



IMAGE SOURCE: DARTON GROUP

MANAGEMENT CONTROL AND SELF- MANAGED TEAMS

A CASE STUDY AT AN NGO

ABSTRACT

This study explores management control structures in an NGO after it transitions to self-managed teams. It frames management control based on agency and stewardship theory and uses insights of stakeholder theory, formal and informal control systems, the levers of control, and coercive and enabling capabilities. The case demonstrates that a self-managed structure accompanies an increase in enabling capabilities that get shape through more employee involvement in control systems and a changed business logic based on monitoring on results. The study mainly contributes to the literature on management control in self-managed teams by showing which elements of management control are affected by a self-managed structure and how.

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Master Thesis

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1. INTRODUCTION

The use of self-managed teams has dramatically increased over the last decades (Kirkman & Rosen, 1999; Zárraga & Bonache, 2005; Barker, 1993; Manz & Sims, 1987). These teams are defined as “teams whose members collectively manage themselves, assign jobs, plan and schedule work, make production- or service-related decisions, and take action on problems” (Kirkman & Shapiro, 2001, p. 597). Research on these teams tends to focus on productivity of these teams, empowerment, knowledge management, leadership and organizational outcomes (Kirkman & Rosen, 1999; Manz & Sims, 1987; Zárraga & Bonache, 2005; Steward & Manz, 1995). However, little is known about how management control systems develop in these non-hierarchical settings (Taylor, King, & Smith, 2017).

Especially NGOs are now increasingly expressing their interest in self-managed teams. This can be explained by the changing environment for NGOs, which is characterized by increased scrutiny and challenges in cost effectiveness and showing value-for-money (Clerkin & Quinn, 2017). However, NGOs have some unique features, such as the nature of their stakeholders and the character of their employees (Chenhall, Hall, & Smith, 2010; Hyndman & McDonnell, 2009). Additionally, the social nature of work at NGOs and the high demand for accountability can create tensions (Chenhall, Hall, & Smith, 2010). That is why there has been debate about the extent to which general management accounting and control concepts can be applied to mission-driven organizations such as NGOs (Assad & Goddard, 2010). NGOs deal with issues such as the internal usage of accounting information (because it is often initially used for donor purposes), or the usefulness of accounting information to donors (Clerkin & Quinn, 2017). Although some theoretical beginnings have been made on this topic, more empirical support is needed to further develop these theories.

On top of that, Davis et al. (1997) state that “the assumptions about the model of man drive the management philosophies and management systems, which produce certain behaviour” (p. 32). An example of this is the case study of Segal & Lehrer (2012), in which an organization transformed itself from highly top-down organization to a highly decentralized organization. This process was accompanied by a major change in control structures and was initiated by a new, charismatic leader. This example stresses the importance and impact of management philosophies in changing control structures.

If NGOs decide to make more use of self-managed teams, it is important to study management control systems and the process of change in this context of management philosophies. This paper addresses this through a case study at a Dutch NGO, Woord & Daad.

The main question that this paper will answer is: *how does management control change when an NGO implements self-managed teams?* The following questions are used to answer this question.

Theoretical questions:

- What is management control change?
- What are self-managed teams?
- What management control structures characterize self-managed teams?
- What management control aspects are relevant in NGOs?
- How can changing elements affect each other?

Empirical questions:

- How does the organizational structure change at Woord & Daad?
- How do elements of control change at Woord & Daad (responsibilities, information and indicators, planning and incentives, and monitoring)?
- How does the new control structure influence work/practice/processes at Woord & Daad?

This paper contributes scientifically by providing empirical support for management control in self-managed teams and NGOs, which is underdeveloped until now. It also contributes to the understanding of agent and steward management philosophies, their relationship with organizational changes towards self-management and the effects on control structures. Practically, this paper provides managers with insights about how carefully planned out transitions can play out and affect control practices.

