); thereafter the limitations of the study are set out (7.4). These sections are followed by an outline of how the findings might be extended through a structured research agenda together with suggestions for themes for future research that emerged from the analysis in this study (7.5); finally, the practical contributions and impact of the research are presented (7.6).

Primary findings addressing the research question

In examining the design and use of MCS in NPOs, the study contributes to management accounting research in three ways. First, through an examination of management's perceptions of stakeholder salience, a disparity between organisational mission and management's attention to stakeholders on a day-to-

day basis was identified. The stakeholder regarded as the most central to organisation mission, service users, were nevertheless regarded as the least salient and therefore, compared to the other stakeholders, in receipt of a lesser degree of management attention. This disparity, which from the evidence of this research risks going unrecognised in the day to day exigencies of managing the NPO, if not addressed may lead to mission drift (section 7.2.1).

Secondly, through an examination of management perceptions of the utility of the design and use of MCS elements in supporting differing stakeholder objectives, and of stakeholder salience, the study reveals how the salience of stakeholders in the eyes of management informs the design and use of MCS. The manner in which accountability processes are, or are not, incorporated into the design and use of MCS, emerges as a significant aspect of MCS design and use that is informed by the salience of stakeholders. While, the phenomenon of more salient stakeholders commanding greater accountability has been observed in prior studies (Assad & Goddard, 2010), as has the role of power alone in that regard (Bennett & Savani, 2011; Considine et al., 2014; Dacombe, 2011; O'Dwyer & Unerman, 2007), this study goes further. By co-joining the findings on accountability with the specific findings on mission/salience disparities described above, the opportunity for deliberate intervention by management, in the redesign of the accountability elements of MCS is identified as an important means of redressing the observed mission/salience disparities (section 7.2.2).

Finally, 'Internal advocacy' was identified as an additional important function of management to redress the observed disparities between NPO mission and management attention to stakeholders regarded as central to that mission; moreover, that this might be achieved through the reflection of 'internal advocacy' as a management function in the design and use of MCS. The findings in relation to 'internal advocacy', while significant in their own right, are even more so when considered with the findings on accountability as introduced above. Effective accountability to stakeholders as a relational process requires the stakeholder to be capable of engagement with the accountability processes and with management (Ebrahim, 2003, 2005; Edwards & Hulme, 1996; Gray et al., 2006; Johansen & Nielsen, 2016), without 'internal advocacy', however, the least salient

but most important stakeholder in this study, service users, are undermined in this regard. The study identifies that management perceive that there is a deficit in 'internal advocacy' practices and that there is an absence of any active MCS focus on this function. The findings suggest that in order to increase management focus on and engagement with 'internal advocacy' that the need for this function should be actively reflected in the design and use of MCS (section 7.2.3).

Primary contributions to theory

The findings from this study contribute to stakeholder salience theory in a number of ways. First, the research has provided insights into the challenges in understanding stakeholder salience, advancing the manner in which salience attribute relativities can inform salience analysis (section 7.2.4 *(1)*). Secondly, the heretofore unarticulated complexity of the co-existence or duality of stakeholder typologies for a given stakeholder at a single point in time, has been identified and described. This is a significant contribution to theory and one that refines understanding of stakeholder salience pointing to a much more complex interplay of perceptions and contexts (section 7.2.4 *(2)*). Thirdly, management's perception of risk emerges as a contributor to perceptions of the 'urgency' of stakeholders. This finding resonates with previous studies, and in prior conceptual papers risk has been suggested as a potential influencing factor in stakeholder salience. In supporting the observations from this prior literature, this study advances the case that risk should be regarded as a mediating factor in perceptions of urgency and potentially incorporated into stakeholder salience theory and the stakeholder salience model (section 7.2.4*(3)*). Finally, these three findings collectively facilitate a rendering of a description of how perceptions of stakeholder salience are formed by management as a process of multiple stages (7.2.4 *(4)*).

The study has also provided insights into a potential synergy between stakeholder salience theory and stakeholder agency theory. Through insights gained from the examination of stakeholder salience, certain 'agency' dynamics between management and stakeholders were exposed. Consequently, concepts from stakeholder agency theory contributed to the understanding of stakeholder salience dynamics and vice versa, notably, moral hazard and agency interventions (7.2.5). The emergence of a potential theoretical symbiosis between

stakeholder salience theory and stakeholder agency theory, facilitated by the abductive approach, has the potential for future theoretical development and the development of the practice of stakeholder salience research (7.2.5).

7.2 Stakeholder salience and MCS design and use

7.2.1 Performance management and stakeholder salience

The research has found disparities between organisational mission and management's attention to particular stakeholders; disparities that introduce noise to the already difficult environment of NPO management (see section 6.3.3). Management appeared to recognise these disparities only as a result of reflecting on their contributions to the interviews conducted as part of this study. This lack of awareness could have potential implications for mission realisation with a very real possibility for mission drift.

The analytical approach adopted in the examination of stakeholder salience and MCS required the examination of two aspects of management perceptions. First, management's perception of stakeholder's salience in the context of their day-to-day management of the organisation. Significant to this analysis is the identification in stakeholder salience theory, as described by (Mitchell et al., 1997), that a stakeholder regarded as more salient in the eyes of management will command more attention from management than those regarded as less salient. The second aspect, recognising that the purpose of MCS is to support managers in the management of performance and realisation of mission, were management's perceptions of the centrality of stakeholders to organisation mission. This latter construct was referred to as stakeholder 'importance'[26].

The disparities identified between mission and stakeholder salience and in particular the role of power asymmetry, centred on management's identification of service users as being the most 'important' stakeholder and central to mission

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[26] Op. ct., 'Salience' v 'Importance' p. 139. See also Chapter 4, section 4.5.2.

while at the same time perceiving them as having low salience in their day to day management of the organisation. Conversely, the HSE and HIQA, regarded as less 'important' in terms of mission realisation, were regarded as the most salient stakeholders. Management's relative perception of stakeholder salience, when the three attributes of 'power', 'legitimacy', and 'urgency' were explored, positioned service users not at the centre of the stakeholder typologies described by Mitchell et al. (1997), as might be expected given their perceived 'importance', but rather identified them as 'dependent' and at times 'discretionary' stakeholders; and contrastingly identified the HSE and HIQA as highly salient, fitting either a 'definitive' or 'dangerous' typology. Management's perceptions of stakeholder salience was grounded in their day-to-day management experiences with their responses invariably referencing operational considerations. It was only when invited to consider the stakeholders in the context of the organisation and its mission that managers reflected and, in all but two cases, identified service users as the most 'important' stakeholder, notwithstanding their previously articulated perceptions of them, in particular, their relative lack of power. What was notably apparent was that this disparity had not been identified by management before this and only emerged as a result of reflection during the interview process. This has potential implications for management, as unless there is an operational appreciation of the relative centrality of differing stakeholders to mission, and that this is reflected in the NPOs operations and processes, including importantly MCS, then there is the real possibility of mission drift.

In examining the utility of the design and use of MCS elements in supporting differing stakeholder objectives, two potential interventions in MCS design and use emerged that may assist in addressing the disparity identified between organisational mission and stakeholder salience: improved stakeholder accountability, and the recognition of internal stakeholder advocacy.

7.2.2 Accountability

The design and use of MCS, in particular the incorporation of 'mediating instruments' as an integrating component of MCS, have a role to play in

connecting stakeholders and their objectives with the organisation (Kurunmäki & Miller, 2011). It follows that accountability processes, seen as integral and important component of MCS (T. Ahrens & Chapman, 2002; Merchant & Otley, 2007; Messner, 2009), could be such a 'mediating instrument', in particular as it is recognised that accountability has a central role to play in organisations in maintaining mission focus (Ebrahim, 2003; O'Dwyer & Unerman, 2008).

The identification, in this study, of inter-stakeholder salience asymmetries as perceived by management, primarily driven by relative power differentials, together with the identification of a concomitant deficit of accountability to the least powerful stakeholder, service users, who are nevertheless central to mission, leads to the conclusion that if the accountability deficit to these stakeholders is redressed that this will help to mitigate the observed disparities between stakeholder salience and mission. In this regard, accountability might take the form not just of direct involvement in participatory governance, but across the breath of accounting technologies employed by the NPO including MCS (Brown & Dillard, 2015). That deliberate interventions in 'designing in' accountability to the MCS might have utility in addressing the non-alignment of mission to stakeholder salience is not surprising if considered as an 'agency intervention'. This observation chimes with perspectives of stakeholder agency theory as articulated by Hill and Jones (1992) and Van Puyvelde et al. (2012); an aspect further elaborated upon in section 7.2.5 later in this Chapter.

The most 'important' but least powerful and 'dependent', if not 'discretionary', stakeholder in management's eyes are the service users. Due to the vulnerability of service users and their lack of capacity to realise, access, or express power on their own behalf, gives rise to a 'normative' social responsibility on management to be accountable, and indeed under common law management have a 'duty of care' in this regard (Hawkins, Redley, & Holland, 2011; Jenkins & Davies, 2006). Service users, however, unlike other more powerful and salient stakeholders, are not provided with any 'financial' or other 'performance' or 'assessment' reports. Other than the formal annual IP meeting and review, accountability to service users appeared confined to ad-hoc responses to external representative groups and informal day-to-day accountability to the service users by staff in the course

of carrying out their support duties. While these are important forms of accountability in terms of the immediate lived experience of the service user, there is an absence of accountability for the use, and manner of deployment of resources; nor is there any assessment provided as to the efficiency, in terms of service outputs, of the use of those resources. Furthermore, there is no accountability to service users of non-financial information most importantly data and indicators on assurance of services (AOS). This deficit of accountability is understandable given that information shared with a stakeholder will be governed by 'the power of the parties to demand it … and/or the willingness/desire of the organization to provide it' (Gray et al., 1997, p. 334), an observation supported extensively in subsequent conceptual papers and case based research on NPO management and accounting practices (Brown & Dillard, 2015; Ebrahim, 2003, 2005; Hall et al., 2015; O'Dwyer & Unerman, 2008; Unerman & O'Dwyer, 2006). The counter observation is implicit if not explicit in all of these papers; stakeholder centred accountability processes, crafted for and with the stakeholders, with a focus on their needs, re-balances an otherwise potentially skewed managerial focus on the more powerful and more salient stakeholders. Such a rebalancing provides the potential for managers to more effectively align their perspectives of stakeholder salience and attention to their needs and organizational mission, potentially bringing about a transformative dynamic within PMS through MCS design facilitating and enabling the realization of the core mission objectives (O'Leary, 2017).

7.2.3 Internal advocacy

Stakeholders with constraints on personal capacity to act, or agency, face particular difficulties as they have a weak, or no, 'voice' relative to other stakeholders, which has a consequent knock-on challenge for management in terms of their relationship with these stakeholders (Brolan et al., 2012; Brown & Dillard, 2015; O'Leary, 2017). This study identified that the stakeholder, considered to be the most 'important' and central to mission, service users, were lacking in power relative to other stakeholders considered of lesser 'importance'. This presents management with the dilemma of how this power deficit can be

countered in order to realign the attention they afford to the differing stakeholders (driven by their perceptions of salience which are in turn largely driven by perceptions of power), to the stakeholder considered most important to organizational mission and thereby counter the potential for mission drift that may otherwise occur. While greater accountability directed toward this 'important' stakeholder might be incorporated into the MCS design and use as suggested above, addressing power asymmetry requires attention to both the 'voice' of the service users as well as being accountable to them (Hall et al., 2015). Indeed, it is arguable that if a stakeholder has a weak 'voice' in their interactions with the organisation, that accountability to that stakeholder, regarded as a relational process (Ebrahim, 2003, 2005), is undermined. However, as these stakeholders often lack the capacity to realise, access, or express power on their own behalf through having their 'voice' listened to (Brolan et al., 2012, p. 1088), it could be suggested that management, in addition to accountability responsibilities, also have a governance, if not 'normative', responsibility to take deliberative action to enhance the 'voice' of the service users (Brown & Dillard, 2015). This resonates once again with the concept of an agency intervention as described in stakeholder agency theory, (Hill & Jones, 1992; Van Puyvelde et al., 2012), a concept elaborated on in section 7.2.5 below. Further, Mitchell et al. (1997, p. 877) in their original description of salience theory pointed out that for 'dependent' stakeholders, power is not reciprocated by other stakeholders or management and therefore 'its exercise is governed either through the advocacy or guardianship of other stakeholders, or through the guidance of internal management values', suggestive of a need for some form of 'intervention' if a power deficit is to be addressed.

The findings in this study highlighted that the management of the NPOs expressed the view that they were not doing enough to support stakeholder advocacy (see sections 5.7 and 6.3.5). While the social and medical service literature points to an essential role for 'internal advocacy', that literature also points to barriers to advocacy by staff on behalf of service users from resource issues to conflicts of interest (Brolan et al., 2012; Llewellyn & Northway, 2008). Furthermore, the 'well-intentioned desires' of management and others 'alone are unlikely to bring meaningful change' when it comes to a holistic approach to

stakeholder engagement (Connolly & Hyndman, 2017, p. 163), and in this instance to support service users in being 'heard'. While Connolly and Hyndman (2017) suggest the potential need for 'champions' in that regard, the case for the crafting of requirements for management to be accountable for establishing, promoting, and monitoring internal advocacy interventions on behalf of service users, as part the MCS, is compelling. This would lead to a fundamental reframing of the power profiles of the stakeholders and realign the salience of service users with management's assessment of their 'importance' and their centrality to mission. Furthermore, without supporting service users through 'internal advocacy' to have a stronger 'voice', any enhanced accountability to that stakeholder would be rendered less meaningful, particularly when accountability is seen as a relational process that necessarily involves both 'listening' to and 'talking' to relevant stakeholders (Hall et al., 2015).

