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The British Accounting Review

journal homepage: www.elsevier.com/locate/bar

The role of multiple values in developing management accounting practices in hybrid organisations

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ARTICLE INFO

Article history:

Received 19 December 2017

Received in revised form 20 November 2020

Accepted 2 March 2021

Available online xxx

Keywords:

Hybrid organisations

Multiple values

Co-production

Management accounting practices

Pragmatic constructivism

Social services

ABSTRACT

The aim of this study is to investigate how multiple values in non-profit hybrid organisations influence the adoption of management accounting practices. The empirical analysis centres on hybrid organisations established as co-production and co-management initiatives in social care. Pragmatic constructivism, centred on the role of values, informs the empirical analysis. This research shows that management accounting practices can develop without conflicts when only some actors are interested in management and their values predominate, despite the coexistence of multiple and conflicting values. However, in this situation, where conflicts are eliminated, the validity of accounting is compromised, as it does not represent all values. The evidence of this lack of validity is clear when considering the poor development of management accounting practices and the inability to develop some relevant measures, such as outcome measures. When only some values predominate, the opportunity provided by the multiplicity of values to the development of management accounting practices is lost, and possible inefficiencies may emerge. The use of pragmatic constructivism shows that this lack of validity, determined by the non-integration of values, would be reduced by increasing the discussion among conflicting actors' values. Findings suggest that the presence of conflicting values, that at first glance may be interpreted as an impediment, would, on the contrary, be useful to support accounting validity, when stimulating discussion. In this respect, conflicting values should work alongside communication, to include dimensions of reality.

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1. Introduction

The aim of this study is to investigate how multiple values in non-profit hybrid organisations affect the adoption of management accounting practices, in order to answer the call for research on the intrinsic link between calculative infrastructures (such as accounting) and different ways of governing individuals and social relations (Mennicken & Miller, 2012). Non-profit organisations have developed service provision models in response to economic crisis (McDonald, 1999), for example hybrid organisations as public-private partnerships, networks and collaborations (Smith, 2010). Generally, hybrid

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organisations are using resources, governance structures and logics derived from different organisations with divergent aims (public, private for-profit and non-profit third sector) and actors (Billis, 2010; Borys & Jemison, 1989; Koppell, 2003). This study focuses on hybrid organisations in the case of co-production and co-management.

The assessment and management of the performance of public service co-production, as well as the design of management accounting practices in these contexts, represent critical and still unanswered questions (Barbera, Guarini, Sancino, & Sicilia, 2015). No studies have investigated the development of management accounting practices in this context, and attention on it in management accounting journals is scarce. Previous research has mainly focused on the drivers motivating co-production and on its benefits: better use of resources, costs reduction, strengthened democracy and public trust (OECD, 2011); improved community outcomes by creating public, social and shared value (Sancino, 2015); and improved efficiency and effectiveness of public sector organisations (Osborne & Strokosch, 2013).

This research focuses on the role of values in developing management accounting practices. Hybrid organisations are characterised by a multiplicity of values, and, in non-profit hybrid organisations, led by co-production and co-management, the multiplicity and strength of values is strongly emphasised (Billis, 2010; Koppell, 2003; Miller, 1998; Mongelli, Rullani, Ramus, & Rimac, 2019; Pache & Santos, 2013; Weisel & Modell, 2014). The pivotal role of values (McDonald, 1999) is relevant to understanding the difficulties of implementing internal control mechanisms and defining goals in non-profit hybrid organisations. Unlike for-profit entities, focused on values oriented toward the efficient and profitable production of goods or services, non-profit organisations provide care to the community (Brandesen, Van De Donk, & Putters, 2005) and prioritise ethical, moral, political and religious values (Jeavons, 1992). This strong community connection underlines the importance of the mutualistic, solidarity and charity mission of these organisations (Kurunmaki & Miller, 2006). Conversely, they must also be sustainable, to accomplish their funding bodies' goals. In co-production and co-management, user involvement stresses the existence of multiple values (Aschhoff & Vogel, 2018), the plurality of actors determines the presence of many values, possibly leading to conflicts (Beck Jørgensen & Bozeman, 2007), and the community welfare connection stresses the strength of values. Therefore, we expect the multiple values connected with community support (for example, equity, inclusiveness and help for the poor) to be particularly accentuated.

However, despite the relevance of values, the connections between the multiple goals and values of hybrid organisations, on one hand, and the design and development of management accounting practices, on the other, have not been fully explored (Grossi, Reichard, Thomasson, & Vakkuri, 2017) in a systematic way. There remains limited evidence in accounting studies concerning the relevance of the multiple values and roles of individual actors in the design and implementation of management accounting in hybrid organisations (Skelcher, Mathur, & Smith, 2005), and the evaluation of hybrid organisations' performance has received limited attention from accounting research (Berry, Coad, Harris, Otley, & Stringer, 2009). Recent decades have seen continuous calls for performance management research in this sector (see Chenhall, 2003; Ferreira & Otley, 2009; Keating, Parsons, & Roberts, 2008; Silva & Ferreira, 2010; Soobaroyen & Sannasse, 2007).

This research's first, and more relevant point of novelty is that it applies pragmatic constructivism (PC), which allows an investigation of values in connection with other organisational dimensions of reality and provides a systematic way to investigate the relationship between values and management accounting practices. The second point of novelty is that this is the first study investigating management accounting development in the field of co-production and co-management. Thirdly, this is the first study applying PC to non-profit organisations. Informed by PC, findings show that values from multiple actors are determinants of management accounting contents and structures in the non-profit hybrid organisations studied. Certain values predominate in the orientation of management accounting practices.

Although the dominance of certain values favours the development of management accounting practices without conflicts, it affects the validity of management accounting in failing to represent all the values of actors in the hybrid organisations. The lack of communication among actors seems to be critical in affecting the integration of all values into management accounting. Findings suggest that accounting validity may benefit not only from communication but also from conflicts when they stimulate a discussion able to integrate multiple and diverging values into management accounting practices. In this study, we define management accounting as a "collection of practices such as budgeting and product costing, whose systematic use supports the achievement of some goals" (Chenhall, 2003, p. 129). Hence, we refer to management accounting practices in their broadest sense as a set of integrated management tools, budgeting and reports that provide both financial and non-financial information for decision-making and accountability purposes (Johanson, Almqvist, & Skoog, 2019).

Considering the aforementioned points of novelty, contributions can be summarised as follows. Regarding the literature on hybrids related to values and management accounting practices, this is the first study implementing a framework, PC, that can systematically investigate values in relation to other dimensions. Secondly, this is the first study providing evidence concerning the development of management accounting practices in co-production. Thirdly, this research adds to PC, as it is the first to implement PC in two non-profit hybrid organisations. Finally, this research contributes to PC by suggesting that conflicting values, as well as communication, may foster the integration of the organisational dimensions of reality, thus ensuring accounting validity. The remainder of this paper is organised as follows. Section 2 summarises the key literature on the multiplicity of values in particularly non-profit hybrid organisations and their role in developing management accounting. Section 3 describes the research context, the research framework adopted to interpret empirical data and the research method. Section 4 describes findings according to the research framework and, particularly, the reality of the non-profit hybrid organisations investigated and the reality described by management accounting practices. Section 5 discusses

the role of values in the development of management accounting practices in non-profit hybrid organisations, the criticalities in these contexts and this paper's contributions.

2. Multiple values of hybrid organisations and management accounting practices

This section offers arguments on multiple values in non-profit hybrid organisations and their role in the development of management accounting. *Borys and Jemison (1989)* viewed hybrids as organisational arrangements that use resources and governance structures from more than one sector. *Billis (2010)* defined hybrid organisations as those that borrow components and logics from three different sectors/actors: public, private for-profit and non-profit (*Koppell, 2003*). *Johanson and Vakkuri (2018)* refer to institutional settings in which public and private owners may cooperate, according to public interest or the specific activity, or in which private (for-profit or non-profit) entities increasingly take over public service provision. The literature provides various examples of hybrid organisations, such as state-owned enterprises, public and private partnerships, social enterprises, public procurement, co-production, purchaser-provider models and contracting-out (*Grossi et al., 2017; Johanson & Vakkuri, 2018*). This research focuses on non-profit hybrid organisations in the form of co-production.