The remainder of this paper is structured as follows: section 2 discusses the foundation of management control systems in order to get a deeper understanding of what happens when MCSs change. Then it elaborates on this by adding specific insights on management control in self-managed teams and NGOs to develop a theoretical framework. Lastly, this framework is complemented by insights on the unpredictable elements of change by discussing theory on intended and unintended consequences. Section 3 describes the case and research method, section 4 describes the findings in the data, section 5 discusses these results and section 6 concludes.

2. THEORY

2.1. THE FOUNDATION OF MCSS

When studying a change process, it is important to consider how different management control systems can originate. At the base of systems and in the question how to organize an organization lies a certain conception about people. Self-managing teams assume a completely different belief about employees than a controlling bureaucracy. These beliefs about people are called management philosophies. Multiple typologies for management philosophies exist. However, these different philosophies have only developed gradually. There has been some debate around the question if beliefs about people and the management philosophies that they give rise to are self-fulfilling prophesies. The conception of theories as self-fulfilling prophesies finds its origin in the debate between Simon and Argyris (Davis, Schoorman, & Donaldson, 1997). Simon, who has developed the idea of bounded rationality, advocated that rationality and self-actualization are mutually exclusive (Simon, 1973). He argued that “man creates best when he operates in an environment whose constrains are commensurate with the capabilities of his bounded rationality” (Simon, 1973, p. 350). Apart from the fact that Simon thought self-actualization was overrated, the critical point is that he believed that the current levels of control and authority structures in organizations suited the bounded rational model of man best. This becomes clear in the following statement: “the historical evidence gives not the slightest hint that man can survive, or wants to survive, without orderly structures of authority and heavy dependence on rational processes, or that a free, self-actualized inner man emerges when authority structures are destroyed” (Simon, 1973, p. 353). On the contrary, Argyris argued that he is not against structure, but that “formal structure inhibits people’s energy for commitment and initiative” (Argyris, 1973, p. 355). To reconcile the rational and self-actualizing man, emotions are important and Argyris argues that Simon does not disregard these emotions, but deals with them wrongly. According to Argyris, rational models in organizations do not leave enough room for emotions if and when they are relevant.

Simon can be seen as the advocate of agency theory, which assumes that principal and manager are rational and opportunistic and are seeking to maximize their individual utility (Jensen & Meckling, 1976). The chance that their interests diverge is substantial and if this is the case, the manager will maximize his own utility at the expense of the principal. Therefore, the principal has to put in place the appropriate controls to minimize these agency costs, monitor the manager and give him or her the right incentives to align interests. Although Simon argued

that science should be a descriptive activity, his prevailing view of human nature framed the attitude in many organizations, which determined the nature of relationships that would develop (Davis, Schoorman, & Donaldson, 1997). Therefore, the arguments of Argyris in this debate have made way for normative theories such as Model I and II, Theory X and Y management and Likert's four systems of management (Argyris, Putnam, & McLain Smith, 1985; Likert, 1961; McGregor, 1960). The common factor in these theories and models is that they distinguish a more control-oriented view from a view more focussed on responsibility and mutual trust. Model I, Theory X and Systems 1 and 2 display a lack of trust in employees or subordinates that entails a tighter control and more defensive and opportunistic behaviour. Model II, Theory Y and Systems 3 and 4 all expose a certain level of trust in employees, resulting in more responsibilities for employees and more commitment and involvement.

Stewardship theory was developed from this second stream of thought. It assumes that people are motivated by organizational, collective goals. These collective goals and cooperative behaviours have a higher utility than individual goals. Personal needs are largely in congruence with organizational goals (Davis, Schoorman, & Donaldson, 1997). Stewards are intrinsically motivated and identify with the organization. They will not be tempted to transfer wealth from the organization to themselves, because "they are interested in the success of the organization as a whole" (Martynov, 2009).