7.2.4 Stakeholder salience complexity: relativities and duality

In support of case study research, Eisenhardt and Graebner (2007, p. 25), argue that case studies bring valuable insight where 'the theory-building process occurs via recursive cycling among the case data, emerging theory, and later, extant literature. Although sometimes seen as "subjective," well-done theory building from cases is surprisingly "objective," because its close adherence to the data keeps researchers "honest."' This case study has yielded valuable observations of complexities in perceptions of salience leading to a refinement in the manner in which stakeholder salience theory may be analytically deployed in research and to refinements of the theory itself: first by displaying how salience attribute relativities in qualitative research can be utilised in refining the approach to identifying stakeholder typologies, secondly, by identifying the co-existence or duality of stakeholder typologies, and thirdly, by identifying the potential role of management risk perceptions in their assessment of stakeholder urgency. Finally, these three findings in combination facilitate the rendering of a description of stakeholder salience assessment as a two stage process bringing greater clarity to what Mitchell et al. (1997, p. 868) described as the 'multiple perception'

and 'constructed reality' nature of management's perceptions of stakeholder salience attributes.

NPOs are recognised as having a complex stakeholder set (Helmig et al., 2004; Hyndman & McDonnell, 2009). NPOs in service to the State are even more complex, required to 'serve a great range of stakeholders, and views of performance (and indeed, ideas of success), might differ radically depending on who is involved' (Dacombe, 2011, p. 161). This presents significant challenges for management as the 'noise' in terms of organisational objectives and stakeholder needs can be deafening. The research findings in this study in relation to stakeholder salience complexity help chart a way through at least some of this 'noise'.

1) *Salience attribute relativities*

Mitchell et al. (1997 p. 868) recognised and acknowledged the shortcomings of a 'static' dichotomous approach to salience attribute identification; that such an approach was simplistic, that in fact all three attributes could be viewed as 'variable, not a steady state, and that they can change for any particular entity or stakeholder-manager relationship' (Mitchell et al., 1997 p. 881). Neville et al. (2011 p. 362), in a subsequent review of the theory, identified salience attribute variability as a key issue for its future development. They argued 'that the continued definition of salience in terms of the accumulation of dichotomous attributes, whether for reasons of theoretical abstraction, empirical simplification, or oversight, is inaccurate and potentially harmful,' and point out that the salience attributes may have a differing 'weight', for example power may differ between stakeholders and thereby impact the relative salience of the stakeholders.

This study, by capturing management's views on whether they perceived one stakeholder, relative to another as being possessed, to a greater or lesser degree of a particular salience attribute, has advanced the application of salience theory for qualitative research in complex stakeholder settings. The research suggests that, notwithstanding a stakeholder being perceived to be possessed of a particular attribute, the possession of that attribute is given meaning, in terms of stakeholder's salience, only when it is positioned against the degree to which management perceive other stakeholders to be relatively possessed of that

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attribute also. This allows for a more comprehensive stakeholder typology assessment in qualitative research that incorporates relativities of perceptions. With this approach to analysis, two or more stakeholders classified as having the same salience using a simpler dichotomous approach to analysis, may in fact, under this 'relative' approach, present as being more or less salient compared to each other. While the greatest relative differences in perceptions of salience attributes were observed when it came to power, significant relativities were evident for the other attributes also. This approach to qualitative research, using relativities to clearly distinguish stakeholder typologies allows for a richer exploration and understanding of management's perceptions of the salience of stakeholders, their responses to them, and the attention afforded them by management in the management of organisational performance. The practical application, in this study, of a means to assess management's perceptions of the stakeholders being possessed of stakeholder attributes relative to one another, presents qualitative researchers with a means of addressing the shortcomings of a dichotomous approach to assessment of attributes as identified by (Mitchell et al., 1997) and (Neville et al., 2011).

2) Context differentiation and salience duality

The nature of a stakeholder's claim on the organisation, and both their, and the organization's need context, have been suggested as of potential relevance to the study of stakeholder salience (Bundy et al., 2013; Driscoll & Starik, 2004; Jawahar & McLaughlin, 2001; Neville et al., 2011). This study shows that management, when prompted to explore their relative perceptions of the primary stakeholders of the organisation, have a complex view of their salience. In particular, their views of the salience attributes of legitimacy and urgency were sensitive to the stakeholder's role and/or the context of their need. Differentiation of the context of the specific role, or the specific need, of the stakeholder emerged as a moderating factor in management's perceptions of stakeholders being possessed of these attributes. This observation, when coupled with the fact that a stakeholder may have multiple roles, and multiple needs at a point in time, each viewed differently, led to management having co-existent but differing

perspectives of stakeholders in terms of being possessed of these attributes. This suggests that stakeholders, in management's eyes, can at once occupy multiple, or at least a duality, of stakeholder salience typologies at a single point in time.

In this study, service users were seen to be potentially both 'dependent' and 'discretionary' driven by having simultaneously perceived urgent and non-urgent needs by management. Both the HSE (funder) and HIQA (regulator) were seen to be at once 'definitive' and 'dangerous' driven by being simultaneously perceived by management as legitimate, or not, arising from their differing role contexts. These findings have practical implications for researchers and for management of NPOs in terms of increased awareness of, and sensitising researchers and NPO management to the simultaneous positioning of stakeholders in terms of salience typology, and therefore the approach of researchers to their analysis and the response of management to stakeholder needs.

3) Salience and risk

In relation to the attribute of 'urgency' the results of this research supports the proposition of Driscoll and Starik (2004) that the 'probability' of the substance of the stakeholder's claim impacting the organisation will drive the degree of urgency. An important addition to the 'probability' factor was however observed, that of the articulation of perceived 'risk' and its implications in terms of management's perception of stakeholder urgency. Management perceived heightened degrees of urgency if they felt that lack of attention to the stakeholder's claim would exacerbate either personal or organisational risk. This was particularly evident in the case of the stakeholder perceived as both vulnerable and with little power, the service users.

The identification of the importance of risk to perceptions of stakeholder salience has implications for management practice in NPOs. The instances illustrated in this study where service users without urgency or power and therefore a 'discretionary' stakeholder were propelled, as a result of securing urgency to a 'dependent' typology and therefore greater salience arose because of

management's perception of heightened risk concerns. The findings in this study of the role of management's assessment of risk in moderating perceptions of the urgency of a stakeholder's claim, suggest that a common understanding of risk across the organisation, and an effective risk assessment process, would be important in helping to ensure that management act from a common conception of risk and what this might mean for the urgency with which they address a stakeholder's need. Without such a common understanding, further 'noise' may be introduced into management perceptions of stakeholder salience and the performance management of the NPO. Further, the identification of this phenomenon in relation to perceptions of urgency, suggests the possibility of incorporating 'risk' as a moderating factor in the stakeholder typology model of (Mitchell et al., 1997) as a factor in perceptions of urgency, categorising, or viewing, urgency as 'latent' where risk is perceived as low or 'active' when perceived as high.

4) Stakeholder salience perception as a two stage process

While the stakeholder salience typology model described by Mitchell et al. (1997, p. 868) is dichotomous, and static, they nevertheless recognised that salience attributes are dynamic constructs that are 'variable', and that 'the existence (or degree present) of each attribute is a matter of multiple perceptions and is a constructed reality rather than an 'objective' one.' How that 'reality' is constructed, however, was not something that Mitchell et al. (1997, pp. 868-870) attempted to explore and they confined their observations in this regard to pointing to the differing ways in which attributes may be viewed. For example power as 'coercive, utilitarian, or normative'; legitimacy 'a generalized virtue that is perceived for, or attributed to, a stakeholder at one or more social levels of analysis'; and urgency, while acknowledged as being socially constructed, was not further explored save to recognise that it may be 'correctly' or 'falsely' perceived. Few inroads have been made in stakeholder salience research in identifying management considerations that might contribute to management's perceptive processes in terms of stakeholder salience attributes. Neville et al. (2011) in their review of stakeholder salience theory did point up the suggestion

of Driscoll and Starik (2004), that the perception of the 'probability' of the occurrence of the stakeholder's claim could be a factor in perceptions of urgency, supporting the findings of this research in relation to the role of 'risk' in that regard. They further embraced the view that attribute relativities would influence management's perception of stakeholder salience, however, they did not suggest how such relativities might be revealed. While Neville et al. (2011) also pointed out potential factors such as organisation lifecycle, and the external environment, and Wood et al. (2018, p. 29), in a review of the theory and related research, further identified 'culture'; these are all factors of a contingent nature and would not in themselves form elements of the process engaged in by management in forming their perceptions of the salience attributes of stakeholders.

The three key findings from this study set out above (7.2.4 *(1-3)*) in relation to stakeholder salience theory and the salience typology model (i.e. risk perceptions, context differentiation, and attribute relativities), facilitate a rendering of a description of how perceptions of stakeholder salience are formed as a two stage process. This rendering brings clarity to the manner in which management perceptions of the three salience attributes are formed and drive perceptions of overall stakeholder salience. For descriptive purposes this process is initially divided into two broad stages: the attribute perception stage and the salience typing stage, see Figure 7.1 below. Further the initial attribute perception stage is deconstructed into three sub-processes that have varying relevance for the three differing salience attributes: risk perception, context differentiation, and perceptions of relativity. These sub-processes are subjective and cognitive in nature.

Drawing from the findings set out earlier in relation to 'risk', where management perceptions of the risk to themselves or to the NPO of failing to respond to a stakeholder's claim (need), was identified as a mediating factor in their perceptions of urgency, 'risk perception' is suggested as the first sub-process of the attribute perception stage (Figure 7.1). While risk was found to be a mediating factor in management perceptions of urgency, it did not present as a factor in perceptions of power or legitimacy. Risk is a factor of perceptions of outcomes as opposed to the power of individual stakeholders to impact or direct the

organisation. As this research has shown, a stakeholder may have relatively little power, however, management may have a perception of heightened risk (or not) associated with not responding to that stakeholder's claim, due to their perception of how other stakeholders or actors in the external environment may in turn react if that stakeholder's claim is not met. In the case of legitimacy, itself a perception of 'being appropriate and proper' as a general virtue, perceptions of risk associated with outcomes has no role in perceptions of the whether a stakeholder's relationship with the organisation is 'appropriate or proper'.

Figure 7.1: Stakeholder salience perception as a two stage process

Perception of Stakeholder Salience as a Two Stage Process

Stage 1: Attribute perceptions

	Risk	Context	Relativity	Attribute Perception
Power			Inter-stakeholder Relativity Perceptions	Posessed/Not Possessed of Salient Meaningful Power
Legitimacy		Context Differentiaition	Inter-stakeholder Relativity Perceptions	Posessed/Not Possessed of Salient Meaningful Legitimacy
Urgency	Risk Perception Latent/Active Urgency	Context Differentiaition	Inter-stakeholder Relativity Perceptions	Posessed/Not Possessed of Salient Meaningful Urgency

Stage 2: Salience typing - applying the Mitchell Agle and Wood (1997) model

STAKEHOLDER TYOPOLOGY	STAKEHOLDER ATTRIBUTES		
	POWER	LEGITIMACY	URGENCY
DORMANT	●		
DISCRETIONARY		●	
DEMANDING			●
DOMINANT	●	●	
DANGEROUS	●		●
DEPENDENT		●	●
DEFINITIVE	●	●	●

As set out earlier, the differentiation of the 'context' of the stakeholder's claim (need) was found to be a factor in management's perceptions of both 'legitimacy' and 'urgency' giving rise to the observation that at a point in time an individual

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stakeholder could, context dependent, present as occupying two stakeholder salience typologies at the same time. Context has been incorporated as the second sub-process of the attribute perception stage (Figure 7.1). Context was not found to have a bearing on management's perception of stakeholder power, implying that, no matter the source of power, if power is perceived to be manifest it is pervasive in its potential. So, for example, while the HSE was regarded as having power significantly derived from their role as the provider of State funds, this was perceived as pervasive regardless of the context or the subject matter of a particular interaction with that stakeholder, even if it was unrelated to their funding role.

Management were found to readily distinguish the relative possession of salience attributes of the differing stakeholders compared to each other. This highlighted, for example, the manner in which a stakeholder may be perceived as being possessed of an attribute, however, because of management's perception that their possession of that attribute is so insignificant compared to the other stakeholders, the attribute is discounted in management's eyes and therefore not relevant to their perception of stakeholder salience. This finding offers the third sub-process of the attribute perception stage, inter-stakeholder relativity perceptions (Figure 7.1).

The three sub-processes of the attribute perception stage inform management's perception of the individual salience attributes for each stakeholder. The derived attribute perceptions in turn inform the second, salience typing, stage. The salience typing stage (Figure 7.1) applies Mitchell et al. (1997)'s stakeholder salience theory identifying the appropriate stakeholder typology from the seven categories set out in their model (see Figure 3.1), with the attendant implications for management attention. While this rendering, in suggesting a multi-stage process in the perception of stakeholder salience, brings some clarity to what is a subjective cognitive process, it does not address personal attributes of management that may inform the process. Two such attributes, outlined later as suggested areas for future research, may, after further study, warrant introduction as informing factors in stakeholder salience perceptions: management epistemological beliefs and management moral positioning.