Hybrid organisations have been addressed by the literature as generating value pluralism (*Alexius & Cisneros Örnberg, 2015; Johanson & Vakkuri, 2018; Thornton, Ocasio, & Lounsbury, 2012*). Generally, managing hybrid organisations involves coordination between actors who may have divergent and sometimes mutually inconsistent goals, interests and values. Hybridisation of the model of governance is contingent on the alignment of diverse interests, values and differences in the process through which such logics are brought together (*Weisel & Modell, 2014*). "Hybrid organisations offer a sustainable infusion of humanitarian principles into modern capitalism" (*Battilana, Lee, Walker, & Dorse, 2012, p. 5*). Other scholars provide a basis for linking institutional approaches to multiplicity in hybrid organisations with other theoretical traditions that address issues of multiple goals, values, and identities (*Besharov & Smith, 2014*).

In the accounting field, previous research reported the experience of hybridisation. For example, hybridisation of tools is considered the intersection between financial and engineering metrics and trajectories (*Miller & O'Leary, 2005a; 2005b, 2007*). The emergence of hybrid management tools answers the need to produce a more comprehensive set of information to manage risks in modern firms, and to coordinate units, firms, professionals and organisations working in networks (*Miller & O'Leary, 2005a; 2005b, 2007*). Hybridisation of management control tools in healthcare is also seen as resulting from new public management trends and the need to make medicine calculable (*Llewellyn & Northcott., 2005; Kurunmaki & Miller, 2006*).

Regarding hybrid organisations, research states that the development of management control tools is complicated because participants may have divergent values (*Thornton et al., 2012*), thus interpreting the organisational mission quite differently (*McDonald, 1999*) and making hybrid organisations complicated venues for understanding, valuing and demonstrating results (*Hyndman & McConville, 2017*). Hybrid organisations struggle to meet every stakeholder's needs with, for instance, financial disclosure, since they may have different interests (*Kurunmaki & Miller, 2006; Johansen, Olsen, Soldstad, & Torsteinsen, 2015; Schmitz & Glänzel, 2016*). The objectives may vary regarding financial performance and non-financial performance, and profitability and sustainability objectives (*Alberti & Varon Garrido, 2017*).

Non-profit organisations have multiple values and are inherently complex entities, given their assorted stakeholders, diverse organisational structures, combination of voluntary and paid employees, reliance on diverse funding sources and the complex issues they seek to address (*Hall & O'Dwyer, 2017*). They struggle to compete for contracts, fees and donations; meanwhile, their stated primary mission is to serve a particular community of interest, creating potential conflicts and tensions between their market orientation and community commitments. The mission to serve their community is particularly relevant. Non-profit organisations come into being and exist primarily to give expression to the social, philosophical, moral or religious values of their founders or supporters; prioritise ethical, moral, political and religious values (*Jeavons, 1992*) and create value for society, taxpayers and the public (*Johanson & Vakkuri, 2018*).

Many authors see the development of management accounting and the identification of goals in these organisations as problematic because of the complex business environment that deals with varied multiple perspectives, such as those of their multiple stakeholders. Management committee members voluntarily engage in non-profit organisations for diverse material, social, developmental and ideological reasons (*Harris, 1990; Hedley & Rochester, 1992; Widmer, 1989*). Participants and supporters of non-profit organisations may interpret the organisational mission quite differently, depending upon their motivation to participate or support and their relationship with the organisation. Employees may interpret it in terms of a particular profession or occupation, while funders, donors and supporters may interpret it in terms of their own interests, values, needs and desires.

Therefore, the development of management accounting practices depends on the goals, values and institutional logics related to stakeholders (*Hogvold Olsen, Solstad, & Torsteinsen, 2017*). Different stakeholders are interested in different types of accounting information. Generally, while financial information is of secondary importance to many stakeholders and their decision-making, because they prefer non-financial measures (such as effectiveness, stakeholder involvement and benchmarking), it is useful only to say that money provided has been used for appropriate purposes (*Connolly & Hyndman, 2013; Hyndman & McKillop, 2018*). In this respect, *Fry (1995)* and *Yang and Northcott (2018)* suggest that a clear dialogue between funding bodies and other stakeholders more interested in objectives related to the mission may help to identify outcome measures aligned with both the mission and the funders' values. In their research on charities, *Hyndman and McKillop (2018)* observed that funding bodies have a great effect on management accounting practices because of the high financial

dependence that charities have on them. Some scholars express reservations about the role of accounting and management accounting practices in non-profit organisations and see the competing values as a problem for the development of management accounting practices. For example, [Seibel \(1989, 1990\)](#) proposes that the non-profit form itself is characterised by systemic inefficiencies, because its focus on problem-solving activities is illusory and undermines its capacity to perform efficiently and effectively (1989).

Other scholars provide an alternative point of view, regarding the co-existence of many values as positive. They see the managerial and ethical tensions created by many values as not only a problem but an opportunity for performance management development ([Mongelli, Rullani, Ramus, & Rimac, 2019](#)). As [Smith, Besharov, Wessels, and Chertok \(2012, p. 6\)](#) stated: “Pursuing commercial viability promotes efficiency, performance, innovation, and growth. In contrast, social missions elicit passion, motivation, and commitment. Taken together, the dual forces for performance and passion offer a powerful combination that can lead to new solutions to existing challenges.” In other words, multiple values in these contexts can seemingly support the development of management accounting practices able to provide a comprehensive and more complex picture of performance. [Järvinen \(2016\)](#) highlights that new accounting and management controls can help mitigate conflicts between different values. He says that accounting and management control can serve as a medium through which organisations negotiate multiple and conflicting objectives, values and logics in the non-profit field. For example, in the NGO context, we have seen the emergence of accounting tools aimed at combining measures of economic and social value, such as “blended value” accounting in community-interest organisations ([Nicholls, 2009](#)) and social return on investment in social enterprises ([Hall, Millo, & Barman, 2015](#)).

The relevance of many values and actors, the links between the multiple goals and values of hybrid organisations and the design and implementation of management accounting have not been fully explored in depth, and there is still limited evidence and a need for further theorisation on the actors’ engagement in the design, implementation and use of management accounting tools in hybrid organisations operating with conflicting values ([Grossi et al., 2017](#); [Järvinen, 2016](#); [Miller, Kurunmaki, & O’Leary, 2008](#); [Skelcher et al., 2005](#)). This last point particularly strengthens the importance of this research. The focus on values and the interaction of actors in non-profit organisations is relevant to investigate how management accounting practices are developed and used. These are complex entities, given their multiple stakeholders, diverse organisational structures, combination of voluntary and paid employees, reliance on diverse funding sources and the complex goals they seek to address ([Hall & O’Dwyer, 2017](#)).

3. Context, framework and research method

3.1. Research context: the case studies

The research context is that of Italy and particularly the Tuscany region. Tuscany has several laws and reforms that have promoted new patterns of public service delivery, in which participation of the third sector, public actors and the community has promoted new hybrid organisational arrangements in the form of partnerships, led by co-production and co-management initiatives.

The first hybrid organisation, called Sharing House, is a co-management and co-production initiative, aimed at dealing with housing problems through social housing. Established in 2014, its involved actors are: the association coordinating the service (lead organisation), users, municipalities, the regional authority, social service professionals and other private and public associations. The most relevant actors are the lead organisation and the users themselves (and their families), as they are involved in all the service delivery phases. The lead organisation oversees the whole service chain; other actors play a marginal role, limited to certain phases or tasks, and do not manage the whole service. The municipalities and the regional authority contribute funding. Social services and other associations provide services through professionals (psychologists, social workers, etc.). Users contribute in planning and evaluating the services and maybe to the financing of the services by paying charges. Users’ contribution is fundamental to the identification of their needs and the definition of the personalised services required to address those needs. In this respect, users are crucial to the success of the services. For example, elderly people may share their apartments with disadvantaged people in return for daily help, or poor people may share a condominium and pay a minimum charge, in return for carrying out specific maintenance tasks. In 2016, 250 users were involved in various projects, with about 120 co-habitations in place.

The second hybrid organisation, “New Days”, established in 2010, is a co-management and co-production initiative aiming to provide services for disabled young people. The actors involved are: the foundation coordinating the service (lead organisation), users (and their families), municipalities, the regional authority, social and health services, professionals and other private and public associations. The most significant actors are the lead organisation and the users (and their families). They are the core of the service, involved in all phases of service delivery. In this case, it is the lead organisation that oversees the whole service chain; other actors play a marginal role, while the municipalities and regional authority provide funding. Health and social services and other associations contribute by delivering professional services (nurses, psychologists, social workers, etc.). Users and their families contribute to the planning and evaluation of the services and may contribute to the financing by paying charges. The participation of users and their families enables personalised pathways to be designed, which can progressively assist young disabled people to become as autonomous as possible, according to their needs and capabilities. For example, they are supported in increasing their autonomy through projects enabling them to share

apartments with other disabled people. In 2014, 114 young disabled people and their families were involved in projects coordinated by the association.