The fact that utility functions differ between agents and stewards does not mean that the resulting behaviour always becomes apparent, because not in every situation there is a substantial difference between interests of principal and agent, or between manager and employee (Albanese, Dacin, & Harris, 1997). There is a fine line between the two theories, because stewardship theory fits the theoretical landscape of agency theory, rather than opposes it. It depends on the risk you are willing to take (Davis, Schoorman, & Donaldson, 1997). In stewardship theory it is not one person (the principal) who takes the risk, it is every employee that takes a risk because people expect the other person to act in favour of cooperation, which is why they are willing to take risk and be vulnerable (Vosselman, 2013). The controlling mechanism is trust, because it "enables, encourages, and mobilizes commitment and identification with the organization, whereas mistrust entails safeguards against opportunism and creates distance between individuals" (Vosselman, 2013, p. 17). In agency theory, trust is assumed to be a factor which can possibly lower agency cost. Mostly this is developed over time in a long-term relationship. These dynamics of trust and risk stress the fine line between the two theories: today's agent can be tomorrow's steward (Albanese, Dacin, & Harris, 1997).

2.2. SELF-MANAGED TEAMS AND MANAGEMENT CONTROL

Self-managed teams fit with the normative models that follow stewardship ideas, rather than bureaucratic models that are congruent with agency theory. However, the origins of self-managed teams were a response to these bureaucratic control structures and originated in the socio-technical systems (STS) theory. STS proposes joint optimization of both the social and technical aspects of a system. This results in more group focused methods and flatter, more participative, more decentralized structures (Barker, 1993; Steward & Manz, 1995). In this control structure, control does not emerge from hierarchy and rules, but revolves around a collective value system (Barker, 1993). The locus of control moves from managers to workers and this makes sure that “employees, based upon the values of the organization, become responsible for directing the work, monitoring themselves, and dispensing rewards and punishments among each other” (Larson & Tompkins, 2005, p. 3). A popular form of such a control structure is the self-managing work team. These are defined as “teams whose members collectively manage themselves, assign jobs, plan and schedule work, make production- or service-related decisions, and take action on problems” (Kirkman & Shapiro, 2001, p. 597). Following the logic of a flatter control system, the responsibilities of managers or supervisors are delegated to these teams, which gives them more autonomy and control in their jobs (Steward & Manz, 1995). These flexible arrangements concerning structural and communication processes are called informal controls as opposed to formal controls (Chenhall & Morris, 1995).

Apart from the distinction between formal and informal controls, another taxonomy that is helpful in studying self-managed teams is that of the levers of control (Simons, 1995). Although the levers of control only address the formal aspect of controls, they indicate a creation of opposite forces and thus may also incorporate informal elements of control (Simons, 1995). Belief systems are used to articulate the values of the organization and to inspire employees, whereas boundary systems are used to establish limits to actions of employees. Interactive and diagnostic control systems have the same way of balancing each other out. Interactive control systems are a way to stimulate learning and are used by managers to involve themselves personally in decision-making, whereas diagnostic control systems are used to monitor outcomes and activities and correct or reward employees according to pre-set standards (Chenhall, Hall, & Smith, 2010; Simons, 1995). Even though these controls have a formal nature, they can take shape on a continuum from formal to informal depending on the capabilities with which they are implemented (Chenhall, Hall, & Smith, 2010; Ahrens &

Chapman, 2004). These forms can either be coercive or enabling, which means they are either predetermined and rigid, imposed upon employees, or they are in line with the mental models of the work situation of employees. More specifically, the latter means that employees understand how these controls contribute to the organization, how they make sense in their work and how they are able to modify them when the situation demands it (Ahrens & Chapman, 2004).