7.2.5 Stakeholder salience theory and stakeholder agency theory

The emergence of stakeholder agency theory as an additional theoretical frame, with utility in examining the phenomena the subject of this study, assisted in developing the findings in relation to 'accountability' and 'internal advocacy' as 'agency interventions' in the design and use of MCS. Stakeholder agency theory also highlighted the potential role of 'moral hazard' on the part of management. The manner in which stakeholder agency theory suggested itself as having utility for the research analysis in concert with stakeholder salience theory suggests the possibility of a theoretical symbiosis.

Agency interventions and moral hazard

This research, in identifying disparities between organisational mission and stakeholder salience, as perceived by management, points to the possible need for 'interventions' to redress this disparity. That the salience mission disparity is largely as a result of power differentials resonates with the framework of stakeholder agency theory that suggests that managers are engaged in a series of agency relationships with stakeholders that are characterised by power differentials (Hill & Jones, 1992). The theory postulates that management will act to consolidate and improve their circumstance in the long term and assumes that stakeholders will engage in agency interventions of monitoring, enforcement and incentivising, in order to minimise utility losses arising from their involvement with the organisation and management's potential self-interest. Stakeholder salience theory in explicating the manner in which perceptions of the power, legitimacy, and urgency of stakeholders describe management's relationship and attention to different stakeholders, facilitates an understanding of how and where 'agency interventions' might have efficacy as a means of promoting 'principal – agent' alignment and enhancing organisational performance.

In this study the stakeholders perceived to have the least power, services users, are also recognised as having a lack of an ability to self-advocate, placing service users in a vulnerable position as they are wholly reliant on others, principally

management, to put in place the 'agency interventions' of enhanced 'accountability' and 'internal advocacy' identified at 7.2.2 and 7.2.3 above. This observation recognises that service users will therefore be significantly dependent on management to recognise that they have an overriding 'normative' obligation to intervene on their behalf and points to the potential for moral hazard. Service users of NPOs providing intellectual disability support services have a particular vulnerability; a vulnerability that is common to classes of service users that are constrained in self-advocacy, the elderly, children, and people with mental health challenges. Undoubtedly, normative' forces and sense of duty, informed from a common 'vocational' reasoning in career choice, serve to counter any moral hazard, nevertheless, the salience analysis supported by insights from stakeholder agency theory points up the potential for self-interest in management behaviour even if unconsciously, with the focus of their attention drawn to more powerful stakeholders whom they may perceive have a greater impact on their interests.

Stakeholder salience theory and stakeholder agency theory – a theoretical symbiosis

The analysis and findings in this research were enriched through the recognition that stakeholder agency theory, in concert with the primary informing theoretical frame, stakeholder salience theory, helped to unlock additional insights, in particular, in the description of 'agency interventions' and 'moral hazard' as set out in section 6.3.6 and described above. This openness to additional theories emerging as having utility in framing an understanding of the phenomena of study toward the evolution of theory or new theory development was supported by the methodological approach of abductive reasoning adopted (Lukka & Modell, 2010; Richardson & Kramer, 2006) and something that is arguably unavoidable in case study research when 'events in the field may best explained with reference to multiple theories' (Thomas Ahrens & Chapman, 2006, p. 823). During the course of the analysis of the data, stakeholder agency theory suggested itself as having such utility, unlocking the insights referred to in respect of 'agency interventions' and 'moral hazard'. The conduct of this study and its outcomes suggest that there

is a potential value for the pursuit of research by way of a theoretical symbiosis, whereby the unravelling of stakeholder salience dynamics facilitates the application of stakeholder agency theory as an additional frame of analysis – a symbiosis that might be described as a hybrid theory.

7.3 Contributions to methodology and method

The methodological approach of abductive reasoning and the research methods adopted presented challenges and opportunities in the conduct of this research that contribute significantly to the conduct of qualitative case study research in management accounting and in the adoption of `stakeholder salience theory as an informing theoretical frame of analysis. These contributions are considered below as follows: first in relation to abductive research as a methodology, the approach and methods employed, including importantly the incorporation of reflective practices as part of the research method are presented as a contribution to best practice in abductive research (7.3.1); secondly, the qualitative use of quantitative data is described and its contribution to method in qualitative research articulated (7.3.2); finally, focusing on stakeholder salience theory, contributions arising from the innovative approach adopted to capturing and analysing relativities of perceptions of salience attributes are described (7.3.3),

7.3.1 Abductive reasoning – challenges, method, and reflection

Interpretive qualitative research persistently faces challenges to the validity, meaning, and generalizability of findings, and interpretative management accounting research is not immune to or isolated from this (Thomas Ahrens, 2008; Thomas Ahrens & Chapman, 2006; Lukka & Modell, 2010). Abductive reasoning as an interpretive methodological approach has come under even greater scrutiny in this regard (Haig, 2005; Lukka & Modell, 2010; Thomas, 2010). By embracing an abductive methodology, the conduct of this study contributes, as an exemplar, to understanding how validity, meaning, and generalizability can

be underpinned through the careful planning and conduct of the research in terms of method.

Chapter 4 sets out the background to abductive reasoning as the methodological approach to the research, in particular the researcher's extensive experience of the domain of research, intellectual disability services, and the manner in which this approach facilitated embracing this experience. In the first instance a case study approach allowed for the depth of exposure and proximity to the field, necessary with an abductive approach. The selection of the cases for study combined pragmatism and the identification of NPOs with exemplary substance that together (see sections 4.3 and 4.7 for further details of the case selection), support the findings as paradigmatic and of bounded generalizability within the domain of NPOs engaged in the delivery of health and welfare services.

Critical to underpinning the validity of the findings was the management of the potential for bias and ensuring that the findings were led by and grounded in the data while allowing for depth of insight through embracing the researcher's phronesis. Validity in abductive research is not solely ordained through reference to an existing body of theory or accepted generalized knowledge but 'through the connections and insights it offers between another's experience and one's own', between the researcher and the researched (Thomas, 2010, p. 578), and 'on the skilful development of theoretical explanations with the help of everything that is known empirically and theoretically about the issue being examined' (Lukka & Modell, 2010, p. 467). Ensuring the integrity of approach and method in this regard is therefore vital. This was achieved in the approach and application of method through an iterative dialogue between the researcher, the data, the initial informing theories, and the literature. From the outset the role of reflective practises was recognised as an essential element in both allowing for richness of exploration and rigour of analysis (Irvine & Gaffikin, 2006; Lukka & Modell, 2010; D. G. Oliver et al., 2005). Particularly in abductive research, as in other interpretative approaches, rigour and honesty is essential if validity is not to be compromised (Eisenhardt & Graebner, 2007), and to this end the following elements of the approach adopted in this study are suggested as exemplars of good practice that support the study's validity and generalizability of the findings:

Design and conduct of interviews – including reflective practices

Section 4.5.1 details the approach in relation to the design and conduct of the interviews. Central to underpinning validity was achieving a balance in the design and conduct of the interviews between the necessity to allow for the researcher's insight (phronesis) during interviews while maintaining an internal objective presence to guard against false inference or being led down a path of least resistance but of uncertain basis in fact. This objective presence is a state of mind supported by the semi-structured interview design, researcher reflection during and after interviews, and the analytical dialogue and additional reflective practices discussed below. In addition to researcher bias, interviewee bias, is also of potential concern. Ensuring that there was a breath of interviewees across organisations and management level and function helped to manage managerial situational bias. When it came to possible personal bias, or agenda promotion by managers, the researcher's knowledge of the domain, his phronesis, was an important factor in identifying and guarding against this possibility. Again this aspect was actively probed and challenged during and after interviews through reflective notation.

The approach to the conduct of the interviews in this study revealed a further aspect of the benefits of reflection. While reflection on the part of the researcher is central to an abductive approach to facilitate deep analysis and richness to emerge, and is well documented in the literature, the importance and benefit of allowing for reflection on the part of interviewees in qualitative research has not heretofore been highlighted in the literature to any significant degree. Allowing for reflection on the part of the interviewees emerged early on in the study as an important consideration in facilitating a considered response. Interviewee reflection was facilitated in the deliberate design of the approach to the semi-structured interviews. That such a facility was designed into the interview approach was itself as a result of reflection on the part of the researcher after the initial six interviews. After the completion of these interviews the researcher noted that some interviewees, if allowed through pauses in the interview, strayed into periods of reflection and this gave rise to rich insights that may not otherwise

have emerged. In particular it was noted that managers appeared to develop reflective awareness of their seemingly contradictory views as to the 'importance' of and the 'salience' (particularly in relation to their views of stakeholder power) of stakeholders (most notably in the case of the HSE and service users). It was subsequently decided to deliberately incorporate invitations for managers to reflect at differing points of the interview process and importantly at the end of each interview to allow space and time for further reflection (see Interview Guide – Appendix F). The significance of this approach, as evidenced from the interview data in this study, to the emergence of rich insight cannot be overstated, confirming the value of the deliberate designing in of reflective practices in terms of approach to interviews in qualitative research that embraces both researcher and interviewee. This study supports the embracing and incorporation of reflection as an integral part of interviews in qualitative research, allowing for a rich connection with the field in a manner that reinforces the validity of analysis and emergent observations.

Approach to analysis - dialogue, reflection, and creativity

As mentioned above the abductive approach requires a constant iterative dialogue between the researcher, the data, the initial informing theories, and the literature, while guarding against 'the logical fallacy of "affirming the consequent" which, in principle, renders it difficult to ascertain whether some theoretical postulates (forms of explanans) have greater explanatory value than others' (Lukka & Modell, 2010, p. 467). To address this in practice, abduction is recognised as 'an ongoing process compelling researchers to constantly remain open to alternative explanations whilst ruling out explanations deemed less plausible as they move back and forth between theory and empirical data' (Lukka & Modell, 2010, pp. 467-468); this study supports dialogue and reflection as central to underpinning openness in research practice.

Dialogue and reflection were centrally designed into the research method in terms of data collection and analysis to underpin rigour, honesty, and faithfulness to the data. The data collection was primarily through semi-structured interviews and the dialogue and reflective elements of this aspect of the conduct of the research

are described above. In parallel with and subsequent to the primary data gathering process, the analysis of the data was carefully approached to ensure richness in exploration, insight, as well as rigour. Section 4.6 sets out the approach taken in detail, including the incorporation of 'creative' aspects (Lundberg, 2000; Thomas, 2010), through 'reading', 'reflection', 'play' and 'exploration' (Bazeley, 2013, pp. 101 - 124). Of particular importance in this regard was the dialogical and reflective processes: multiple reading and coding phases involved in the data analysis, with reflective note taking at each point in this iterative process, serving as a connection between the researcher, the data, the theoretical frames, and the literature. This was reinforced through regular presentations at critical fora, ensuring a continuing questioning of the researcher and the maintenance of their internal objective presence in so far as possible.

A surprising element that emerged embracing both the 'play' and the 'explorative' elements of the approach to the data analysis as described above, was the maintenance of a 'thought board'. Early in the research process, an initial 'thought board' was constructed. The thought board was maintained and regularly updated throughout the data analysis phase. The process allowed for the capturing of observations and emergent themes, their relation to theory, and the interrelationships in particular with the nature and design of MCS. The thought board proved to be a very useful tool in informing the ongoing coding process and the filtering of themes to focus on those that emerged as central to the research question and the development of theory. The final version of the thought board is included in Appendix I.

The dialogical and reflective processes employed as described above, together with the incorporation of the 'thought board' as a creative element, combining rigour with creativity, enabled the potential for richness that the abductive approach facilitates while also underpinning the validity of the analysis and findings. An approach that helps the researcher maintain an internal objective presence alongside their phronesis.

7.3.2 Qualitative use of quantitative data

One of the challenges for this study was how phenomenological understanding might be forthcoming when the unit of analysis consisted of management as a collective with data gathered across four organisations and thirty six managers. This challenge was met through the incorporation of a descriptive quantitative method of data analysis in combination with the core qualitative approach undertaken.

Multi-method field studies combining quantitative and qualitative approaches to analytical methods are not uncommon in management accounting research and often referred to as triangulation (Thomas Ahrens & Chapman, 2006; Modell, 2005). The multi-method approaches tend, however, toward the combined use of inferential statistical techniques and qualitative analysis (e.g. case study in combination with statistically analysed survey data), this study, however, employed a quantitative analysis technique in a descriptive and non-inferential manner. The analysis employed is a quantitative translation of management's subjective perceptions. This quantitative translation allowed for the combining of insights gained from interview data with a quantitatively expressed translation of the overall perceptions of management, as the unit of analysis, of: salience attributes, stakeholder 'importance', and MCS utility (for a full description see section 4.5.2). Without this quantitatively expressed translation of management's perceptions, an overall understanding at the unit of analysis level would not have been possible. The approach aligns with the methodological approach of abductive reasoning in allowing for the researchers phronesis in the drawing out of understanding and insight from the data. Quantitative analysis employed as a descriptive process in this manner leaves room for the essential 'sense-making' (Lundberg, 2000; Weick, 2001) that is central to abductive reasoning and arguably all forms of interpretative research (Lukka & Modell, 2010), sense-making that might otherwise be constrained when alternatively inferential statistics are used in research method triangulation.

This approach to triangulation of method, combining qualitative case study interview and related data with a descriptive 'quantitative translation' of critical

elements of that data presents a valuable contribution to qualitative research in two ways. First, by employing a quantitative translation of key elements of qualitative data the approach facilitates the qualitative approach to the study of complex units of analysis that are themselves constituencies of individuals or sub-units, in this instance management as a collective. Secondly, for qualitative abductive research, the approach to quantitative data translation employed, while facilitating the study of complex units of analysis nevertheless allowed for the role of sense-making and the researcher's phronesis that are central to this methodology and, arguably, for inductive research also.