The selection of cases was determined through a preliminary study to identify co-management and co-production organisations in Tuscany. The official websites of the Tuscany Research Centre on Cooperation and the Regional Authority for the Promotion and Support of Participation, which collect cases of co-management and co-production in public service delivery in Tuscany, were examined, and two interviews were conducted with the researchers of the Regional Centre for the Economic Planning of Tuscany (a research organisation focusing on the Tuscan economy). The output of this preliminary research was a list of 50 cases of co-management in Tuscany. Among these, 35 were discarded because they were short-term projects and not relevant to this research. Fifteen cases were thus selected in this preliminary stage.

The two cases used in the research were selected from within this group, in accordance with the typology of public services delivered by the third sector in collaboration with public actors (co-management) and with the contribution of users in several phases of service delivery (co-production). The mix of diverse logics and components from different actors and capabilities (Billis, 2010; Granovetter, 1985) – public actors, citizens and the third sector – that cooperate in a network make these two cases good examples of hybrids relevant to this research (Brandesen & Van Hout, 2006). Further, compared with other experiences of co-production and co-management, they show the strongest connection with the community, as they were created with the aim of supporting marginalised and poor people. The two cases present as complex organisations in terms of number of actors involved and importance of the role of users. Different actors, knowledge and experiences stress the hybrid nature of these organisations and the multiplicity of values. Finally, these two cases had the longest history, thus being more likely to have developed structures, processes and relevant problems and issues in terms of management accounting and accountability.

3.2. Research framework: pragmatic constructivism

This study applies pragmatic constructivism (PC) as a method theory (Lukka & Vinnari, 2014) it offers a meta-level conceptual system, vocabulary and syntax to interpret the organisations and management accounting employed.

PC is effective at investigating the influence of multiple values on management accounting tools in non-profit hybrid organisations. It emphasises the role of multiple values and their conflicts in understanding organisations and management accounting and provides a frame to assess the development of management accounting according to the organisation and its validity.

PC involves a set of ontological and scientific assumptions which support empirical data, investigation and knowledge obtainment (Nørreklit, Nørreklit, & Mitchell, 2010). According to this research framework, people are intentional actors who construct reality in the four dimensions of facts, possibilities, communication and values. Facts are things that exist and can be observed. They may be objective phenomena, such as physical things and commodities. Values are personal subjective preferences, feelings and likes, therefore providing actors with objectives and the motivation to act. Possibilities are conditions for action and thus for practice. Without possibilities, one cannot act to realise their values (Nørreklit, 2017).

The integration of facts, possibilities and values leads to action (Nørreklit, 2017). However, their integration is not enough to lead to realised social action, as no mutual understanding initially exists among social actors. For social action to be realised, communication is necessary, enabling individual reality to become social. Without communication, only individual reality exists (Nørreklit, 2017).

In a company or an organisation, each actor constructs his or her own reality. Therefore, to create cooperation, those realities need to be integrated. By merging their multiple realities, actors create a common construct that allows cooperation (Nørreklit, 2017). This research focuses specifically on this common construct.

The investigation of these dimensions, their integration and actors' beliefs associated with them provides information on how actors construct reality (realise practices) and achieve success (or failure) (Jakobsen, 2011; Mitchell, Brad, Nørreklit, & Nørreklit, 2013; Nørreklit et al., 2010; Nørreklit, Nørreklit, & Israelsen, 2006; Seal, 2012). In performing activities, actors create supportive constructions to improve their success rate. In organisational settings, accounting represents one of these constructions, which, from one side, reflects the concept of reality and, from the other, contributes to practice. Its success depends on the integration of the four dimensions of reality it is able to embed in the accounting information produced (Nørreklit, 2017).

Facts are objective phenomena, such as physical things and commodities that can be observed (Nørreklit et al., 2010). Accounting must represent facts and can therefore be considered a fact-based practice. The facts upon which accounting is based must be discovered, agreed and defined as part of the practice of accounting (and of management accountants) (Nørreklit et al., 2010). This representation concerns both objective and observable issues, such as items to represent in financial statements, and constructed and subjective issues (Searle, 1995) concerning the way in which such items are represented. Examples of constructed and subjective facts are accounting measures to represent phenomena, allocation drivers or assumptions about the future. The existence of these facts depends on their construction being agreed by societal groups such as the business community and legal and accounting professions. Thus, accounting must be considered a social construct, and accounting information lies not only in an objectively observed physical world but also in a subjective and constructed reality. Hence, a fundamental aspect of accountants' work is to observe phenomena, to report and regularly assess how the way in which they are represented corresponds to fact (for example, depreciation of an asset should correspond to the actual consumption of it). A close familiarity with the phenomena underlying accounting is thus required.

Possibilities are conditions for action and thus for practice (Nørreklit et al., 2010). In the actor-world relation, the actor is free and can think anything. However, the world appears determined. Everything is determined by something. In combining the factual information about the world with the actor's abilities, the real possibilities for the actor are conceived. The integration of facts and possibilities is complex. Ordinary concepts used to describe facts always carry considerable information about possibilities established through determination of the facts. Accounting possibilities relate to the derivation of accounting frameworks. In accounting, possibilities refer to the alternative methods of information generation, the types of information that can be produced and the methods by which they can be presented.

Considering facts and possibilities for action, actors decide and act according to their values (Nørreklit et al., 2010). Values underlie the subjective preferences, feelings and desires of actors and thus provide objectives, motivating people to act. They are subjective and develop according to historical and social contexts. Values relate to concepts such as friendship, quality, beauty, art and nature. They involve a desire for the things that we care about to endure (Nørreklit, 2017). They are durable and give direction to the life of actors. Therefore, actors wish to protect and sustain them over time and do not want to consume or destroy values: for example, the value of a love relationship grows over time, and actors want to sustain and nourish this relationship in the future. The actors' success depends upon the realisation of their values according to the facts and possibilities that have been established (Nørreklit et al., 2010).

In accounting, values represent the aims and aspirations in the profession of accountants, which they then use to develop accounting tools. These values must be acceptable and attractive to users in the society in which accounting is employed. If accounting users have different values and expectations, the profession and its reputation will be damaged, and accounting tools will not be used. Accounting values that fulfil these requirements can become a fundamental component of accounting users' reasoning and decision-making.

Communication is necessary for individual reality to become social reality and therefore required in managing companies and institutions (Nørreklit et al., 2010). Communication enables people to cooperate and management to access the subjective values of employees. Accounting communication is a manifestation of accountants' values. It is central to accounting practice, involving not only the production of information but also its dissemination.

Therefore, accountants are directly involved in social construction through the application of both the language of communication and the logics of accounting. Accounting communication allows the user to understand the information provided. Without effective and comprehensive accounting communication, users cannot understand accounting, and accounting will not function properly in society. Failures of communication result in problems in accounting practice (Nørreklit et al., 2010).

Accounting must integrate the dimensions of reality, in order to be valid. Integration in accounting practice follows a specific process. Accountants observe the organisation, to identify facts that constitute the boundaries and substance of their practice. Therefore, the first important role of the accountants is to correctly identify facts (Nørreklit et al., 2010).

Then, accountants identify alternative ways of presenting accounting information (accounting possibilities), according to their values, guiding the selection from among the various accounting possibilities (Nørreklit, Nørreklit, & Israelsen, 2006). Further, according to accounting possibilities, information is produced and communicated to the user by the accounting methods developed for information reporting. Communication must be understandable by users. If the accountant fails to correctly identify facts in the organisation, communicates in a way that users cannot understand or adopts accounting possibilities guided by values contrasting with those of the organisation, accounting will fail (Nørreklit et al., 2006).

The pursuit of the profession's values through the observation of various facts and the development of logic to derive accounting possibilities from these facts, along with the subsequent communication of the resultant information, comprises an integrated explanation of the accounting world (Nørreklit et al., 2006). Thus, pragmatic constructivism provides a framework to help explain practice, furthering understanding of how the practice of accounting functions.

3.3. Research method

Two focus groups were conducted by three researchers at each site, each lasting about two and a half hours. The actors interviewed were actively committed in co-managing and co-producing services. Two categories of actors within hybrid organisations were involved: the lead organisation and users (or their families). People from the lead organisation included managers, professionals involved in operating or defining the projects and controllers (or those who process accounting information).