Little is known about how these features develop in an organization with self-managed teams. However, previous research on self-managed teams provides some insights in possible consequences for management control. Proponents of self-managed teams argue that these teams will have multiple benefits, for instance increased responsiveness (Barker, 1993). Self-managing teams can decide on their tasks and can undertake a large range of activities, which makes them able to adapt adequately to environmental changes (Steward & Manz, 1995). Another study points out the benefit of commitment, because the control system is said to be based on values of the organization, which will foster commitment to the organization and its success (Barker, 1993). The team structure will allow workers to become empowered, which has been linked to intrinsic motivation (Steward & Manz, 1995). Furthermore, several studies have connected self-managing teams to improved productivity (Barker, 1993; Steward & Manz, 1995; Millikin, Hom, & Manz, 2010; Cohen & Ledford, 1994). These studies tend to demonstrate enabling control, because increased responsiveness, increased empowerment and the ability to adapt to changes indicates a certain amount of insight into organizational processes and the ability to alter these.

2.3. MANAGEMENT CONTROL ELEMENTS FOR NGOS

Studies that apply the concept of stewardship and agency theory to NGOs use the notion of crowding-out (Clerkin & Quinn, 2017; Hyndman & McDonnell, 2009). Crowding-out is related to agency and stewardship theory, because it puts external and internal motivation in perspective. Following the line of reasoning of agency theory, management has to intervene and provide incentives to influence motivation of workers. However, crowding-out theory suggests that these external interventions can undermine internal motivation that people could have (Frey, 1997). The two conditions for crowding-out are 1) the level of intrinsic motivation of the worker and 2) the perception that the intervention is controlling instead of informative. Interventions are controlling if the locus of control shifts from the agent to the principal, and the agent feels like the principal determines his behaviour. An intervention is informative if it

is perceived as positive feedback. Crowding-out can develop in two ways concerning management control in NGOs. Firstly, there is a danger of crowding-out capacity of NGOs, because accountability to donors can take up a lot of resources in an organization. Secondly, the external accountability process may be fairly disconnected from actual activities and may therefore crowd-out the incentive to develop a good management control process (Clerkin & Quinn, 2017).

For organizations that actively seek to instil a culture of stewardship, Segal & Lehrer found several mechanisms that help institutionalize stewardship in organizations (2012). In order to have an effective organization build on stewardship, all organizational members have to choose to be a steward. According to Segal & Lehrer, this is a recurring choice. For people to repeatedly choose a stewardship attitude, the level of trust in the organization has to be sufficiently high (Segal & Lehrer, 2012). Therefore, institutionalizing stewardship is aided by three trust maintaining mechanisms to ensure a high level of trust, which are (1) devolution: continuing delegation of responsibilities; (2) competence-building: ensure that people have the capability to handle responsibilities and believe in delegation; and (3) inculcation and reflection: promulgating values and inculcating it into daily practice. Additionally, to prevent people from choosing an agent attitude, three corruption minimizing mechanisms are: (1) self-regulation: use of self-controls to foster commitment to values and personal responsibility; (2) peer regulation: the horizontal monitoring practices of colleagues; and (3) outlier regulation: dealing with people that, despite the control mechanisms, do behave opportunistically. These outlier regulation controls are often more heavy-handed and they can undermine the trust that is initially put in self-managed teams (Segal & Lehrer, 2012).

Seeking balance is an important theme in NGOs, also concerning stakeholders. NGOs generally deal with a large variety of stakeholders, which can be donors, regulators, beneficiaries, employees, voluntary workers and committees. Previous research has indicated how the stakeholder concept is applicable to the management control systems of NGOs. The stakeholder concept has its origins in stakeholder theory (Freeman, 1984). This concept has mainly been applied to family firms, because they seem to “differ from widely held firms not only in their explicit governance structures, but also in terms of the softer factors that affect management effectiveness” (Mullins & Schoar, 2016, p. 41). Here, softer factors imply the management approaches and philosophies, which were more stakeholder oriented in family firms as opposed to widely held firms (Mullins & Schoar, 2016). Especially on these soft topics do NGOs display similarities with family firms, because they often have a clearly stated (social) mission. When applied to NGOs, the stakeholder concept distinguishes two approaches: the