7.3.3   Stakeholder salience theory and attribute relativities

Central to stakeholder salience theory is the contention that management's perceptions of the three salience attributes of power, legitimacy, and urgency of a stakeholder will ordain the attention that they afford to that stakeholder. Mitchell et al. (1997), formulated a model of stakeholder salience typology in a simplified manner that adopted, for pragmatic reasons, a dichotomous approach to stakeholder salience attribute assessment. Mitchell et al. (1997), themselves pointed out that this presented difficulties in capturing not just the dynamic nature of perceptions of salience attributes, but also that those perceptions could change over time and from manager to manager. These challenges in the assessment of salience attributes, while acknowledged by subsequent scholars with alternative and differing propositions offered, was highlighted by Neville et al. (2011) in their review of the theory as unresolved and in need of further research, and more recently accepted as continuing to present a challenge by Wood et al. (2018) in a review of the theory and the model over the twenty years since it was first articulated. Neville et al. (2011) extended the critique of the challenges in assessing salience attributes from challenges posed by temporal factors, or managerial context, by highlighting that the dynamic differentiation of salience attributes is complex with not just the possibility of variability in attributes over time but also that the 'weight' attributed to the differing attributes may also vary. That for example in one instance 'power' may be viewed as having greater 'weight' than 'legitimacy' and vice versa in differing contexts or by differing

managers, and crucially that a different 'weight' might be attributed to the same attribute when considering differing stakeholders; that is, while two stakeholders may be possessed of 'power' one may be viewed as less or more powerful than the other and thereby be identified as being less or more salient. While this study does not address the first 'relativity' challenge identified by Neville et al. (2011), it does address the second. For the purposes of the salience typology of stakeholders in this study, it was accepted that for a stakeholder possessed of relatively less of a particular attribute, compared to the other stakeholders, that that attribute was potentially discountable in terms of contributing to an assessment of their salience in the eyes of management. This approach embracing 'sense-making' (Lundberg, 2000; Weick, 2001) in a qualitative manner is central to the methodological approach of abductive reasoning.

Accepting that salience attribute relativities are critical to understanding management's overall perceptions of stakeholder salience posed a significant challenge in developing a method of capturing relative perceptions in a qualitative study. What was needed was a method that would capture management's 'sense' of the relative 'weight' of salience attributes across the differing stakeholders. While attempts have been made to capture management perceptions of salience attributes, they are few, and all embrace a quantitative approach to the assessment employing inferential statistics to inform the analysis (Agle et al., 1999; Chen et al., 2018; Gago & Antolin, 2004).

The method developed for this study involved the incorporation of reflective opportunities for interviewees to contemplate and reflect on their perceptions of the stakeholders (see also 7.3.1 above that describes the incorporation of 'reflection' in the research method). Management were asked to express their views on whether they perceived one stakeholder, relative to another as being possessed of greater or lesser degrees of each of the salience attributes, power, legitimacy, and urgency. This differs from attempting to 'measure' the quantum of an attribute perceived by management as possessed by a stakeholder, an exercise not suited to a qualitative approach and one that would not capture the 'sense making' nature on management's part in formulating their perceptions. Instead managers were asked to reflect and simply express their perception as

to relative differences, i.e. whether a stakeholder was possessed of less or more of an attribute (power, legitimacy, urgency) compared to the other stakeholders. When combined with the method of 'quantitative translation' as described in the previous section above (for a full description of the 'quantitative translation' see section 4.5.2), and the qualitative contributions offered by management in formulating their assessment, it was possible to differentiate management's salience perceptions as a collective, exposing which stakeholders were perceived as more or less salient for each attribute. This approach allowed for a salience attribute to be discounted for salience typing purposes for a particular stakeholder when management perceived that stakeholder to be possessed of relatively less thereof compared to the other stakeholders. This method of capturing and making sense of management's perceptions contributed significantly to this study in facilitating insight and understanding that underpinned the findings in relation to MCS design and use, in particular the salience/mission disparities identified (see section 7.2.1). This study has made a signification contribution to research method in the examination of stakeholder salience in organisational management by advancing a research method for qualitative studies that captures the collective relative perceptions of management of the salience attributes of differing stakeholders thus allowing for a rich depth of understanding of the phenomena.

7.4 Limitations

7.4.1 Methodology and approach

Notwithstanding the significant and positive contribution that the field experience (phronesis) of the researcher brought in terms of access, execution, and analysis, the potential for bias must be recognised. In adopting an abductive approach, the risk of bias is ever present. As set out in section 7.3.1 above, this was an aspect that informed a continuously questioning approach by the researcher particularly when experiential insight appeared to suggest a manner of understanding phenomena and the dynamics at play. This potential for bias, although

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recognised and questioned at every stage, was accepted as a manageable risk in order to embrace an approach that provided for a richness of understanding that may not otherwise be forthcoming.

A further limitation of an approach, that embraces phronesis as a means of interpretation, is the necessary acceptance of the challenges for generalizability as an expense for the insight gained of a complex social dynamic and the development of theory. While every effort was taken in the selection of the cases, and the approach to the research method (see sections 7.3.1 above) to safeguard the generalizability of the findings, as a minimum in a bounded manner, the challenge to generalizability is not confined to the research approach adopted. It must also be recognised that the domain of study, intellectual disability services in Ireland, and the NPOs selected for study are particular and have unique characteristics. As a counter to any potential of undermining generalizability as a result of case choice, Flyvbjerg (2006, p. 226) argues that 'the strategic choice of case may greatly add to the generalizability of a case study'. Strategic choice is, he suggests, a function of whether it is an 'extreme', 'critical', and/or 'paradigmatic exemplar' and can be one or more thereof. In this study the case selection was both: critical, in affording the best of an abductive approach to be exploited through the researcher's experience and understanding of the intellectual disability sector; and paradigmatic as it serves to 'highlight more general characteristics of the societies in question'. In this context and instance, the 'society' is composed of the NPOs involved in provision of support services to vulnerable people: people with disabilities, people with mental health challenges, the elderly, and children.

7.4.2 Salience relativities.

As described in section 7.3.3 above, unlike prior research that looked at salience attributes of power, legitimacy, and urgency as dichotomous, the approach to this study, critically, recognised the non-dichotomous nature of the attributes (Mitchell et al., 1997; Neville et al., 2011). Therefore, capturing the relative differences between the stakeholders in terms of being possessed of an attribute and indeed of their 'importance' (as specifically framed in this research), was fundamental to

the research approach adopted and has contributed to the development of research method. While this was achieved by asking managers to reflect and express a view as to their perceptions of relative differences in the manner in which they perceived stakeholders as possessed of an attribute, this could not lead to an 'accurate' assessment of the 'degree' of relative difference. The 'degree' of difference was left to the process of 'sense making' from the manner in which managers talked of the difference between stakeholders and their views of relativities and was appropriate for the analysis undertaken and the abductive methodology. Notwithstanding the advances in method offered by this study, it may, nevertheless, be useful in future research to consider ways of incorporating 'degrees' of difference to potentially inform a more sophisticated framework of stakeholder typologies and advance understanding of management's response thereto.

7.4.3 Stakeholder identification and salience perspective.

One limitation, driven to some degree by the need for practicality, is the selection of stakeholder's for inclusion. The stakeholders considered in this study are the 'Board', 'service users', the 'funder' (HSE), and the 'regulator' (HIQA). Management are also included given that the approach examines the salience of stakeholders from the perspective of management. Service users as a stakeholder, however, are a complex construct. For the purposes of this study, service users, were taken to be the person with the intellectual disability together with their immediate family and carers external to the NPO. Involvement of this wider set of people close to the service user, and who co-identify with them, is recognised as an essential element of communicating and interacting with service users with intellectual disabilities (Brolan et al., 2012; Grant & Ramcharan, 2001). While this was readily accepted by management as an appropriate approach and they were readily able to relate to it, some managers did distinguish between the service user and their family, suggesting that there may be some differences between them in terms of their objectives in engaging with the NPO. Although the potential for such differences is acknowledged, that such differences manifest in any material way is also a contested assertion (Grant

& Ramcharan, 2001). Nevertheless, future research may distinguish between service users and families as separate stakeholders to explore whether and to what extent such differences are manifest, and if so what, if any, implications they might have for perspectives of stakeholder salience.

The purpose of this study was to examine the manner in which management's perspectives of the salience of stakeholders informs the design and use of MCS as a component of the broader performance management system. While this is justifiable on the grounds that management are the operational decision makers and it is their perceptions alone that inform their behaviour and therefore influence the performance of the organisation, it can be argued that a fuller understanding might be forthcoming if the perspectives of the other stakeholders are also considered. Such an approach might be useful in appreciating how the 'accountability' and 'internal advocacy' interventions as suggested by this research might be effectively crafted. Further, the perceptions of stakeholders might either reinforce the findings of this research in terms of management's perceptions or indeed contribute further to understanding the complexity of stakeholder salience and the relational dynamic between management and stakeholders and what this might mean for MCS research.

7.5 Future research

7.5.1 Extending the key findings from this research

The findings from this research as set out in sections 7.2 and 7.3 above set the stage for future research to extend and build our understanding of the practice of performance management in NPOs involved in the delivery of health and welfare services and in the development of theory and research method.

The practice of performance management and the design and use of MCS

This research in identifying enhanced accountability measures and 'internal advocacy' as potential interventions to redress the observed disparity between

mission and the perceived salience of stakeholders, sets the stage for the further investigation of both of these interventions in the context of performance management and MCS. Further, research is required to look at differing ways of enhancing accountability to less salient stakeholders, considering financial and non-financial data, assessments of effectiveness of operational strategies and resource deployment, and also considering the nature of the accountability process, formal or informal, structured or un-structured, as potential 'packages' of MCS elements.

In identifying 'internal advocacy' as a potential functional intervention by management toward the enhancement of organisational performance, this research has opened up an area for enquiry heretofore not addressed in the management accounting literature. That management might enhance performance management through actively engaging in internal advocacy and supporting advocacy initiatives, whether self-advocacy or representative advocacy, for important but less salient stakeholders, opens up a novel vein for future research. Management accounting and performance management research has not heretofore considered how such 'internal advocacy' might be captured and supported through an organisation's PMS and MCS. Future research could further examine the role of management stakeholder 'internal advocacy' in field based studies drawing on the significant body of work that examines the role of internal advocacy in domains such as medicine and related fields (Burhans & Alligood, 2010; Coker et al., 2012; Hague & Mullender, 2006; Hubinette et al., 2017; Mahlin, 2010; Mechanic, 2000; Pickett et al., 2012). A number of questions might be considered: do management recognise a role for engaging in advocacy or supporting advocacy for relevant stakeholders? if so, how are/might such advocacy activities and processes be reflected in the PMS and MCS? do the relevant stakeholders recognise a role for management in this regard, and what if any accountability information is generated in relation to such activities? Finally, what kind of accountability do relevant stakeholders require in relation to such activities?

A research agenda toward developing and extending the findings of this study

From an immediate and practical perspective, development and extension of the findings in relation to MCS design and use can be realised through a planned research programme involving a number of phases:

a) The holding of seminars to communicate the findings to the management of the four NPOs that formed the domain case study;

b) Engagement with the national representative organisation in Ireland for NPOs, the National Federation of Voluntary Bodies (FEDVOL)[27]. To this end the researcher has been invited to present the findings from the research to the board of FEDVOL.

c) The establishment of a coalition between the researcher, FEDVOL, and Centre for Disability Law and Policy at NUI Galway with a view to:

- Securing funding for a number of longitudinal field-based pilot studies to explore initiatives and means through which the findings in relation to MCS design and use might be further explored and tested.

- Building from these pilot studies to formulate a coordinated research project with other researchers and institutions within the European Union with a structured medium and long term research programme.

Through these initiatives it is expected that a sustained body of research will result contributing to performance management and MCS research within this important domain, public service delivery in NPOs.

Theory development and research method

The findings in relation to the complexity of stakeholder salience suggest a number of valuable avenues for future research. First, as set out in section 7.3.3 above, the manner in which management's perceptions as to the relativities of a

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[27] FEDVOL represents over 60 NPOs that collectively provide over two-thirds of the support services to people with an intellectual disability in Ireland. National Federation of Voluntary Bodies, *'About Us; Introduction; Who Are We?'* Available at: < http://www.fedvol.ie/Introduction/Default.758.html > [Accessed on: 15 April 2019].

stakeholder being possessed of a particular salience attribute was captured, and used to draw a more refined picture of stakeholder salience, provides a basis for employing a similar method for qualitative research drawing on this theory. The 'relative' based approach in assessing salience attributes facilitated a better understanding of management's salience perceptions and this study displays how the application of stakeholder salience theory can be more refined in qualitative case study research in particular through the method of 'quantitative translation' as described in section 7.3 above..

Secondly, that a stakeholder may simultaneously be perceived differently in relation to a given salience attribute depending on context and thereby fall into two different stakeholder typologies at the same point in time, suggests a need for a refinement and extension of the stakeholder typology model as articulated by Mitchell et al. (1997). The study's findings, in contrast to a case of stakeholders moving from one typology over time through the acquisition or loss of a particular attribute, identifies the phenomenon of the duality in typology at a point in time for a given stakeholder dependent on the perceptions of the role context of the stakeholder. This finding, combined with the recognition of the role of 'relative' perceptions of salience attributes in salience assessment and the emergence of 'risk' as a factor in the manner in which management viewed urgency could be further explored in the context of the model of stakeholder salience perception as a two stage process described in section 7.2.4 above and set out in figure 7.1.