Funding bodies and politicians, although invited, were not interested in participating, as their role is limited to providing funding, with no commitment to decision-making. Furthermore, there are so many actors (municipalities, regions, other public actors) scattered among the regional social projects that it is almost impossible to identify and interview them all. However, it has been possible to deduce some of their values by considering the answers provided in interviews.

As Table 1 shows, the two project managers are both employed as "Professionals involved in defining the project" and in the elaboration of management accounting information, while professional accountants are not employed.

The interviews were semi-structured and consisted of four main sections: the organisations' missions, services provided, roles of the participating actors and managerial tools used. The interviews were recorded and transcribed. The interview questions are reported and organised according to the research framework (see subsequent sections and Table 2).

Finally, documents and interviews were collected from the organisations' websites. New Days also provided its internal reports.

Table 1
Actors involved in Focus Group [#].

Category involved in interview		“Sharing House” [number of participants]	“New Days” [number of participants]
Users		User [1]	User's parent [1]
Lead organisation	Manager	<ul style="list-style-type: none"> • President of the Association [1] • Vice President of the Association and Project Manager [1] • Vice President of the Association and Project Manager [1] (degree in literature with long-lasting experience in projects for the community) 	<ul style="list-style-type: none"> • Members of the Board of Directors [5]
	Controller (or the person who processes accounting information)	<ul style="list-style-type: none"> • Vice President of the Association and Project Manager [1] (degree in literature with long-lasting experience in projects for the community) 	<ul style="list-style-type: none"> • Project Manager [1] (psychologist) • Board of Directors [1]
	Professionals involved in defining the project	<ul style="list-style-type: none"> • Vice President of the Association and Project Manager [1] (degree in literature with long-lasting experience in projects for the community) 	<ul style="list-style-type: none"> • Project Manager of the Association [1] (psychologist)

Table 2 addresses the use of available empirical data to identify the organisation's dimensions of reality and the integration of accounting into the dimensions of reality in accordance with the PC framework. In particular, for each dimension of the organisation, the table identifies empirical data, their use and the interview questions (asked of the organisation or of the users) supporting the investigation of the specific dimensions of reality (when possible and feasible). Regarding the use of empirical data by researchers, Table 2 distinguishes between “Organising and Coding” and “Interpretation.” Even if analysis of interviews always involves researchers' interpretation and discussion, “Organising and Coding” is more objective and applies to the dimensions of reality (and their relationship with accounting) that can be observed or investigated by specific questions in the interviews. We refer to facts and chosen possibilities. In this case, “Organising and Coding” consisted of applying labels to specific parts or quotations of interview transcripts. Conversely, “Interpretation” is more subjective and cannot be investigated with specific questions in the interviews. It involves reasoning about facts and chosen possibilities, to understand which motivations drive actors' actions. In this case, the discussion between researchers is very important. The following section reports the findings of our research, according to the concepts of pragmatic constructivism.

4. Findings

4.1. The dimensions of reality in the hybrid organisations investigated

4.1.1. Facts

In the case studies, facts concern the context where the hybrid organisations operate and particularly the inadequacy of public services in the community.

The most relevant facts presented by interviewees are: inadequate organisation of public services with clear and shared solution for families, delays in answering the needs of the community, scant consideration of the specificity of each situation and insufficient support to increase autonomy.

For example, one manager from the New Days' lead organisation observed that there was a lack of organisation in the area of assisting young disabled people. There were no clear rules and guidelines provided to families, who were not adequately supported and felt alone. The sentence below underlines that disabled youngsters' families need clear solutions and pathways. Instead, they often have to struggle through many offices to find suitable solutions.

When we investigated the field of disability, we found many problems, because disability was a matter that was turned over to the family. Consequently, families felt alone. [...] It was a very random system. There was a situation of entropy and everything was floating. (Manager, Lead Organisation, New Days)

In the case of Sharing House, a middle manager of the lead organisation recognised that traditional social services are late to act because of economic crisis and underlined public service's lack of ability to find timely solutions according to specific

Table 2

Use of available empirical data to identify the dimensions of reality.

Dimensions of reality	Source of empirical data and use by researcher	Specific Question/Issue/ Interview section supporting the investigation of the dimensions of reality <i>Interviewees: Actors of the lead organisation (managers and professionals)</i>	Specific Question/Issue/ Interview section supporting the investigation of the dimensions of reality/items <i>Interviewees: Users or their families</i>
Facts	<p><i>Source of empirical data</i></p> <ul style="list-style-type: none"> - Interviews and discussion with the interviewees - Documents available <p><i>Researchers' use of empirical data</i></p> <ul style="list-style-type: none"> - Organising and Coding - Discussion between researchers 	<p>General description of the context, problems, opportunities, resources</p> <p>Description of how traditional public services take on the problems of the community</p>	<p>General description of the problems found in managing their problems.</p> <p>Description of how traditional public services take on their kind of problems.</p>
Possibilities (Chosen by the actors)	<p><i>Source of empirical data</i></p> <ul style="list-style-type: none"> - Interviews and discussion with the interviewees - Documents available <p><i>Researchers' use of empirical data</i></p> <ul style="list-style-type: none"> - Organising and Coding - Discussion between researchers 	<p>How do you approach the work required to achieve your mission, motivation and objectives?</p> <p>What is the contribution and role of other actors (citizens, public actors, municipalities, etc.) in the design, planning, provision and evaluation of services?</p> <p>What is the contribution and role of other actors (citizens, public actors, municipalities, etc.) in the achievement of your mission?</p> <p>Description of the process of service design, planning and provision from the initial contact with the users</p>	<p>What is the approach to the work required to achieve your mission, motivation and objectives?</p> <p>Are you involved in the identification, planning, provision and evaluation of services?</p> <p>Description of the process of service design, planning and provision from their initial contact with the organisation</p>
Values	<p><i>Source of empirical data</i></p> <ul style="list-style-type: none"> - Interviews and discussion with the interviewees - Documents available <p><i>Researchers' use of empirical data</i></p> <ul style="list-style-type: none"> - Interpretation of the 	<p>Description of the mission, motivation and objectives of the hybrid organisation provided by interviewees</p>	

	<p>whole interview with the interviewees to understand the deep motivation driving these organisations and their mission</p> <ul style="list-style-type: none"> - Discussion between researchers helps the interpretation 		
Integration of accounting into the dimensions of reality			
Accounting facts	<p><i>Source of empirical data</i></p> <ul style="list-style-type: none"> - Interviews and discussion with the interviewees - Documents <p><i>Researchers' use of empirical data</i></p> <ul style="list-style-type: none"> - Organising and Coding and discussion between researchers: to understand which phenomena or aspects of reality accounting represents 	<p>What are the aspects/items/elements represented by accounting tools/reports (the user, the organisation, other objects)?</p> <p>What kind of aspects/items/elements are not represented?</p>	<p>What are the aspects/items/elements represented by accounting tools/reports you receive (the user, the organisation, other objects)?</p> <p>What kind of aspects/items/elements are not represented?</p>
Accounting possibilities	<p><i>Source of empirical data</i></p> <ul style="list-style-type: none"> - Interviews and discussion with the interviewees - Documents <p><i>Researchers' use of empirical data</i></p> <ul style="list-style-type: none"> - Organising and Coding - Discussion between researchers to identify the modality adopted to represent facts 	<p>How is information processed and represented?</p> <p>What kind of information is provided (financial, non-financial, other)?</p> <p>What kind of tools support decision-making?</p> <p>What is the contribution of other actors (citizens, public actors, municipalities, etc.) in the evaluation of results?</p>	<p>What kind of information is provided (financial, non-financial, other)?</p> <p>Are you involved in the identification of individual and organisational goals?</p> <p>Are you involved in the evaluation of services?</p>
Accounting communication	<p><i>Source of empirical data</i></p> <ul style="list-style-type: none"> - Interviews and discussion with the interviewees - Documents <p><i>Researchers' use of empirical data</i></p> <ul style="list-style-type: none"> - Organising and Coding, discussion between researchers to understand whether phenomena are represented in a way that is comprehensible and 	<p>Is information used?</p> <p>What is the use of information?</p> <p>What kind of tools are employed to provide feedback of results to other actors (citizens, public actors, municipalities, etc.)?</p> <p>What are the critical issues of currently implemented tools (gaps in information provided for decision-making)?</p>	<p>Is information used?</p> <p>What is the use of information?</p> <p>What kind of feedback do you receive? (quality, satisfaction, costs)</p> <p>Are there some critical issues?</p> <p>What kind of information would you like to receive?</p>

(continued on next page)

Table 2 (continued)

Dimensions of reality	Source of empirical data and use by researcher	Specific Question/Issue/ Interview section supporting the investigation of the dimensions of reality <i>Interviewees: Actors of the lead organisation (managers and professionals)</i>	Specific Question/Issue/ Interview section supporting the investigation of the dimensions of reality/items <i>Interviewees: Users or their families</i>
	useful for information users	What kind of information would you like to produce?	
Accounting values	<p data-bbox="638 381 1083 403"><i>Source of empirical data</i></p> <ul data-bbox="638 404 1083 496" style="list-style-type: none"> - Interviews and discussion with the interviewees - Documents <p data-bbox="638 525 1083 572"><i>Researchers' use of empirical data</i></p> <ul data-bbox="638 573 1083 819" style="list-style-type: none"> - Interpretation of the whole interview and documents to understand the values inspiring accounting and their coherence with values underling organisational reality - Discussion between researchers helps the interpretation 	There are no specific questions	

needs and situations. Therefore, there are problems of timing and of capacity to adapt and personalise services according to a multiplicity of needs. Timing is critical, as late answers can push people facing temporary difficulties into poverty.