ethical approach and the positive approach (Clerkin & Quinn, 2017). In the ethical approach, all stakeholders are treated with the same rights and are seen as being equally important to the organization. In the positive approach, the organization manages stakeholders according to their potential impact. This attitude towards stakeholders may influence management control systems in the NGO. For example, if the focus shifts more towards the donors, it may result in more KPIs and monitoring for reporting purposes. This effect can either be positive or negative, since information that is produced for external parties can also be used internally and may make an organization more focussed on their effectiveness and efficiency, but it can also distort priorities and diminish aid effectiveness (Clerkin & Quinn, 2017; Hyndman & McDonnell, 2009).

Former studies have found some similar characteristics among NGOs, suggesting that institutional forces may play a role in the shaping of NGOs, their internal functions and also their accounting function (Claeyé & Jackson, 2012). The increased scrutiny on effectiveness of NGOs has created ‘managerialism’ in these organizations, shifting the focus more to means instead of ends. This is an example of how NGOs became more alike in their accountability and business-like structures. Institutional forces could also relate to the stakeholder concept, for instance when an institutional element pushes organizations to prioritize certain stakeholders over others.

2.4. THE CONTEXT: CHANGE PROCESSES AND CONSEQUENCES

When studying the process of implementing a new model and the change that it brings about, the concept of consequences can be viewed in many ways. A transition to a self-managed structure can be carefully thought out, but the implementation phase will always entail unintended consequences because not every aspect can be foreseen. This unpredictable element of change can be seen in different ways and can have different ways of developing.

First of all, the foreseen element of change, the intended consequences, are defined as “the objectives of the action, the targets toward which it is oriented, and the motives that stimulate it” (McKinley & Scherer, 2000, p. 735). A study on the consequences of mandatory IFRS adoption states that consequences are “intended (unintended) if they can (cannot) be reconciled with [...] explicitly stated objectives” (Brüggemann, Hitz, & Sellhorn, 2013, p. 1). For intended consequences, this definition is quite straightforward and comprehensive.

Unintended consequences are more complex. McKinley & Scherer (2000) define it as follows: “Unanticipated consequences are outcomes of the action that the actor does not expect in advance and therefore does not intend” (McKinley & Scherer, 2000, p. 735).

Apart from definitions, unintended consequences can be approached from a philosophical point of view. One of those views is the cumulative effects approach. It implies that consequences of the actions of one individual may be negligible, whereas consequences of the actions of a large group of individuals may have a very large effect. The issue with this cumulative effect is that it is difficult to get an understanding of the original intention, because it can depend on multiple perceptions and priorities. Therefore, the focus with studying unintended consequences is on observable patterns of events that are brought about by these plans and intentions instead of on the original intention (Vernon, 1979). Another way of viewing unintended consequences is as simultaneous or consecutive actions of individuals with different interests. A consequence is simply an outcome of many independent decisions (Vernon, 1979). Yet another way to see unintended consequences is as ‘contextual change’. This means that “as the context shifts, projects and instruments acquire unforeseen uses and meanings” (Vernon, 1979, p. 68). As a situation evolves, the relation between instruments, ends and projects are constantly shifting. This also shows that unintended consequences are not always undesirable simply because they were not anticipated. They can also take on a positive role, depending on the perspective (McKinley & Scherer, 2000).

The changing roles of models and theories indicate that the unintended consequences of these models and theories can obtain a certain amount of agency. They can change a situation and influence the actions of people. This concept is called performativity and implies that models and theories that people create are not simply cameras that describe action, but rather engines that create action (MacKenzie, 2006). Outcomes of a process can provide unanticipated, new information and thus become new starting points for action (Revellino & Mouritsen, 2015).