Thirdly, perceptions of risk might be examined to clarify how management react to perceived risk in their assessment of stakeholder salience attributes; examining how risk is manifest in the eyes of managers and, whether there is a difference between perceived risk to the manager in their position, and perceived risk to the organisation? Such research could explore the possibility of incorporating differing 'urgency' perspectives into the salience model of stakeholder typology, 'latent urgency' where risk is low and 'active urgency' where risk is high.

Finally, the identification of synergies between stakeholder salience theory and stakeholder agency theory suggests that there is a potential benefit for future research in drawing on management perceptions of stakeholder salience to

explore the 'principal-agent' dynamics at play in management's relations with stakeholders. The findings in relation to inter-stakeholder power asymmetries, highlighting the potential for management self-interest and moral hazard, points to a need to further explore this area. In particular, it would be useful to identify whether or not the suggested countervailing forces of internalised normative obligations and vocational interest militate against such behaviour. This is a critical area for further research in such settings, as the possibility for moral hazard could have significant consequences for vulnerable service users that depend on such organisations for support.

7.5.2 Other potential areas for future research

MCS - reinforcing the 'status quo'

In addition to the identification, from the analysis in this research, of deficits in accountability to service users as the least salient stakeholder, management pointed to the lack of service user disaggregated budgeting and AOS information and a lack of integration across the primary MCS elements, as something that undermined their ability to effectively manage performance. With some research suggesting that accounting information can mobilise stakeholder salience (Kamal et al., 2015), and that therefore the opposite may be inferred (that the absence of accounting information may undermine stakeholder salience), these observations, together with the analysis of management's salience perceptions carried out in this study, leads to the question of whether these shortcomings in MCS design might serve to reinforce the stakeholder salience 'status quo', that is that the MCS may equally be a dependent or independent variable (Luft & Shields, 2003), with MCS design and use both influenced by and an influencer of stakeholder salience. Whether, and to what extent, MCS design may serve to reinforce existing stakeholder salience, contributing to an element of inertia that might inhibit any shifts in individual stakeholder salience, is a relevant question that could be addressed in future research of a longitudinal nature.

Stakeholder salience - attribute appropriation

The 'admission' by management that they appropriated the power and legitimacy of the regulator (HIQA) as a means of increasing their own power when dealing with the funder (HSE) is a clear example of the manner in which salience attributes of one stakeholder might be employed by another, albeit in this case 'management' as the acquiring actor. While Mitchell et al. (1997, p. 881) did suggest that stakeholder salience theory was 'amenable to empirical operationalization and to the generation of testable hypotheses concerning, for example, predictions about the circumstances under which a stakeholder in one category might attempt to acquire a missing attribute and thus enhance its salience to a firm's managers', this study, in finding that management engaged in practices of appropriation of salience attributes from other stakeholders, as opposed to inter-stakeholder borrowing of attributes, highlights an aspect of stakeholder salience heretofore unexplored. Future research might usefully explore the extent to which such behaviour is prevalent in differing settings and in differing stakeholder salience contexts. Understanding how management might engage in such practices would further enhance understanding of performance management.

Epistemology and Moral Positioning

In keeping with the nature of abductive research and the value of the researcher's knowledge two additional aspects emerged as areas for potential future research.

First, considering that the service users in settings of this nature are, as previously outlined, vulnerable, and often have limitations as to expressive capacity, the manner in which management understand or perceive the 'knowledge value' of information that they (the service users) provide is worthy of consideration. Management require information and feedback in order to effectively manage. As has been noted in the discussion on accountability, there is limited formal communication between management and the service user stakeholder and that which there is, is largely unstructured or informal. Further, due to the challenges for service users in self-expression, the voice of the service user, as a person in their own right, can be subordinated to those of their family,

external carers, and lead internal caring staff. While this may be by default as a result of management not having the resources or capacity themselves to engage communicatively with services users, it may also be informed by their epistemological beliefs, by a societal construct that knowledge can only be generated by those that are readily communicated with and understood. This poses questions as to whether management's epistemological beliefs in this regard, may inform their salience perceptions, and what the implications might be for the effective management of such organisations.

Secondly, the findings in relation to stakeholder salience, accountability, and internal-advocacy, could point to a normative or moral obligation on management to enhance the salience of the lesser salient yet important and vulnerable stakeholder, service users, leading to an interesting area for potential future research. Neville et al. (2011, pp. 363 - 369), provide an in-depth review and discussion of relevant literature of the implications of moral positioning and decision making for perceptions of 'legitimacy', while Wood et al. (2018, p. 30) point out that, in the context of stakeholder salience theory, the 'ethical arguments and proposals remain to be addressed in future research'. The findings of this research go further in suggesting that management have, a self-recognised and articulated, moral obligation to intervene to redress power asymmetries in particular and lack of 'voice' that render service users less salient to other stakeholders. The question for consideration is whether the moral positioning of management as a mediating factor in their perspective of the salience of differing stakeholders would serve to reinforce or act as a barrier to the active incorporation of such interventions in practice? In this regard there is scope for drawing on a number of moral positioning and developmental frameworks[28]. Such research could further enhance understanding of management salience perceptions and their attentiveness to differing stakeholders and potentially contribute to management practices, training, and development.

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[28] Possible frameworks might include: Kohlberg's stages of moral reasoning, Forsyth's ethical positioning framework, and Lind's moral judgement test.

7.6 Practical contribution and impact

This research was informed by the researcher's involvement in the field of disability and has been facilitated by the generous access afforded by leading NPOs in the sector. The findings of this research have implications for public policy in Ireland and indeed in a broader international context as well as having the potential to provide management of NPOs, involved in this sector and in the provision of health and social services generally, with insights for the improvement of MCS and performance management toward the more effective realisation of mission.

7.6.1 Contribution to public policy

The findings from this research comes at a time of a very significant way-marker for persons with disabilities in Ireland, the ratification in 2018 by the Irish State of the UN Convention on the Rights of Persons with Disabilities (CRPD). The CRPD recognises the social and environmental conditions that contribute to the overall experience of disability including rights to: education, social participation, work and employment, and an adequate standard of living and social protection; collectively framed as a 'rights' based approach to viewing and supporting people with disabilities. It is incumbent on the State to uphold its obligations as a signatory to CRPD and as the commissioner of services (through the HSE) from the NPOs in this sector. There is a collective obligation and challenge in this regard for all of the key stakeholders. This development has heralded a number of public policy initiatives in the domain of disability supports which have at their centre the recognition of the independence and individual autonomy of the person with disability. Two of these are of particular note: 'The Assisted Decision Making (Capacity) Act 2015' ('The Act'), which is yet to be commenced, and the publication in 2018 by the Department of Health in Ireland of the findings of a task force on personalised budgets for people with a disability[29] ('task force report').

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[29] Op. ct., 'Department of Health' p. 20

The Act recognises that every person, notwithstanding whether they have an intellectual disability, or are old, or may have a mental health issue, have an ability to express their views that is only in extreme cases not capable of being 'heard'. The Act provides for different forms of legally supported interventions to assist the person in expressing their preferences. The Act has not as yet commenced primarily due to the Government struggling to craft the means and mechanisms through which its provisions can be operationalised. Central to this initiative will be the challenge in how people with intellectual disabilities, and others with capacity constraints' are supported through advocacy to engage with, the yet to be formulated, support mechanisms under the Act. This challenge falls under the remit of a newly established 'Decision Support Service'[30] ('DSS'). The DSS is currently consulting on best practice in this regard. Given that over two thirds of all support services for people with intellectual disabilities are provided by NPOs the subject of this research, the findings in relation to 'internal advocacy' has profound implications with regard to the manner in which the means of engagement with the Act's support mechanisms are formulated. As set out in section 7.6.3 below, opportunities to present the findings in this regard to the DSS are to be sought and a summary of the findings will form a submission to the DSS consultation process.

The 'task force report' sets the stage for a fundamental change in the manner in which resources are distributed for the provision of services for people with intellectual disabilities. In its conclusions the task force found that outcomes for people with intellectual disabilities were improved when budgets for services were personalised, that there now needs to be a process put in train to develop guidance on how a change in policy in Ireland to introduce personalised budgets might be effected, and suggest that the concept will need to be tested through a number of pilot projects (Department of Health, 2018, pp. 14-16). This policy proposal has profound implications for the management of NPOs involved in the provision of these services. The findings of this research with respect to 'accountability' and 'internal advocacy' could have significant implications for the

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[30] Health Service Executive, Assisted Decision Making (Capacity) Act, Latest News. Available at:< https://www.hse.ie/eng/about/who/qid/other-quality-improvementprogrammes/assisteddecisionmaking/assisted-decision-making.html > [Accessed 17 April 2019]

manner in which this policy is formulated and implemented. As part of the planned dissemination of the key findings in this regard, similar to the DSS consultation, the findings of this research will inform a policy submission to the HSE task force charged with this policy initiative.

These changes to public policy have largely come about as a result of the ratification or anticipated ratification of the CRPD by UN member states, and similar policy developments, to a greater or lesser extent, have been seen in the majority of countries that have ratified the treaty[31]. As a human rights convention, however, it is relatively new having been ratified by the UN in 2006 and State signatories to the convention are at differing stages in terms of policy developments to underpin the provisions of the convention. As in Ireland, two key policy areas that require expression are in terms of supporting personal autonomy through facilitating personal individual choice and control over personal resources. The findings of this research, through its initial expression in Ireland, has the ability to add to the discussion and debate on best practice in this regard. To this end the collaboration of the researcher with the Centre for Disability Law and Policy at NUIG and the research agenda set out at 7.5.1 above, together with the dissemination of the research findings (see 7.6.3 below), has the potential to realise that ambition.

7.6.2 Contribution to practice

For NPOs involved in the provision of services to support people with disabilities the changes outlined above present significant challenges in ensuring that their approach to the framing of organisational mission and management of performance aligns with the 'rights' based approach to supporting people with disabilities and reflects the evolving external policy environment. This research provides valuable insights in how existing approaches to MCS, and PMS generally, might require restructuring and a reframing to assist in meeting those challenges.

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[31] Committee on the Rights of Persons With Disabilities. 'State Party Reports'. < https://www.ohchr.org/EN/HRBodies/CRPD/Pages/CRPDIndex.aspx > Accessed [17 April 2019]

Together with the implications for performance management practices arising from the policy changes in the external environment, this research has pointed up several practical implications for NPO management charged with the management of performance as a construct of the multiple objectives of relevant stakeholders. These practical implications chime with the implications for management practices from the external policy environment as that policy environment is a material driver of the mission statements of the NPOs in the domain of intellectual disability services. To this end the research underpins and points up the need for managers to have a clear understanding of the objectives of the relevant stakeholders of the NPO and further, an understanding of the impact of their perceptions of the salience of those stakeholders in terms of MCS design and use, in particular the role of MCS in addressing salience asymmetry. The findings point to the potential for stakeholders whose objectives are central to the mission of the NPO to, nevertheless, lack salience with the consequent potential for mission drift. For management practice in the design and use of MCS the research suggests a role for deliberately designing-in MCS elements that redress salience attribute asymmetry, most notably in relation to stakeholder power for mission central stakeholders. In this regard the research findings point to a need for MCS design and use to incorporate enhanced 'accountability' and 'internal advocacy' focused elements if stakeholder salience asymmetries that undermine organisational mission are to be addressed. The manner in which such elements should be incorporated or the choice of control typology to be used are not drawn out by the research, however, it is suggested that the appropriate control typologies are likely to be mixed with an emphasis of integration of MCS elements to more effectively underpin stakeholder objectives. Further the research agenda as set out in section 7.5.1 above has the potential to offer further insights in this regard.

Finally, the contribution to performance management offered by this study is not confined to NPOs involved in the provision of health and welfare services, but also has relevance for the management of performance of any organisation with multiple relevant stakeholders, with the potential for salience asymmetry, and where performance is a construct of the multiple objectives of those stakeholders.

7.6.3 Dissemination of research findings

In terms of wider impact, the findings from this research have already formed the basis of two research papers, one recently published in the journal, *Critical Perspectives on Accounting*, and the other recently presented at a significant international conference of the *European Institute for Advanced Studies in Management*. It is also intended to publish a further paper, currently in draft, that in particular highlights the findings on stakeholder salience and mission disparities, accountability, and internal advocacy. Further, two additional papers are planned, a conceptual paper exploring the areas identified above for future research set out in section 7.5 2, and a research methods paper drawing on the contributions to research methodology and method set out in section 7.3. These papers are seen as critical in the dissemination of the findings toward: promoting the advancement of performance management research in the NPO sector, the further development of stakeholder salience theory, and the advancement of innovations in research method.

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Appendix - A

NUI Galway
OÉ Gaillimh

Acmhainní Daonna   Human Resources

24 January 2013

Strictly Private & Confidential

Mr. Francis Conaty
Accountancy & Finance
Room 351, Cairnes Building.
NUI Galway

Re. Garda Vetting

Dear Mr. Conaty,

The University has received confirmation from the Garda Central Vetting Unit that there are no previous convictions recorded against you on their files.

I trust this clarifies the University's position. If you have any questions or queries on any matter, please do not hesitate to contact me.