A gap existed in the field of poverty management because of the economic crisis and the inability of public services to promptly adapt to the multiplicity of home-related needs. These needs are expressed by both the poor and those in temporary predicaments. This latter group, without well-timed intervention, will become poor, thus increasing the number of poor people. (Project Manager, Lead Organisation, Sharing House)

4.1.2. Values

Values represent the deep motivations and objectives of actors. On the basis of the interviews, this section discusses the values of the actors (users and the lead organisation coordinating the service) in the hybrid organisations investigated. It reflects on the values of other actors not involved in interviews (funding bodies and politicians), by considering interviewees' point of view. This makes it possible to observe contrasts between values.

4.1.3. Values of users and lead organisation

The two lead organisations' missions (i.e., their final and long-term aims) and some beliefs affirmed in the focus groups helped to identify values. Namely, the main values of users and lead organisations are the following: *service personalisation* and *autonomy increase* among users.

The value of *service personalisation* considers that each user is unique, implying the provision of services designed according to each user's specific needs, instead of standardised service. The value of user *autonomy increase* aims to act on the causes of users' problems, and to support their processes to increase personal autonomy, i.e., to put the users in a position to solve more problems by themselves in the future. For example, this means, in the case of disability, increasing the capacity to perform new tasks, in the case of the poor, designing a pathway that may improve their economic situation, for example supporting them to find a new job. As evidence underlines, values are shared by both users and actors from the lead organisations coordinating the services, as supported by the following quotations.

For example, this quotation from a New Days user's parent illustrates the value of *autonomy increase*:

Of course, full autonomy is not achievable. However, we realised that it is possible to increase autonomy. For example, my daughter does not have any physical deficit, only intellectual deficiencies. Every young person can work in his or her own situation to increase autonomy, for example be able to purchase food at the supermarket, make the bed, wash herself, etc. (User's parent, New Days)

With respect to the value of *service personalisation*, in their official documents, the lead organisation of New Days declares that they are working to define ways of personalising their interventions, in order to respond to the needs of individuals and families and their own particular conditions.

Similarly, evidence from the lead organisation of Sharing House supports our claims about values. The following quotation illustrates the value of both *autonomy increase* and *service personalisation*. *Autonomy increase* is expressed by their aim to build the future autonomy of a supported person, for example through a job. The value of *service personalisation* recognises the need to consider the specific needs of every person, and that every person differs from each other.

Our choice has been to provide a global service, including both housing and the care of emotional and psychological aspects. We give support in terms of the urgency of finding a house, but we sustain a person in building a future autonomy endorsed by a job; for example, we help the person to understand his legal rights as an employee. Therefore, we try to develop autonomy, starting from the person and his needs. Everyone is different from each other. Therefore, the pathway to autonomy is tailored. We must look to the person and not to the problem. (Project Manager, Lead Organisation, Sharing House)

Other values may be identified by reflecting on the declaration provided on documents and websites. For example, Sharing House's website declares that their project "is born from the idea of transforming the housing problem into new opportunities for building a more cohesive and supportive community." New Days states that they "help disabled people to live a

Table 3

Actors, tasks and values in the hybrid organisations.

Actor	Role in the hybrid organisation	Value
Lead organisation	<ul style="list-style-type: none"> • Management for the hybrid organisation • Decision-making for the hybrid organisation • Service provision and design for the hybrid organisation • Evaluation of services for the hybrid organisation 	<ul style="list-style-type: none"> • Cohesive community, solidarity, mutuality, welfare • Centrality of user • Permanently improve users' lives
Users	<ul style="list-style-type: none"> • Management (of own case) • Decision-making (for own case) • Service provision and design (of own case) • Evaluation of services (of own case) 	<ul style="list-style-type: none"> • Cohesive community, solidarity, mutuality, welfare • Centrality of user • Permanently improve users' lives
Funding bodies	<ul style="list-style-type: none"> • Provision of funding without interest in management 	<ul style="list-style-type: none"> • Service standardisation • Efficiency

normal life but not a trivial life,” and, in its charter, declares that they wish to deal with welfare needs in a well-organised way and that their fundamental and exclusive purpose is “solidarity, social good and mutuality.”

These declarations from the two cases suggest that the values motivating their existence and actions are those of *cohesive community, solidarity, mutuality, welfare*.

Values of funding bodies and public actors in general

Interviews reveal a deep contrast between the motivation manifested by users and the lead organisations and by other funding bodies and public actors. Interviewees affirm that funding bodies and public actors do not support the values of users and of the lead organisations: funding bodies are not in tune with the values of ensuring permanent improvement in users' lives (*autonomy increase*) and in considering the personal condition of each user as an individual (*service personalisation*). Instead, the user is treated as a subject who deserves standardised service, limiting as much as possible the effort spent involving users in order to understand their needs.

In this respect, the value of funding bodies and public actors is a value of *standardisation of service*. Interviewees reveal that traditional public services are too standardised, and, ultimately, they provide the same solution to all users, without considering specific situations. They do not sufficiently involve users, to understand their specific needs, but provide pre-defined and standardised services.

The lead organisation of Sharing House observed that traditional public services are too standardised, instead of being shaped around the specific needs and situations of those involved, because there is no exchange of opinion with the users.

Traditional social services simply provide resources to face the poverty problem but do not help to develop a pathway to autonomy. Instead, the poor person is such, regardless of the specific situation in which she/he is living. The mistake that social services make is saying: 'I know just what you need.' You can know from a professional point of view how to deal with a problem, but there is a need to exchange opinions with the poor. (Project Manager, Lead Organisation, Sharing House)

As a consequence of the scant involvement and the standardisation of services, the model of traditional public services is one of assistance (providing help to the disabled or a house to the disadvantaged), instead of one that may help to permanently improve the user's initial condition. For example, as observed by the lead organisation of New Days, traditional public services aid young disabled people by the provision of a social worker for a few hours a day, home care or entertainment activities, but this does not help the disabled to increase their own autonomy.

In the case of traditional services, the social worker phoned you and proposed a two-week holiday for your son. Well, then you went to the meeting point and left your son and his luggage. They came back two weeks later, and maybe they had eaten pizza and stayed in a hotel. So, you can understand this experience was just entertainment, a break for the family, but not education and training to become autonomous. (Project Manager, Lead Organisation, New Days)

Interviewees also say that funding bodies and politicians are not interested in management or in decision-making for services to the community. Indeed, they only wish to delegate these services and to know that all funding provided has been spent to ensure the possibility of deciding new funding for the coming years. This underlines the complex and difficult relationship with funding bodies and politicians.

The values supported by the lead organisations and users seem stronger than those of funding bodies and politicians. The strength of values seems proportional to the direct effort put into service provision and design. In fact, as will be better explained later, possibilities for action are specifically designed to support the values held by the lead organisation and users.

Actors, roles and values are summarised in [Table 3](#).

This contrast in values underlines a disaggregated reality and is evidently exacerbated by the scarce communication among actors. Despite the wish of the lead organisation and users to create a relationship with funding bodies and politicians, they are only interested in receiving information about results once a year. Undoubtedly, it is impossible to integrate conflicting values without communication. Conflicts among values emerge from the analysis. However, the discussion and struggle arising from conflicts may support both the identification of a compromise between contrasting values and better integration of values. In contrast, conflicts are not fully considered in the case in question. This absence of communication prevents any possibility of developing cooperation between actors (Nørreklit, 2017), even in a conflict situation.