All in all, this theoretical section has highlighted important elements for the empirical study. First of all, the agency and stewardship approach were discussed to understand the origins of changes in management control systems. These approaches indicate the different role of trust and risk, depending on stewardship or agency attitudes in organizations. Secondly, the section discussed characteristics of self-managed teams and how these relate to management control theories, such as formal and informal controls, the levers of control and coercive and enabling control in order to make sense of the case. Specific elements of management control

in NGOs have been discussed to provide more context to the case and lastly, this section elaborated on change and consequences to account for the performative element in a transition and how consequences can develop in different ways.

3. METHOD

3.1. CASE DESCRIPTION

This case study examines the transition towards self-management in the organization of Woord & Daad (WD). WD is a Dutch foundation with 77 employees that helps reduce poverty worldwide from a biblical perspective (Woord en Daad, 2016). They do this by investing in education and training for people in the poorest places in the world, cooperating with local organizations (Woord en Daad, 2016). WD was founded in 1973 and developed itself into a professional bureaucracy during the 90s, because of the greater need for charity organizations to account for their money flows and activities (Woord & Daad, 2015). The dependency on subsidies and gifts makes WD vulnerable for changes in the environment. In 2015, several things caused WD to rethink their organizational structure. Since 2016 they work project based: self-managing teams take on projects of differing scale and nature. Instead of having multiple departments with managers, project leaders now directly report to the board. The facilitating functions such as finance, HRM and communications are still organized in a line structure and are facilitating all projects.

3.2. APPROACH

The aim of this paper is to get an understanding of a process of change. Therefore, a case study is the appropriate approach because it provides a unique setting which can be studied in detail. This setting will be studied from an interpretive perspective, which is aimed at finding “multiple perceived and/or experienced social realities” (Schwartz-Shea & Yanow, 2012). A relational view is fitting in this perspective, which assumes that things emerge in interaction (Chapman, Chua, & Mahama, 2015). Following an abductive logic of inquiry, the research question will be the starting point of this study. Rather than expecting to answer this question by some predetermined factors, this study starts with the practice itself and discovers explanatory factors as the practice is being conducted and observed (Schwartz-Shea & Yanow, 2012; Chapman, Chua, & Mahama, 2015). Therefore, the theory discussed in the previous chapter will be informed to make sense of the field and will in turn be complemented by findings in the field (Chua & Mahama, 2012). When reality is constructed through social entities and emerges in interaction, a key issue is meaning-making. This implies the process of how people make sense of their worlds because their contexts are connected to the truth (Schwartz-Shea & Yanow, 2012). The focus is on the description and understanding of this

meaning-making and how this influences events and actions instead of observing and predicting a straightforward causal relationship (Schwartz-Shea & Yanow, 2012). This implies that the language interviewees use and the things they experience are a key to understanding the case. The description and explanation of this case in the result section is as logical and thick as possible so that other researchers are able to assess the context of this case and determine if its concepts are applicable to their own research.

This case of WD has been carefully sought to fit the research question, because it had to concern an NGO with self-managed teams. Access to WD was established through a consultant that knew this organization. Contact with WD started with an informal telephone conversation with a member of the board, in which expectations were exchanged. This was followed up by a formal e-mail conversation with the secretary of WD, who planned the interviews and could answer any questions before the interviews.

The main sources of data were semi-structured interviews. The interviewees had the following organizational roles: a member of the board of directors, a project leader, a project