Yours sincerely,

Colm Flannery
HR Manager – Employee Relations

Appendix - B

Interview Details

NPO	Date	Interviewee	Position	Level Descriptor	Duration (Mins)
SEC 1	28/05/2015	S - A	Head of Finance	Senior Support Manager	70
	22/06/2015	S - B	Head of HR	Senior Support Manager	65
	22/06/2015	S - C	Head of Individualised Services	Senior Services Manager	65
	29/06/2015	S - D	Head of Social Worker	Senior Services Manager	52
	29/06/2015	S - E	Area Manager	Middle Services Manager	41
	29/06/2015	S - F	Deputy Head of Client Services	Senior Services Manager	62
	01/07/2015	S - G	Area Manager	Middle Services Manager	43
	01/07/2015	S - H	Area Manager	Middle Services Manager	40
	19/08/2015	S - I	Head of Training & Quality	Senior Support Manager	116
SEC 2	06/10/2015	S - J	Head of HR	Senior Support Manager	42
	06/10/2015	S - K	Head of Finance	Senior Support Manager	43
	20/10/2015	S - L	Area Services Manager	Middle Services Manager	44
	20/10/2015	S - M	Area Services Manager	Middle Services Manager	34
	20/10/2015	S - N	Area Services Manager	Middle Services Manager	65
	13/11/2015	S - O	Unit Manager	Unit Services Manager	38
	13/11/2015	S - P	Unit Manager	Unit Services Manager	39
	13/11/2015	S - Q	Unit Manager	Unit Services Manager	39
	05/05/2016	S - R	Head of Client Services	Senior Services Manager	54
REL 1	10/12/2015	R - A	Head of Finance	Senior Support Manager	66
	10/12/2015	R - B	Head of Human Services	Senior Support Manager	82
	08/01/2016	R - C	Head of Integrated Services	Senior Services Manager	68
	08/01/2016	R - D	Head of Community Services	Senior Services Manager	52
	09/02/2016	R - E	Head of Psychology and Multi-D	Senior Services Manager	78
	09/02/2016	R - F	Head of Quality & Risk	Senior Support Manager	62
	08/04/2016	R - G	Unit Manager	Unit Services Manager	71
	08/04/2016	R - H	Area Manager	Middle Services Manager	42
	08/04/2016	R - I	Area Manager	Middle Services Manager	61
	08/04/2016	R - J	Unit Manager	Unit Services Manager	64
REL 2	01/03/2016	R - K	Head of Development & Training	Senior Support Manager	71
	01/03/2016	R - L	Head of Finance & IT	Senior Support Manager	78
	10/03/2016	R - M	Area Manager	Middle Services Manager	60
	10/03/2016	R - N	Head of Social Work	Senior Services Manager	79
	11/03/2016	R - O	Area Manager	Middle Services Manager	58
	11/03/2016	R - P	Area Manager	Middle Services Manager	52
	11/03/2016	R - Q	Unit Manager	Unit Services Manager	54
	16/03/2016	R - R	Area Manager	Middle Services Manager	71

Appendix - C

Frank Conaty, PhD Research - Outline

The role of Management Control Systems in Managing Multiple Stakeholder Objectives in the Provision of Disability Services

This research is being conducted by Frank Conaty toward the completion of a PhD at the National University of Ireland, Galway. No access to service user information is required however the researcher has Garda clearance and the research methodology has been approved by the University Ethics Committee. The research and all data gathered are subject to strict confidentiality protocols. A short bio of the researcher can be found overleaf.

My research has been informed by my experience in the disability sector, my professional background, and my academic interests. This drew me to questioning how management deal with multiple- stakeholder demands in the complex setting of an Non-Profit Organisation (NPO) providing services to people with disabilities in collaboration with the State (any findings will also have application in other service domains).

The world of an NPO is recognised as highly complex. Unlike the 'for-profit' world there are multiple stakeholders, each with their own objectives, needs, demands and which are at times in conflict with each other. Managers in such environments have the very difficult task in crafting a course through this complex and at times conflicting organisational 'soup' of multiple stakeholder objectives while being responsible for the organisation's overriding mission. While much research has been completed in the 'for-profit' world into various aspects of managerial behaviour and organisational dynamics there is a paucity of NPO based research. The focus of my research was fine tuned through preliminary field research carried out in one NPO in this sector. The refined research focus is on the role of Management Control Systems (MCS) as a tool for management in managing in these environments. MCS include all those systems that assist management in managing such as budgeting, quality assurance, service planning and assessment etc. MCS are central to management in carrying out their roles.

The primary objective of the research is to explore how the differing elements of MCS, as employed by management, deal with or are influenced by management's perception of the differing stakeholder claims, demands and needs that the organisation is faced with. This may uncover both positive and negative dynamics in the design and use of MCS. It is intended that the research will not only provide insight into an area under researched but will provide practical insights for management in the design and use of MCS as a central means of meeting their organisational mission.

The research is now entering the final phase which involves data collection and analysis in three/four organisations. The data includes obtaining an understanding of the organisation's MCS and the conduct of interviews with the management team. All information provided is strictly confidential; identities of individuals and organisations will be anonymised. Interviewees on the day of interview are asked to complete the consent form as set out overleaf.

1

Appendix – D

NUI Galway
OÉ Gaillimh

INTERVIEW CONSENT FORM

The role of Management Control Systems in Managing Multiple Stakeholder Objectives in the Provision of Disability Services

Centre Number: Participant Number:

                                              Interview Number:

Researcher: **Frank Conaty**

Please initial box

1.   I confirm that I have read the information sheet dated.............................
(version............) for the above study and have had the opportunity to ask questions. ☐

2.   I am satisfied that I understand the information provided and have had enough time
to consider the information. ☐

3.   I understand that my participation is voluntary and that I am free to withdraw at any
time, without giving any reason, without my legal rights being affected. ☐

4.   I agree to take part in the above study. ☐

Name of Participant   Date   Signature

Name of Person taking consent   Date   Signature (if different from researcher)

Researcher   Date   Signature

Copies: 1 for participant; 1 for researcher; 1 to be kept with research notes

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F. Conaty – Bio.

A faculty member of the J. E. Cairnes School of Business & Economics (Cairnes School) at the National University of Ireland, Galway, Frank is a Fellow of The Institute of Chartered Accountants in Ireland. After twenty years in professional practice and industry, Frank moved to academia and lectures in accounting, auditing, and corporate governance. He is a member of the Performance Management research cluster at the Whitaker Institute in the Cairnes School with a focus on performance management in the provision of public services through non-profit organisations and is an affiliate at the Centre for Disability Law and Policy (research) at NUIG. Frank has over fifteen years involvement with community and non-profit organisations in the disability sector including six years to 2012 on the board and as chairman of the National Parents & Siblings Alliance and was the founding member of a number of Galway based disability advocacy organisations. Frank is a Commissioner of the Irish Human Rights & Equality Commission.

2

Appendix - E

Statutes, Government Policy and Other Related Materials

Education for Persons with Special Education Needs Act 2004 – Ireland

http://www.irishstatutebook.ie/eli/2004/act/30/enacted/en/html

Disability Act 2005 – Ireland

http://www.irishstatutebook.ie/eli/2005/act/14/enacted/en/html

Assisted Decision-Making (Capacity) Act 2015 - Ireland

http://www.irishstatutebook.ie/eli/2015/act/64/enacted/en/html?q=Assisted+Decision+Making)

Value for Money and Policy Review of Disability Services in Ireland, Government of Ireland, 2012

https://health.gov.ie/wp-content/uploads/2014/03/VFM_Disability_Services_Programme_2012.pdf

National Standards for Residential Services for Children and Adults with Disabilities, Health Information and Quality Authority, Ireland, January 2013

https://www.hiqa.ie/sites/default/files/2017-02/Standards-Disabilities-Children-Adults.pdf

New Directions - Review of HSE 'Day Services' and Implementation Plan 2012 – 2016 *PERSONAL SUPPORT SERVICES FOR ADULTS WITH DISABILITIES*

https://www.hse.ie/eng/services/list/4/disability/newdirections/new-directions-personal-support-services-for-adults-with-disabilities.pdf

United Nations Convention on the Rights of Persons with Disabilities (UNCRPD)

https://www.un.org/development/desa/disabilities/convention-on-the-rights-of-persons-with-disabilities.html

Appendix - F

An Exploration of NPO Management Behaviour in the Design and Use of MCS in Complex, Multiple Stakeholder, Collaborative Settings.

Outline interview template – primary interviews

Preliminary:

(i)   What is your position in the organisation?

(ii)   Briefly describe your organisations structure (as it relates to you).

(iii)   How would you describe your primary responsibilities?

Orientation for Interviewee:

For the balance of the interview we will be focusing on two areas; first we will be talking about some of your stakeholders and then I would like to talk to you about some of your systems, procedures and controls.

1. Stakeholder Objectives/Claims

- What do you feel to be the primary objectives/claims of each of the stakeholders on your organisation:

    i.   HSE
    ii. HIQA
    iii. Service Users
    iv. The Board.

2. Management's Stakeholder Perspectives

a. Power

- In terms of impact, or influence on your organisation or directing what your organisation does, how would you view the:

    i.   HSE
    ii. HIQA
    iii. Service Users
    iv. The Board.

    ~ *Explore coercive (sanctions etc), utilitarian (provision of resources) and normative (reputation, standing, respect).*

- How do the stakeholders, the HSE, HIQA, Service Users, the Board, in your view compare in relation to their ability to impact, influence or direct what your organisation does?

b. Legitimacy

- In relation to their claims on your organisation what is your view of the standing (proper, appropriateness) of:

    i.   HSE
    ii. HIQA
    iii. Service Users
    iv. The Board.

    ~ *Explore views on the right of the stakeholder to expect the organisation to do or not do certain things.*

> *~ Explore differing facets of the relationship with each stakeholder for example; the financial one and the clinical/service oversight one with the HSE; the standards development role and the regulatory licensing role of HIQA; differing support needs of stakeholders (clinical, therapeutic, residential, social etc); financial and management appointments/removal role of the Board.*

- How do the stakeholders, the HSE, HIQA, Service Users, the Board, compare in relation to their standing (proper, appropriateness) with your organisation?

c. Urgency

- In terms of urgency and timeliness of responding to expectations and needs how would you view each of the four stakeholders?

    i. The HSE
    ii. HIQA
    iii. Service Users
    iv. The Board

> *~ Explore differing facets of the relationship with each stakeholder for example; the financial one and the clinical/service oversight one with the HSE; the standards development role and the regulatory licensing role of HIQA; differing support needs of stakeholders (clinical, therapeutic, residential, social etc); financial and management appointments/removal role of the Board.*

> *~ Use a vignette to assist interviewees*

- How would you characterise the dependence on or interdependence of stakeholders with your organisation?

    i. HSE
    ii. HIQA
    iii. Service Users
    iv. The Board.

> *~ Explore dependence and interdependence from the perspective of possession of assets (knowhow, personnel, and facilities) by the organisation or the stakeholder that*

*cannot be utilised without the ongoing relationship with the
other party.*

- Would you view the HSE / Service Users / the Board members as
having a particular regard or attachment for your organisation? If so do
you feel that this would leave it more difficult for them to possibly look
for alternative means of meeting their own requirements?

- Do you think that the HSE / Service Users / the Board members would
have an expectation that your organisation would continue to enter into
arrangements with them to provide services?

- How do the stakeholders (the HSE, HIQA, Service Users, the Board)
compare in relation to your view of the need to respond to their
needs/requirements?

d. Overall View of Importance

- How would you rank the stakeholders (the HSE, HIQA, Service Users,
and the Board) in terms of importance or centrality to your
organisation?

    ~ Explore from most important to least important?

Note: Details of the MCS will primarily be gathered from the preliminary field visit and system documentation. The interview process is designed to supplement that data and confirm material elements, characteristics, reflection of stakeholder objectives, and possible design/use change.

3. MCS Elements

a. Client service delivery and control system (CSDC – Personal Outcomes and IPs)

- Considering each of the stakeholders discussed earlier (the HSE, HIQA, Service Users, the Board): in what manner do you feel the CSDC system is important in directly supporting their objectives as stakeholders (as opposed to indirectly)?

  ~ Explore from of no importance to of absolute importance:

	Stakeholders
1 **Of No Importance**	
2 **Of Little Importance**	
3 **Of Some Importance**	
4 **Of Great Importance**	
5 **Of Absolute Importance**	

- Reflecting on our interview, do you feel that awareness of your perceptions of stakeholders as explored earlier, would alter the way you approach your use of <u>or</u> the design of this MCS element?

Cont/-

b. Budgeting System

- Considering each of the stakeholders discussed earlier (the HSE, HIQA, Service Users, the Board): in what manner do you feel the budgeting system is important in directly supporting their objectives as stakeholders (as opposed to indirectly)?

    ~ Explore from of no importance to of absolute importance:

		Stakeholders
①	Of No Importance	
②	Of Little Importance	
③	Of Some Importance	
④	Of Great Importance	
⑤	Of Absolute Importance	

- Reflecting on our interview, do you feel that awareness of your perceptions of stakeholders as explored earlier, would alter the way you approach your use of or the design of this MCS element?

c. Assurance of Service System (AOS)

- Considering each of the stakeholders discussed earlier (the HSE, HIQA, Service Users, the Board): in what manner do you feel the AOS system is important in directly supporting their objectives as stakeholders (as opposed to indirectly);

    ~ Explore from of no importance to of absolute importance:

	Stakeholders
① Of No Importance	
② Of Little Importance	
③ Of Some Importance	
④ Of Great Importance	
⑤ Of Absolute Importance	

- Reflecting on our interview, do you feel that awareness of your perceptions of stakeholders as explored earlier, would alter the way you approach your use of <u>or</u> the design of this MCS element?

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4. Overall reflection

Allow time for reflection and an opportunity to explore any relevant emerging themes (This should be incorporated at any point during the interview where deemed appropriate).