For example, the lead organisation of New Days expresses the wish to have greater collaboration with municipalities but recognises their scant interest. The following quotation underlines that the organisation expends much effort on building a relationship with political bodies, by participating in meetings and providing reports on their activities. On the other side, New Days feels that political bodies are interested in neither the organization's activity nor in collecting information and studying the problem of disability. It seems that political bodies only wish to delegate the problem of disability to New Days. The relationship with municipalities seems merely a formality, rather than a real collaboration.

We try to have a discussion with them. Periodically, we have meetings. Some years ago, we participated in all municipal councils, to report on progress, problems and needs. But the relationship exists because they are the political institution of the territory that is responsible for the welfare state and for the policies of the social plans. But I must say that, more often, we are the ones looking to them for this information. I don't know whether it's because they have too much to do or because they say: "Oh well there is the foundation, and they deal with it". (Manager, Lead Organisation, New Days)

Table 4
Management accounting tools/reports and their use by the hybrid organisations.

New Days		
<i>Management accounting practices</i>	<i>Object</i>	<i>Use by the hybrid organisation</i>
Annual report and plan that includes non-financial measures and goals (i.e., in terms of outputs: number of users, number of days in apartment, etc.), and qualitative information and goals expressed by narrative and basic monetary ex-post measures (cost sustained).	Whole hybrid Organisation	<ul style="list-style-type: none"> Decision-making: planning of services, revision of services, assessment of performance Reporting to funding bodies Reporting to the community Reporting to funding bodies
Financial statement and costs	Whole hybrid organisation	<ul style="list-style-type: none"> Reporting to funding bodies
Users' diary (non-financial measures, costs and narrative)	Single user	<ul style="list-style-type: none"> Decision-making: definition, revision, assessment and performance evaluation (goals' achievement) for the single user Reporting to users
Sharing House		
<i>Management accounting tool/reports</i>	<i>Object</i>	<i>Use by the hybrid organisation</i>
Financial statement and costs	Whole hybrid organisation	<ul style="list-style-type: none"> Reporting to funding bodies
Long-term plan (three-year plan and includes long-term strategic goals). Most goals are not measurable, and their achievement is documented through narrative accounts	Whole hybrid organisation	<ul style="list-style-type: none"> Decision-making: planning of services
Annual report and plan. Most goals are not measurable, and their achievement is documented through narrative accounts	Whole hybrid organisation	<ul style="list-style-type: none"> Decision-making: planning of services, revision of services, assessment of performance Reporting to funding bodies Reporting to the community
Users' diary (non-financial measures and narrative)	Single user	<ul style="list-style-type: none"> Decision-making: definition, revision, assessment and performance evaluation (goals' achievement) for the single user Reporting to users

Similarly, in Sharing House, a manager says that, although the region provides funding and mentions Sharing House in its documents, he would like greater effort in supporting the association in its work. They would like to be included as a partner of the region providing services, as is the case for other associations. They would like to be considered a regional point of reference for housing problems and to see more intense effort from the region in promoting the association's activities and recommending the association to people with housing problems.

The region financially supported the project and then included Sharing House in the old Integrated Social Health Plan. But on that, in my opinion, the region could do more, because it's one thing to include our project as a good practice and provide a contribution, it's another instead to include it as it did with Caritas and other organizations, as a service that the region itself activates, through other institutional partners. So, let's say that the region in this is, from a regulatory point of view, the great absentee, although we are trying to involve it more insistently. (Manager, Lead Organisation, Sharing House)

The scant communication between lead organisations and funding bodies exacerbates and causes the dis-alignment of values. Without communication in this hybrid organisation, it would be impossible to align or find a compromise between values. This is a lost opportunity, because, despite the relevance of the values of Cohesive community, solidarity, mutuality, welfare; Centrality of user; and Permanent improvement of the life of user, the values of funding bodies are equally important, especially the value of efficiency, which is important for the economic sustainability of services. In this respect, conflicts among actors, when able to create an integration among their values, may be helpful in integrating actors and the dimensions of reality.

4.1.4. Possibilities

Possibilities concern the actions chosen to achieve the values in a context of facts. In both case studies, a collaborative approach, enabled by co-management and co-production, involving users (or their families) and professionals, was undertaken to achieve these aims.

For example, at New Days, collaboration and commitment are especially related to the families of disabled users. They trust in the lead organisation and support the project of autonomy for their child. A family is required to share its child's needs with the foundation, to contribute to defining the child's personal project goals and to actively support the development of autonomy (reported in the following quotations). The development of autonomy, as a value, also emerges in the following:

The contribution of the disabled and their families is crucial. We share with the family what the person can continue to do at home. For example, if the person has learned to clean the bathroom during the period in an apartment, this person can continue to clean the bathroom at home. It seems irrelevant, but it is very important. (Project Manager, Lead Organisation, New Days)

Another very important aspect is the possibility for us (parents) to work with the operators who work every day with our sons, to understand the activities carried out and the improvements that have occurred. It is necessary that our sons understand that they can live alone, even without our presence. But it is also important that we parents, firstly, can trust these projects, and we enter into the perspective that, for our sons, they are real and important perspectives. (Users' parent, New Days)

The above quotation stresses that collaboration is essential, to realise the values supported by the lead organisation and its users. In fact, they connect collaboration with the capability of a person to do new tasks (*autonomy increase*) and with the need to define with the user (or his/her family) what he/she can do, according to his/her initial situation, in order to personalise services (value of *service personalisation*).

In the case of Sharing House, examples of collaboration include elderly people who make their apartments available to the disadvantaged in return for daily help, or poor people who share a condominium and pay a minimum charge in return for carrying out specific maintenance tasks. The following quotation explains how collaboration may support the value of *autonomy increase* in terms of user empowerment and the value of *service personalisation*, by stressing the role of the user in defining his/her own project and not simply a standard project:

The organisation was set up to tackle housing problems through the empowerment of users and the collaboration between public-private organisations and the integration of skills. To tackle problems, we must optimise the resources and the capability of our community. The user is not simply the recipient of the services but the protagonist of the co-definition of its project towards autonomy. (Middle Manager, Lead Organisation, Sharing House)

What is particularly relevant in this collaboration is an exchange of knowledge and different perspectives from users and professionals that occur from the initial definition of services up to their evaluation. The users contribute by detailing their problems and needs both at the initial phase of service definition and during service provision. Furthermore, users actively work on improving their situation and finding solutions to their problems. On the other side, both organisations provide competent and specialist knowledge and assistance with specific problems. This integration is functional in finding solutions that, on one hand, are suitable for the users' specific needs and, on the other, are characterised by a high level of professionalism. It is evident that there is a contrast here with the value of *standardisation of services* pursued by politicians and funding bodies, which is not pursued at all, because of the absence of communication mentioned above.

4.2. The dimensions of reality and management accounting practices

This section investigates the coherence of the dimensions of reality of the organisations, along with the dimensions of reality reflected in accounting, to assess accounting's validity.

Table 4 summarises management practices, contents and objects and their use in the two organisations, as identified in the field study, which will be addressed in the following section.

4.2.1. Accounting facts

Accounting facts concern the items or objects represented by accounting. The objects of measurement of management accounting are the whole hybrid organisation and the single user. Measures for the whole organisations are outputs produced and costs sustained, while measures for the users concern service quality and improvement in users' lives.

The main goals included in management accounting tools are improvement of users' lives and improvement of the conditions of a certain community (in the specific case, disability or housing problems), while goals, in terms of costs or increased efficiency, are not present. Goals in terms of increasing new funding or costing exist but are seen as a means to increase or improve services.

4.2.2. Accounting possibilities

4.2.2.1. *Accounting possibilities concern how the above facts are represented.* In order to represent accounting facts, the two hybrid organisations rely mainly on non-financial information. Traditional financial and cost information exists but is poorly developed and concerns basic financial statement information or cost calculations. The two hybrid organisations produce aggregated and ex-post financial and non-financial (i.e., number of users) information, to represent organisational performance, and detailed, frequent and updated non-financial information, to represent users' performance. In investigating accounting possibilities, another relevant aspect is the two organisations' choice not to employ professional management accountants but other professionals: they have preferred to delegate the role of management accountants to social and health professionals of the lead organisations, who seem to have a greater capacity to effectively translate the dimensions of the hybrid organisations' prevailing values into accounting terms. It is relevant to point out that it is a choice and not a shortcoming, as the actors do not complain about this situation. In the case of New Days, management accountants' work is carried out by a member of the Board of Directors (a manager) and by the Project Manager (a psychologist) of the lead organisation, while, for Sharing House, it performed by the Project Manager of the lead organisation (who holds a degree in Literature). They do not have business or economic qualifications but perform their roles according to their experience in the field. They

also deal with operations and project management and are motivated by the same aims shared by all actors involved in service design and provision. In both cases, the results are evaluated in collaboration with users (or their families). It is important to note that the collaboration, as a possibility of the observed reality, also seems to affect the elaboration of management accounting information.