APPENDIX - G : Relative Salience Perspectives

Salience Perspectives

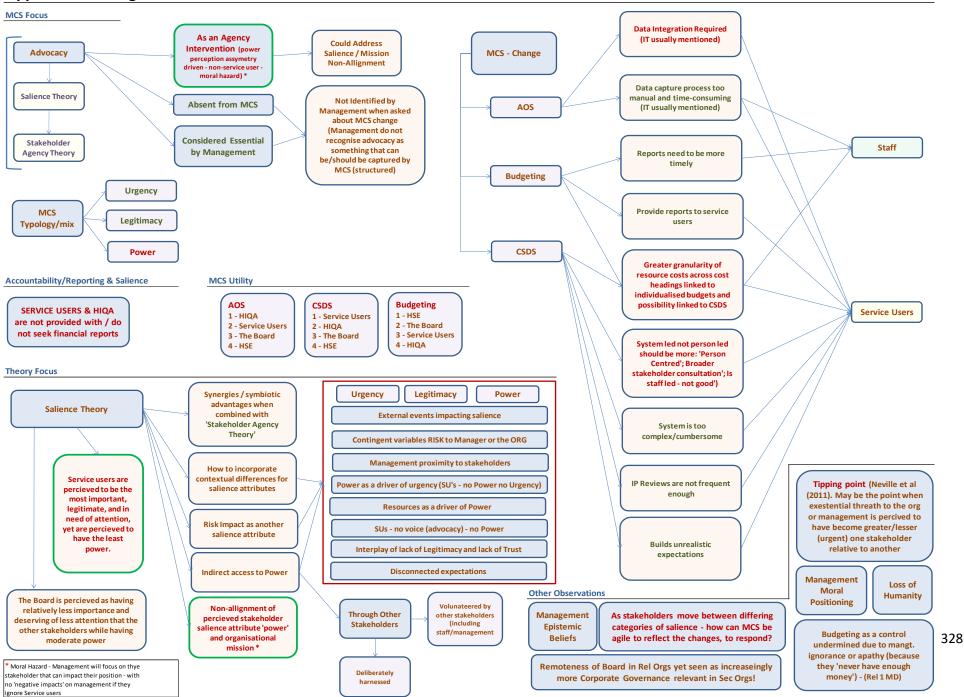|	Id	Date	Mangt Level	ORG	Power				Legitimacy				Urgency				Overall Importance			
					HSE	HIQA	Board	S. User	HSE	HIQA	Board	S. User	HSE	HIQA	Board	S. User	HSE	HIQA	Board	S. User
Senior Support																				
Sec 1	S - A	28-May-15	S SUP	Sec 1	1	2	1	4	3	3	2	1	2	1	3	4	1	2	1	2
Sec 1	S - B	22-Jun-15	S SUP	Sec 1	1	3	4	2	3	3	2	1	3	1	3	2	2	3	4	1
Sec 1	S - I	19-Aug-15	S SUP	Sec 1	2	1	3	4	3	3	2	1	2	1	4	2	2	3	4	1
Sec 2	S - J	06-Oct-15	S SUP	Sec 2	1	2	3	4	4	3	2	1	2	1	4	1	1	1	4	2
Sec 2	S - K	06-Oct-15	S SUP	Sec 2	1	2	3	4	3	4	2	1	4	4	4	1	2	3	4	1
Rel 1	R - A	10-Dec-16	S SUP	Rel 1	1	1	2	4	3	2	2	1	1	1	4	2	2	3	4	1
Rel 1	R - B	10-Dec-16	S SUP	Rel 1	1	2	3	4	3	2	4	1	2	1	3	4	2	3	4	1
Rel 1	R - F	09-Feb-16	S SUP	Rel 1	2	1	4	4	3	2	3	1	2	1	4	3	3	2	3	1
Rel 2	R - K	01-Mar-16	S SUP	Rel 2	1	2	2	2	4	3	2	1	2	1	4	3	2	3	3	1
Rel 2	R - K	01-Mar-16	S SUP	Rel 2	1	2	3	4	2	2	4	1	3	2	4	1	4	3	2	1
Senior Service																				
Sec 1	S - C	22-Jun-15	S SER	Sec 1	2	1	3	4 c.	2	2	2	1	2	2	2	1	4	3	2	1
Sec 1	S - D	29-Jun-15	S SER	Sec 1	2	1	4	3	3	4	2	1	1	2	2	3	3	3	2	1
Sec 1	S - F	29-Jun-15	S SER	Sec 1	2	1	4	3	3	3	2	1	2	1	4	2	3	4	4	1
Sec 2	S - R	05-May-16	S SER	Sec 2	2	1	3	4	4	3	2	1	3	2	4	1	4	3	2	1
Rel 1	R - C	08-Jan-16	S SER	Rel 1	1	1	4	3	3	2	4	1	3	1	3	1	3	2	4	1
Rel 1	R - D	08-Jan-16	S SER	Rel 1	1	2	4	4	3	3	3	1	4	2	4	1	2	2	4	1
Rel 1	R - E	09-Feb-16	S SER	Rel 1	2	1	3	4	2	2	3	1	2	1	3	4	3	2	4	1
Rel 2	R - N	10-Mar-16	S SER	Rel 2	2	1	4	3	3	2	4	1	2	1	4	3	2	3	4	1
Middle Service																				
Sec 1	S - E	29-Jun-15	M SER	Sec 1	1	1	4	4	3	4	2	1	2	2	3	1	Not Captured for this Interviewee			
Sec 1	S - G	01-Jul-15	M SER	Sec 1	1	2	4	3	3	3	2	1	3	2	4	1	3	3	2	1
Sec 1	S - H	01-Jul-15	M SER	Sec 1	1	2	3	4	3	3	2	1	1	1	4	2	2	2	4	1
Sec 2	S - M	20-Oct-15	M SER	Sec 2	2	1	3	4	2	3	3	1	2	1	3	1	3	2	4	1
Sec 2	S - L	20-Oct-15	M SER	Sec 2	3	1	3	2	3	4	2	1	3	2	4	1	2	3	4	1
Sec 2	S - N	20-Oct-15	M SER	Sec 2	1	2	2	2	2	2	2	1	4	4	4	1	4	4	4	1
Rel 1	R - H	08-Apr-16	M SER	Rel 1	2	1	3	4	3	3	3	1	4	3	2	1	3	2	4	1
Rel 1	R - I	08-Apr-16	M SER	Rel 1	1	2	3	4	3	2	2	1	4	3	2	1	4	2	3	1
Rel 2	R - M	10-Mar-16	M SER	Rel 1	1	3	2	4	3	4	2	1	2	3	4	1	1	4	4	1
Rel 2	R - O	11-Mar-16	M SER	Rel 2	1	2	3	4	3	2	4	1	4	2	3	1	4	3	2	1
Rel 2	R - P	11-Mar-16	M SER	Rel 2	2	1	3	4	2	4	4	1	2	3	4	1	2	3	4	1
Rel 2	R - R	16-Mar-16	M SER	Rel 2	1	2	3	4	4	3	2	1	3	2	4	1	3	2	4	1
Unit Level																				
Sec 2	S - Q	13-Nov-15	U SER	Sec 2	3	1	2	2	2	3	3	1	3	3	3	1	3	3	2	1
Sec 2	S - O	13-Nov-15	U SER	Sec 2	3	1	3	2	4	2	3	1	4	2	3	1	3	2	4	1
Sec 2	S - P	13-Nov-15	U SER	Sec 2	1	1	2	4	4	3	2	1	4	2	3	1	2	3	2	1
Rel 1	R - G	08-Apr-16	U SER	Rel 1	2	1	3	4	3	2	3	1	4	2	3	1	3	2	4	1
Rel 1	R - J	08-Apr-16	U SER	Rel 1	2	1	2	4	3	3	3	1	4	1	2	1	3	2	4	1
Rel 2	R - Q	11-Mar-16	U SER	Rel 2	1	2	3	4	4	3	2	1	3	2	4	1	4	2	4	1

1 = Greatest		Rankings	1 = Greatest		Rankings	1 = Greatest		Rankings	1 = Greatest		Rankings
4 = Least			4 = Least			4 = Least			4 = Least		

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APPENDIX - G : Relative Salience Perspectives Continued

ANALYSIS		Power				Legitimacy				Urgency				Overall Importance			
		HSE	HIQA	Board	S. User	HSE	HIQA	Board	S. User	HSE	HIQA	Board	S. User	HSE	HIQA	Board	S. User
	Total All Managers	55	54	108	127	108	101	93	36	98	66	122	58	94	92	118	37
Management Level	Senior Support (All)	12	18	28	36	31	27	25	10	23	14	37	23	21	26	33	12
	Senior Service	14	9	29	28	23	21	22	8	19	12	26	16	24	22	26	8
	Senior All	26	27	57	64	54	48	47	18	42	26	63	39	45	48	59	20
	Middle Service	17	20	36	43	34	37	30	12	34	28	41	13	31	30	39	11
	Unit Service	12	7	15	20	20	16	16	6	22	12	18	6	18	14	20	6
	Middle & Unit Service	29	27	51	63	54	53	46	18	56	40	59	19	49	44	59	17
	Service All	43	36	80	91	77	74	68	26	75	52	85	35	73	66	85	25
Organisatiopn Origin	Sec 1 & 2	30	26	54	59	54	55	39	18	47	34	61	27	44	47	53	19
	Rel 1 & 2	25	28	54	68	54	46	54	18	51	32	61	31	50	45	65	18
	Total All Managers	55	54	108	127	108	101	93	36	98	66	122	58	94	92	118	37

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APPENDIX - H : Perceptions of MCS Utility

	Id	Date	MCS Packages											
			CSDC				Budgeting				Assurances			
			HSE	HIQA	Board	S. User	HSE	HIQA	Board	S. User	HSE	HIQA	Board	S. User
SEC 1	S - A	28-May-15	3	0	3	4	3	0	3	2.5	2	3	4	3.5
	S - B	22-Jun-15	3	2	3	4	4	0	4	1	2	3	4	2
	S - C	22-Jun-15	2	2	3	4	3	2	4	2	3	3	1	1
	S - D	29-Jun-15	2	4	1	3	4	3	2	2	3	4	1	1
	S - E	29-Jun-15	1	3	2	4	3	0	4	1	2	4	3	2
	S - F	29-Jun-15	1	4	3	4	3	0	4	0	2	3	3	1
	S - G	01-Jul-15	2	2	3	4	2	0	3	1	1	2	0	3
	S - H	01-Jul-15	2	3.5	2	4	4	1	2	2	3	4	3	2
	S - I	19-Aug-15	1	4	3	3	4	0	4	4	3	4	3	3
SEC 2	S - J	06-Oct-15	1	4	2	2	4	0	3	0	2	4	3	3
	S - K	06-Oct-15	3	3	3	4	3.5	2.5	3	1	3	4	3	1.5
	S - L	20-Oct-15	3	4	3	4	4	1	3	3	3	4	4	3
	S - M	20-Oct-15	2	3	2	4	4	1	2	3	3	3	3	3
	S - N	20-Oct-15	4	4	4	4	3	2	4	4	0	4	3	4
	S - O	13-Nov-15	3	2	2	4	4	3	2	4	2	4	2	4
	S - P	13-Nov-15	3	3	3	4	3	3	3.5	4	4	4	4	4
	S - Q	13-Nov-15	3	3	3	4	4	3	4	3	2	3	3	4
	S - R	05-May-16	3	4	3	3	2	3	3	2	3	4	3	2
REL 1	R - A	10-Dec-16	2	4	3	3.5	3	0.5	3	3	2	1	2.5	2.5
	R - B	10-Dec-16	0.5	2	1	4	4	1.5	4	4	2	4	2	3
	R - C	08-Jan-16	2	4	3	4	4	0	3	1	2	4	4	4
	R - D	08-Jan-16	2.5	4	4	4	4	4	4	4	3	4	4	3.5
	R - E	09-Feb-16	2	2	3	4	3	1	4	3	1	2	2	3
	R - F	09-Feb-16	0.5	3	1	2	2.5	0	2.5	0	0.5	3	1.5	2
	R - G	08-Apr-16	3	4	3	4	4	2	4	0	4	4	4	4
	R - H	08-Apr-16	0	4	4	0	4	2	4	4	4	3	4	4
	R - I	08-Apr-16	1	3	2	4	4	1	3	3	2	4	2	4
	R - J	08-Apr-16	2.5	3	2	4	3	3	3	3	2	2	3	3
REL 2	R - K	01-Mar-16	2	4	4	4	4	0	3	0	3	5	4	4
	R - L	01-Mar-16	2	2	3	4	4	2	3	3	3	3	3	3
	R - M	10-Mar-16	2	2	2	3	4	1	3	1	3	5	2	3
	R - N	10-Mar-16	2	3	4	4	4	0	4	4	3	5	4	2
	R - O	11-Mar-16	2	4	3	4	2	2	2	2	3	5	3	4
	R - P	11-Mar-16	0	4	2	4	4	1	2.5	4	4	5	2	4
	R - Q	11-Mar-16	2	2	3	4	4	1	4	4	3	5	3	4
	R - R	16-Mar-16	1.5	4	2	4	4	1	4	4	4	5	4	4
			0 = Of No Importance			Sore	0 = Of No Importance			Sore	0 = Of No Importance			Sore
Total			4 = Of Absolute Importance				4 = Of Absolute Importance				4 = Of Absolute Importance			
	Score		71.5	112.5	97	131.5	127	47.5	117.5	86.5	91.5	133	104	108
	Maximum possible		144	144	144	144	144	144	144	144	144	144	144	144
	Percentage Score		50%	78%	67%	91%	88%	33%	82%	60%	64%	92%	72%	75%

Appendix - I Thought Board

MCS Focus

- Advocacy
  - Salience Theory
  - Stakeholder Agency Theory

- **As an Agency Intervention** (power perception assymetry driven - non-service user - moral hazard) *
  - Could Address Salience / Mission Non-Allignment
- Absent from MCS
- Considered Essential by Management
  - Not Identified by Management when asked about MCS change (Management do not recognise advocacy as something that can be/should be captured by MCS (structured)

- MCS Typology/mix
  - Urgency
  - Legitimacy
  - Power

Accountability/Reporting & Salience

SERVICE USERS & HIQA are not provided with / do not seek financial reports

MCS Utility

AOS	CSDS	Budgeting
1 - HIQA	1 - Service Users	1 - HSE
2 - Service Users	2 - HIQA	2 - The Board
3 - The Board	3 - The Board	3 - Service Users
4 - HSE	4 - HSE	4 - HIQA

Theory Focus

- Salience Theory
  - Synergies / symbiotic advantages when combined with 'Stakeholder Agency Theory'
  - How to incorporate contextual differences for salience attributes
  - Risk Impact as another salience attribute
  - Indirect access to Power
  - **Non-allignment of percieved stakeholder salience attribute 'power' and organisational mission ***

- **Service users are percieved to be the most important, legitimate, and in need of attention, yet are percieved to have the least power.**

- The Board is percieved as having relatively less importance and deserving of less attention that the other stakeholders while having moderate power

Urgency	Legitimacy	Power
External events impacting salience		
Contingent variables RISK to Manager or the ORG		
Management proximity to stakeholders		
Power as a driver of urgency (SU's - no Power no Urgency)		
Resources as a driver of Power		
SUs - no voice (advocacy) - no Power		
Interplay of lack of Legitimacy and lack of Trust		
Disconnected expectations		

- Through Other Stakeholders
  - Volunateered by other stakeholders (including staff/management)
  - Deliberately harnessed

* Moral Hazard - Management will focus on thye stakeholder that can impact their position - with no 'negative impacts' on management if they ignore Service users

(Right section)

- MCS - Change
- AOS
- Budgeting
- CSDS

- Data Integration Required (IT usually mentioned)
- Data capture process too manual and time-consuming (IT usually mentioned)
- Reports need to be more timely
- Provide reports to service users
- Greater granularity of resource costs across cost headings linked to individualised budgets and possibility linked to CSDS
- System led not person led should be more: 'Person Centred'; Broader stakeholder consultation'; Is staff led - not good')
- System is too complex/cumbersome
- IP Reviews are not frequent enough
- Builds unrealistic expectations

- Staff
- Service Users

Other Observations

- Management Epistemic Beliefs
- As stakeholders move between differing categories of salience - how can MCS be agile to reflect the changes, to respond?
- Remoteness of Board in Rel Orgs yet seen as increasingly more Corporate Governance relevant in Sec Orgs!

- **Tipping point** (Neville et al (2011). May be the point when exestential threat to the org or management is percived to have become greater/lesser (urgent) one stakeholder relative to another
  - Management Moral Positioning
  - Loss of Humanity
  - Budgeting as a control undermined due to mangt. ignorance or apathy (because they 'never have enough money') - (Rel 1 MD)

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Appendix – J

PhD – Nvivo Code Book

Nodes *(Including All Sub Nodes)*

Name	Description	Sources	References
Criticisms of the HSE - Funding		16	25
Tension with HIQA requirements		4	4
De-Congregation		1	1
Humanity		24	55
Accounting and or paperwork has taken over		13	20
It becomes about the paperwork or the system instead of the person		5	6
HIQA Person Centeredness		1	1
How to improve on sustaining 'humanity'		2	3
HSE - Lack of Humanity		6	10
Humanity and proximity to Service Users		2	2
Humanity and Staff Stress		4	4
Impersonal		1	2
Organisational Structure Complexity		1	1
People as Numbers		7	9
Management Control Systems		36	537
Design Change of AOS Systems		18	28
AOS Design Change and HIQA		1	1
AOS Design Change and Service Users		13	14
AOS Design Change and Staff		10	13

Name	Description	Sources	References
	AOS Design Change and The Board	0	0
	AOS Design Change and the HSE	0	0
	Design Change of Budgeting System	16	30
	Budget System Design Change - general efficacy	1	1
	Budgeting System Design Change and HIQA	0	0
	Budgeting System Design Change and Service Users	14	19
	Budgeting System Design Change and Staff	7	7
	Budgeting System Design Change and the HSE	3	3
	Budgeting System Design Change and The Board	0	0
	Design Change of Client Service System	18	35
	Client Service Delivery Change and Staff	3	3
	Client Service Delivery System Design Change and HIQA	2	2
	Client Service Delivery System Design Change and Service Users	17	27
	Client Service Delivery System Design Change and The Board	0	0
	Client Service Delivery System Design Change and the HSE	2	2
	No Change - system is good	1	1
	Lack of Service Need Definition undermines Control and Accountability	1	1
	Utility of Assurances of Services System	36	136
	AOS and HIQA	33	33
	AOS and HSE	31	34
	AOS and Service Users	31	35
	AOS is deficient	1	1
	AOS and The Board	32	33
	Utility of Budgeting System	35	145

Name	Description	Sources	References
	Budgeting and HIQA	29	32
	Budgeting and Service Users	34	40
	Is deficient	1	1
	Is not Useful	11	11
	Is Useful - Indirectly	17	17
	Budgeting and The Board	33	35
	Budgeting and the HSE	32	37
	Comply but Hide What You are Actually Doing	1	1
Utility of Client Service Delivery & Control System		36	162
	Client Service System and HIQA	35	38
	Client Service System and Service Users	36	49
	System is Deficient	4	8
	Client Service System and The Board	36	37
	Client Service System and the HSE	33	36
Mission Statement - Decoupling from Practice		24	46
	Advocacy and Agency Interventions	19	30
	Aligning HSE requirements to ORG Mission	1	1
	MCS does not support core mission	2	2
	Mission and management practice aligned	2	2
	Organisational Ethos Undermines Mission	1	1
	Reality at odds with Mission	1	1
	Understanding the mission in times of change	1	1
Reflective Practices		13	18
	Reflective Practices and Stakeholder Salience	2	2

Name	Description	Sources	References
Reflective Practices Generally		12	15
Regulatory Impact		1	3
Remoteness of The Board		13	21
Remoteness of The Board - not remote		3	5
Salience		38	926
Salience Ranking		36	166
Ranking and management stakeholder proximity		1	1
Ranking of Importance of Stakeholders		33	40
Recognition that Importance is at odds with components of salience		3	3
Ranking Stakeholder Legitimacy		35	41
Ranking Legitimacy at odds with power		4	4
Ranking Stakeholder Power		33	39
Ranking Stakeholder Urgency		33	45
Urgency at odds with legitimacy		1	1
Stakeholder Legitimacy		36	295
Context - Legitimacy		13	18
Legitimacy Context Differences - Funder v Commissioner of Services		5	7
HIQA Legitimacy		35	101
Illegitimate approach to drawing up regulations - Medical Model - Wrong Focus		14	23
Illegitimate in their approach to their regulatory work		22	40
Legitimate as Professionals in their approach to their work		7	8
Legitimate as the statutory regulator and forcing change		27	29
HSE Legitimacy		36	116

Name	Description	Sources	References
	Disconnected or unrealistic expectations	16	25
	Distrust - HSE	19	41
	Do not feedback on complaints data or other data	6	8
	Funder has legitimacy	25	27
	Has Legitimacy - in all senses	3	3
	HSE Has Oversight Legitimacy	5	5
	Trust of HSE at Local Level	5	7
Service Users - Legitimacy		34	35
	Unrealistic Service Expectations	1	1
The Board - Legitimacy		24	25
	Legitimacy has been eroded or is gone	1	1
Stakeholder Power		38	257
Context - Power		0	0
HIQA Power		37	72
	HIQA Power - regulator does not equate to power	1	1
	HIQA Power - Coercive	17	19
	HIQA Power - Normative	4	4
	HIQA Power as regulator being used by management to get things done	9	12
	HIQA Power as they are the regulator with legal licence	20	21
	HIQA Power Distorting the Other Services (Day etc.)	1	1
	HIQA Power from Media Exposure	4	4
	HIQA Power Utilitarian	2	2
	Not Powerful	2	2
HSE Power		35	61

Name	Description	Sources	References
	HSE Power as they provide the funding	27	32
	HSE Power Coercive	12	16
	HSE Power gone to Dublin - Centralised	1	1
	HSE Power Utilitarian	2	2
Service Users Power		36	91
	Historic charity model - service users no power	1	1
	Service user advocacy - good	7	7
	Service users power as a function of their personal resources	4	5
	Service Users Power dependent on other stakeholders - agency representation	13	16
	Service users power diluted due to lack of service competition	2	2
	Service users power diluted when no voice	16	23
	Service users power in their own right	29	36
	Service User power in their own right - have power	15	17
	Service users power in their own right - do not have power	16	19
Staff Power		2	4
The Board Power		25	29
Corporate Governance		2	2
Stakeholder Urgency		36	208
Context - Urgency		26	51
HIQA Urgency		19	20
HSE Urgency		33	47
HSE Urgency - Dependence or Inter-Dependence		29	32
Service User Urgency		33	70
No Funding - No Urgency		2	2

Name	Description	Sources	References
	No Power No Urgency	4	4
	Service User-Organisation (existential) Dependence or Inter-dependency	32	47
	Urgency due to increased competition in the services market	3	3
The Board Urgency		15	19
	Board Org Inter-Dependence or Dependence	9	9
Stakeholder Objectives		36	189
HIQA Objectives		33	48
	Compliance to Standards and Complaints Systems & Procedures	19	20
	HIQA - As Advocate	1	1
	HIQA - Competent Staff	1	1
	HIQA - Effective Service	7	7
	HIQA - Safety Driven	4	4
	HIQA Regulation Driven	10	10
	HIQA is NOT regulation driven	1	1
	HIQA is Regulation Driven	8	8
	Quality of Life	3	4
HSE Objectives		33	56
	HSE - Budgetary Objective Orientation	26	32
	HSE Service Provision and Efficiency Objective	18	20
Service Users Objectives		34	47
	Community Integration	4	4
	Individualised Services	5	5
	Objectives dependent on age	1	1
	Quality of life	14	14

Name	Description	Sources	References
	Quality Services	7	7
	Security	2	3
	Service User's Objectives - Independence	10	10
	The Board - Objectives	32	38
	Corporate Governance - Increase in engagement and activity in recent years	11	11
Stakeholder Regard or Respect for the Organisation		30	86
	HIQA Regard or Respect	19	19
	HSE Regard or Respect	22	24
	Service User Regard or Respect	25	29
	The Board Regard or Respect	13	14
Stakeholders Expectations of Relationship Continuance		28	58
	HIQA's expectations of continuance	3	3
	HSE's expectations of continuance	25	26
	Service Users expectations of continuance	24	25
	The Board's expectations of continuance	4	4

Appendix – K

Relevant conferences and research fora			
Year	**Title of Paper**	**Authors**	**Conference**
2018	Disparities between stakeholder salience and organisational mission: performance management interventions in an NPO/Public sector context.	Conaty, F., Robbins, G	10TH INTERNATIONAL EIASM PUBLIC SECTOR CONFERENCE; LUND, SWEDEN, SEPTEMBER 4-6, 2018
2017	How salient are the needs of stakeholders in NPO Organisations?	Conaty, F., Robbins, G	Accounting, Society and the Environment Research Group (ASE) Annual Workshop
2015	Management control systems and stakeholder engagement in complex collaborative environments - evidence from an exploitative case study	F. Conaty	European Network for Research in Organisational & Accounting Change, 10th Conference
2015	Balancing multiple stakeholder objectives in NPO/Public Sector collaborative settings - observations on management's use of management control systems	Conaty, F. J.	Irish Academy of Management - Annual Conference 2015
2014	Research Approaches to the Study of Performance Management in Collaborative NPO/Public Sector Settings	F. Conaty	Irish Accounting & Finance Association, Annual Conference 2014
2014	Managing differing performance objectives in NPO/Public Sector collaborative settings - observations on performance management and management control systems in a human service setting	F. Conaty	European Group for public Administration, Annual Conference 2014
2013	Managing differing performance objectives in NPO/Public Sector collaborative settings engaged in the provision of human services - Implications for performance management systems and management control systems	F. Conaty	Irish Accounting and Finance Association, Annual Conference 2013
2012	Stakeholder Complexity in Public Sector Non-Profit Collaborations - Challenges and Theories	F. Conaty	Irish Accounting and Finance Association, Annual Conference
2011	"Non-Profit Organisations and Public Service Provision: The Performance Management Challenges of Hybrid Organisations"	Conaty, F. J.	XV IRSPM Conference of the International Research Society for Public Management, Dublin, Ireland
2011	"Joined Up Planning and Performance Management: The Challenges for NPO's Providing Intellectual Disability Services"	Conaty, F. J.	EIASM 8th International Workshop on 'The Challenges of Managing the Third Sector', National University of Ireland Galway, Ireland
2011	COST/NUIG/UL - International Workshop of Complex Systems	Conaty, F. J.	The Performance Management Challenges of Complex Non-Profit (NPO)/Public Sector Hybrid Organisations