4.2.3. Accounting communication

4.2.3.1. *Effective accounting communication allows users to understand accounting information.* In both case studies, the information provided to accounting information users effectively communicates facts and possibilities coherent with organisational values, therefore effectively supporting decision-making.

Generally, although the importance of financial measures and standards is acknowledged, they are perceived as “bureaucratic” by lead organisations and users, who think that financial measures and standard measures are only useful for reporting to funding bodies. They prefer the use of non-financial measures to support decision-making and tools. It is not surprising that lead organisations and users employ the term “bureaucratic” instead of “useful” when discussing the use of these measures: they are perceived as too dedicated to service standardisation, rather than service improvement. The contrast between the measures preferred by the lead organisations and users and those by funding bodies and politicians reflects the contrasts in these actors’ values. Traditional financial information (Report “Financial Statement and Cost”) is appreciated for the role it can play in identifying financing requirements and to satisfy funding bodies’ accountability requirements.

Non-monetary measures and narrative reports (Reports “Long-term Plan for Sharing House”, “Annual Report and Plan” and “Users’ Diary” for both organisations) are preferred for decision-making. The Annual Report and Plan are also used as a voluntary accountability report for funding bodies (funding bodies only request financial and cost information) and for the community, with the aim of communicating the importance of their contribution to solving the problems of the community.

In contrast with what has been reported in recent research on charity organisations (Hyndman & McKillop, 2018), here, funding bodies play no role in management accounting because they are not interested in management, even if the two organisations’ dependence on funding bodies is high because of the resources provided. After all, it has also been argued that, in charity contexts, financial information is relevant to indicating, for example, that money provided has been used for appropriate purposes, but such accounts are likely to be of secondary importance to many key stakeholders, because the objective of such organisations is not focused on generating financial returns. Other information, particularly regarding the organisation’s key mission, is also likely to be paramount in these settings (Connolly & Hyndman, 2013; Hyndman & McKillop, 2018). For example, the lead organisation of New Days says that costs are not everything and requires that tools and measures are preliminarily designed according to the actual work. Only later are they translated into standard models.

We have an economic budget, the average cost of each group of disabled people, annual and more frequent performance measures. However, they are just sketchy, and we must sketch. If we use a pre-defined tool, model, measures and well-known standards, there’s a risk of creating bureaucracy. Actually, we are developing, through practice and daily experience, a model that will then become part of the well-known standards. (Project Manager, Lead Organisation, New Days)

In another example, the lead organisation of Sharing House feels that traditional measures are not capable of representing their results; he prefers narrative and non-monetary measures to report the work.

Table 5
Values, actors, accounting communication.

Value	Actors	How value is communicated by management accounting practices (Accounting Communication)
Cohesive community, solidarity, mutuality, welfare	<ul style="list-style-type: none"> • Lead organisation • Users 	<ul style="list-style-type: none"> • Measures of quality of services • Measures of capacity to provide answers to the community, measured by output (number of services activated) and outcome (permanent improvement of users’ lives) • Involvement of users in evaluation reflects the value of cohesive community
Centrality of user	<ul style="list-style-type: none"> • Lead organisation • Users 	<ul style="list-style-type: none"> • Users’ diary and the high level of detail provided in this kind of report • Refusal to use standard models that do not reflect the uniqueness of users
Permanent improvement of the life of users	<ul style="list-style-type: none"> • Lead organisation • Users 	<ul style="list-style-type: none"> • Importance of outcome (long-term results), despite the difficulties in its measurement
Efficiency	<ul style="list-style-type: none"> • Lead organisation • Funding bodies 	<ul style="list-style-type: none"> • Costing and efficiency measures adopted only to report to funding bodies but not for decision-making
Standardisation of services	<ul style="list-style-type: none"> • Funding bodies 	<ul style="list-style-type: none"> • Not represented in accounting. It is not an accounting value

We chose to monitor our performance through narrative reports. Financial and statistical measures often provide numbers and percentages that say nothing. [...] You can't report our activities by number because our results are qualitative, and we try to report them narratively with a sort of diary. (Project Manager, Lead Organisation, Sharing House)

Some measures considered to be particularly relevant are related to the improvement of the quality of services, the lives of people and the outcome.

We are moving towards the investigation of the outcome assessment in terms of improvement of the condition of users and savings for the public sector. We mean that just a single co-habitation activated in the territory is a success, if it entails substantial changes for the two or three people who cohabit. (Project Manager, Lead Organisation, Sharing House)

Findings here are aligned with those of [Hyndman and McKillop \(2018\)](#), who observed the information needs in charities where different stakeholders are involved and found that information on the services offered and the quality of services delivered is the most relevant for beneficiaries.

In this respect, a limitation of the management accounting tools is understood by the Lead Organisation of Sharing House, which recognises some difficulties in measuring outcome, considering the impact on the whole economy.

We were thinking of outcome measures to share with users and families. Today, we cannot calculate savings for the public that we can generate if we involve an elderly person in a co-habitation and help him to be autonomous instead of hosting him in a care home. These measures are also needed, to demonstrate the importance of our work in society. (Project Manager, Lead Organisation, Sharing House)

The need to develop metrics to demonstrate the “importance of [the] work in society” stresses the complex relationship with funding bodies and politicians: on one hand, the scant interest of the latter in the work of hybrid organisations, on the other, the hybrid organisation's wish to demonstrate the importance of its work as a possible means of increasing the involvement of funding bodies and politicians.

4.2.4. Accounting values

4.2.4.1. *The analysis of accounting values aims to understand whether the values supported by accounting are consistent with those of the lead organisations and users.* Above, we stated that the two hybrid organisations are moved by the prevailing values of *autonomy increase* and *service personalisation, cohesive community, solidarity, mutuality* and *welfare*, and that these are supported by collaboration aimed at the active combination of different perspectives held by users and professionals to tackle and solve user problems. These prevailing values are supported by two categories of actors (lead organisation and users). We also recall the contrast of these prevailing values with those of funding bodies who wish for *service standardisation*. Evidence suggests that the strength of values is proportional to the effort expended in management actions. In fact, the values supported by the actors involved in management drive the possibility for action. We also found that the stronger values are represented to a greater extent in accounting tools than less strong values. We found that accounting does not contrast with the values of the lead organisations and users. In fact, the goals that accounting defines are aligned with their prevailing values.

Measuring outcome, particularly community impact and users' life improvement, seems to support the value of *autonomy increase* as the prevailing outcome of these experiences. The high level of detail in reports provided in users' diaries and the refusal to use standard and synthetic measures seem to underline a willingness to integrate the value of *service personalisation* (service provision differentiated according to the user need and not standard services) into tools, and reinforce its importance through tools. In fact, standard measures and synthetic tools that seem more consistent with the value of *service standardisation* pursued by funding bodies and politicians, appear unable to represent single users effectively as narrative approaches. Goals pertaining to efficiency and cost reduction, answering to the logic of funding bodies, are absent. Efficiency is relevant but only with the aim of being able to serve more users or improve the capacity to serve users with good services. The non-representation of certain values has supported the development of management accounting practices without conflicts. However, this affects the validity of accounting that is not fully consistent with organisational (social) realities ([Nørreklit et al., 2010](#)), and particularly with funding bodies' values.

In the case presented, the absence of communication between funding bodies and other actors has prevented the identification of a compromise. Thus, if the multiplicity of values is overshadowed by some predominating values, the validity of accounting is at risk. This suggests that conflicts should not be suppressed but recognised, to support the representation of all values. In this respect, conflicts may work alongside communication to support accounting validity.

[Table 5](#) summarises the hybrid organisations' values, actors who believe in these values, and how they find representation in the management accounting practices (accounting communication).

5. Discussion and conclusions

This research has investigated how values in non-profit hybrid organisations providing services to the community (specifically, those determined by co-production and co-management) affect the design and use of management accounting

practices. It also shows the difficulties that management accounting practices face in co-production and co-management contexts; in this respect, it is the only research of this type.

Investigating the role of values as steering mechanisms in these organisations is relevant, as they are characterised by multiple actors with different interests, skills, expertise, experience and values. This research contributes to the role of multiple values in developing management accounting practices in non-profit hybrid organisations (specifically, co-production and co-management) and to filling a gap in the literature. In fact, there remains little research into actors' engagement in the design, implementation and use of management accounting practices in hybrid organisations under contradictory values (Järvinen, 2016; Miller et al., 2008; Skelcher et al., 2005). This is the first research that investigates values in a systematic way and in connection with other organisational dimensions of reality, using the PC framework. Regarding co-production and co-management, another gap is that previous research has not investigated how management accounting practices work in co-production or co-management.

The pragmatic constructivist approach informs the analysis of our empirical data (Jakobsen, 2011; Nørreklit et al., 2006, 2010; Seal, 2012). The framework acknowledges the role of values in the organisations and the development of management accounting practices to support those values; it also provides a framework for understanding the process by which multiple values brought by different actors are resolved into a common accounting reality. Using this framework, we draw three main conclusions from our findings that offer contributions to existing research. This contribution is strictly connected with the PC concepts adopted.

Firstly, in line with previous literature, we observed multiple diverging and potentially conflicting values amongst actors in non-profit hybrid organisations led by co-management and co-production. In contrast with previous research, PC provides a systematic framework to analyse values in connection with other organisational dimensions, such as management accounting and working practices. To our knowledge, this is the first study in the field of hybrid organisation and social care to adopt the PC framework. By addressing the relevance of the four dimensions of reality to be integrated in a functioning practice, PC allows recognition that the non-integration of all the actors' values depends on a problem in the communication between actors. There are conflicts among values, but they are softened instead of being managed through discussion fostered by communication. Instead, discussion may create strong struggles and difficulties in decision-making but also help to find compromises and better solutions.

Only some values affect possibilities for action, and integration of all actors' values in the hybrid organisation is lacking. Secondly, we observed the dynamic through which multiple contrasting values impact on the development of management accounting practices and the role of communication. The literature focuses on problems created within management accounting practices by multiple values in hybrids, as the multiplicity of values and perspectives may create contrasting goals and difficulty in evaluating performance (Hyndman & McKillop, 2018; McDonald, 1999; Thornton et al., 2012). Another segment of the literature sees multiple values as an opportunity to develop management accounting practices in these settings (Mongelli, Rullani, Ramus, & Rimac, 2019) and to consider multiple dimensions, such as commercial viability, efficiency, performance, innovation and growth (Smith et al., 2012). In the cases investigated, there are contrasts or incongruencies among the multiplicity of values. However, our research shows that management accounting practices are designed by only some of the actors interested in the management of the organisation, so their values predominate in developing practices. There are stronger values, which are those of actors more involved in management, and other less determinant values of the funding bodies and politicians, neither involved nor interested in managing operations. In relation to the values of funding bodies, previous research on charity (Hyndman & McKillop, 2018) argues that funding bodies may affect management accounting, due to their power over funding. In contrast, in this research, the absence of such an effect could be traced to a lack of interest in the managerial dimension amongst the funding bodies. Although the scant interest of funding bodies allows the development of management accounting practices without conflicts, this has, however, determined the incapacity of management accounting to represent all values and hence a lack of validity (interpreted in its PC meaning). This lack of accounting validity is evident in the difficulties faced to develop some measures, such as outcome measures, and in the poor development of accounting measures that can prejudice the capacity to also be efficient (which is important for sustainability). In this respect, some scholars suggest that, in the context of charities, a close dialogue with funders may help them to identify outcome measures aligned with both the mission and the funders' aims (Fry, 1995; Yang & Northcott, 2018).

In our view, this point of communication deserves particular attention, as an aspect of the PC framework, to shed light on the potential role of conflicts in non-profit hybrid organisations. Without conflicts and communication, it is impossible to integrate values. We noticed how lead organisations consider the measures relevant for funding bodies "bureaucratic": they are perceived as too dedicated to service standardisation instead of service improvement, thus reflecting the contrast between actors' values. Furthermore, despite the wish of the lead organisation and users to create a relationship with funding bodies and politicians, the latter are interested only in receiving information about results once a year. But, if communication between actors (and their values) is non-existent, inefficiency can emerge because of the non-profit sector's unique focus on solving social problems without considering other perspectives of performance (as recognised by Seibel (1989; 1990) regarding the criticalities of the public sector). In other words, the lack of communication and dialogue among all actors prevents management accounting practices from taking advantage of a more comprehensive picture of performance by the representation of all the values and dimensions of performance relevant to efficiency and effectiveness. According to Mongelli, Rullani, Ramus, & Rimac, 2019 and Smith et al. (2012), the multiple values constitute an opportunity for hybrid organisations.

The multiplicity of conflicting values is relevant not only in hybrid organisations (as investigated here) but also in the not-for-profit sector generally and in the for-profit sector, even if they do not adopt hybrid models (Battilana et al., 2012). For example, with respect to the public sector, Moore (2000) underlines that the not-for-profit sector emphasises the social mission but also the need for efficient and effective ways to achieve the social mission and the need to achieve financial contributions to sustain it. This multiplicity of goals and values makes the above considerations applicable, in the public sector generally, even if they may have different connotations that need further investigation. On the other side, the basic strategic concepts differ among the not-for-profit and for-profit sectors (Moore, 2000). The for-profit sector emphasises increase in equity and improvement of the strategic position in the market. The multiplicity of conflicting values is less emphasised than in the public sector or hybrid. However, the problem of communication among actors and the integration of different values claimed by Nørreklit (2017) also pertain to the private sector, as demonstrated by the application of PC in many sectors (Nørreklit, 2017).

In this respect, we emphasise that, in these contexts, accounting and management control can act as a medium through which organisations negotiate between multiple and conflicting objectives, values and logics in the non-profit field (Järvinen, 2016).

Finally, as suggested and anticipated by the above discussion about findings, this research also contributes to the assessment of PC methodology in understanding accounting in non-profit organisations. This contribution, emerging from the above discussion, is summarised below. First, this is the first study applying PC to the not-for-profit sector, particularly to co-production. It shows the usefulness, in terms of richness of insights, that this approach can provide to a sector characterised by multiple, contrasting and strong values. Second, this research provides empirical evidence about accounting validity that may help future research applying PC. Reflecting multiple values is a condition for accounting validity. Third, an important contribution to PC emerges with respect to the enrichment of the dimension of communication and how communication develops in practice. Conflicts and struggles may stimulate discussion and become part of the communication, which may allow a compromise among conflicting values. Therefore, the integration of dimensions may be supported, not only by communication but also by conflicts, when they feed a path of communication among actors. The construction of accounting validity is thus possible, by integrating all the values with the dimensions of reality. The research presents some limitations. In addition to the focus on only two case studies, other actors, such as municipalities, politicians, other public and private agencies and funding bodies, have not been interviewed but analysed using only indirect evidence. Indeed, they do not interact significantly with the two case organisations. Differently from previous research in the field of charities (Hyndman & McKillop, 2018), and despite the financial dependence on funding bodies, we noticed how a lack of interest in the management of services allowed management accounting to reflect the organisations' values without suffering any external influence. However, on this point, both organisations bemoaned the lack of interest from their funding bodies, and public actors in general, and desired an improvement in outcome measures, to communicate more effectively with these actors. To this aim, greater support from funding bodies would be desirable to identify outcome measures aligned with both the mission and the funders (Fry, 1995; Yang & Northcott, 2018). We believe that this is a point deserving further investigation. The two cases do not differ substantially in findings. Further case studies are required to deepen the analysis and detect multiple values among different types of hybrid organisations. In fact, co-production and co-management are cases in which values are particularly strong. In other kinds of hybrid organisations, values may be less strong and, thus, have less impact on management accounting tools. In this respect, future research should include additional and different cases of for-profit and not-for-profit hybrid organisations (to expand our knowledge of the impact of basic and instrumental values on accounting, given that hybridity is a trend affecting an increasing number of organisations).

Acknowledgements

We thank the anonymous reviewers for the invaluable and constructive feedback. The authors are deeply grateful for the advices and comments received from Prof. Jan-Erik Johanson, Prof. Liisa Kurunmäki, and Prof. Jarmo Vakkuri. The authors also gratefully acknowledges the research scholarship received from the Chartered Institute of Management Accountants (CIMA).

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