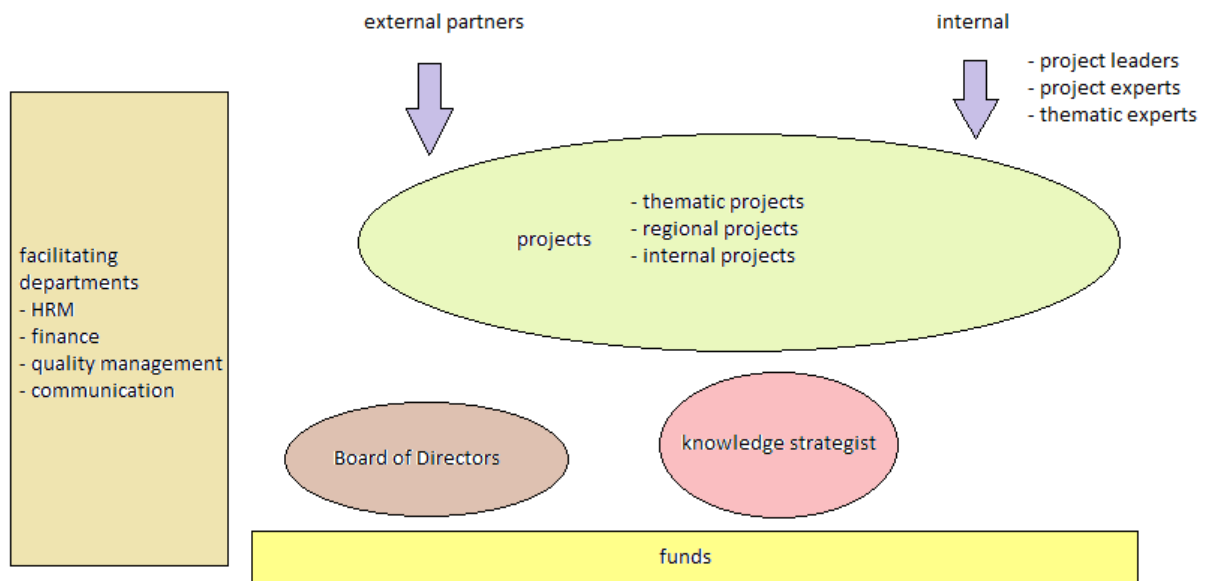


FIGURE 1 ORGANIZATIONAL MODEL WOORD & DAAD

member, a financial officer and the head of the HRM department. This diverse group covered almost every organizational unit (figure 1).

All of the interviews lasted for approximately forty minutes and all of them took place in the building of WD. One employee (not one of the interviewees) discussed the organization informally, during lunch. This provided additional understanding about the organization. After conducting the interviews, memos were made to reflect on the information that came up in the interviews (appendix A). In the process of meaning-making and making sense of the case, a

codebook was developed which indicated general issues and themes that occurred in the data (appendix B). Other sources of information were documents, such as the annual report of 2015 and 2016, a document on the managerial philosophy and a manual for project based working. The codes in the codebook were used to code and group all this information. This was member-checked by every interviewee for feedback to increase accuracy and their comments were processed into the results. One person that came up in most interviews, the knowledge strategist, seemed to have an important role in the organization. All of the results were also checked by him. Based on the results, theory was informed to make sense of the results and to draw conclusions.

4. RESULTS

4.1. THE TRANSITION: PURPOSE AND IMPLEMENTATION

The stated intention for the transition was, according to the governance publication of Woord & Daad: “until now, compliance has been the dominant trend in our sector, which called for an organizational structure and method that was suitable. Recently, this trend has been accompanied by a more entrepreneurial approach that becomes increasingly important. This approach goes hand in hand with addressing poverty together with other actors. This calls for a personnel policy, work method, culture and structure that is suitable for this approach” (Woord & Daad, 2015, pp. 3-4). This new structure developed as a project-based structure with self-managed teams. Multiple reasons existed for the transition to self-managed teams in WD. Three very specific reasons all came up in the same weekend in 2015. First of all, WD was planning to collaborate with another charity organization and they heard that these plans would be cancelled because of a value-added-tax issue. Secondly, they received a message that a large subsidy by the Dutch government stopped. Even though WD saw this coming for some years, until that point people had hoped that maybe it would continue. Lastly, an important manager announced that he would leave WD. These three events were a concrete trigger for WD to rethink their entire organizational structure:

“We considered that we still had the same ambition to make our dreams concerning the contents of our policy come true, so we wanted to continue doing that. We also observed that there’s a lot going on in our environment that made us think: should we still be organized this way?” (interview board member)

Especially the second event confirmed a more general trend. Whereas during the 90s the demand for more accountability made NGOs generally more business-like, recent trends called for tendering, specificity and flexibility in proposals (Woord & Daad, 2015). This can be seen in the fact that the large subsidy of the Dutch government was cancelled and in the fact that other NGOs are also considering a similar transition and are counselling WD, because WD is relatively early to make such a transition compared to the rest of the sector. The conceptions about funding had changed and a constant stream of funding for multiple years was not a guarantee anymore. The rigid and controlling attitude towards accountability in charity organizations started to change and became a more open system based on partnership and dialogue (Woord & Daad, 2015). These trends called for a more flexible, more specialist organizational structure.

The professional bureaucracy did not facilitate this flexibility. The hierarchy seemed to make the organization too rigid and reactive in the dynamic environment. Projects already existed, but a project leader would be slowed down in composing his/her team for a subsidy request because he had to go through almost all departments in the hierarchy. The finance officer describes this old structure as follows:

“Everything that went through different departments involved permission of the managers, which generally took longer. On top of that it did not spontaneously come about.” (interview financial officer)

This would slow down the process of the proposal and decrease the flexibility to take advantage of an opportunity. Moreover, the professional bureaucracy contained a lot of managerial layers. Information that reached the highest level (the board) would often be very aggregated. The annual reports would contain a lot of KPIs, a lot of information and a lot of overhead, but would provide relatively little insight in the specifics of programs. Managers that were responsible for a large department had general oversight, but did not have in depth knowledge. It was hard to say whether a program was adding value or whether the full capacity of people was used. The increased focus on specialism called for better insight into expertise and going back to the essence of activities.

These intentions are implemented in the form of project-based working (Woord & Daad, 2017). With high employee involvement and advice from an external party, WD developed a new way of working which is derived from the Organic Co-Creation Model developed by Core Commit (Core Commit, 2017). They call it organic project-based co-creation and define this as “building up and realizing a project together in a cyclical manner in an unpredictable and dynamic work environment, and managing this on the basis of results that have a soft and hard side” (Woord & Daad, 2017, p. 4). This way of working is based on five elements that characterize the activities of WD, which are (1) the complex and risky environment in which they work; (2) the fact that they are part of a chain (donor to target group) with different multi-stakeholder relationships in the chain at different moments; (3) two directional accountability: towards the target group (downward) and the back donors and donors (upwards); (4) the aim at results with a soft (attitude, relationships, learning, behaviour, heart, soul) and a hard side (figures, success rates, financial aspects, performances, making a difference); and (5) the integral way of working, so that projects and programmes are always related to each other, and/or concerned with each other (Woord & Daad, 2017). The unique mix of these elements makes organic project-based co-creation a suitable way of working. The implementation was based on the basic principles of Core Commit: “Organizational Development (or Change Management)

is most effective if you connect to the value drives of the people that work for the organization” (Core Commit, 2017). WD involved employees from the start of the process and gave them and external parties insight in the strategic significance of the new structure (Woord & Daad, 2015).

4.2. NEW MANAGEMENT CONTROL – RESPONSIBILITIES

New and existing activities are approached as projects, either business development projects or implementation projects. The appropriate project leader is then appointed to a ‘project-to-be’ and has to write a proposal for a project, discuss and negotiate this with the board, and reach agreement on certain results and the means with which he/she will accomplish these results. They are left completely free in how they will accomplish these results, which also makes it completely their responsibility. Consequently, they compose a team of people with the needed expertise. Giving project leaders so much responsibility and freedom in how they carry out their task is empowering, but at the same time challenging. Project leaders are responsible for all aspects of a project, from administrative tasks to fundraising. They have to keep an eye on many different aspects all the time, which can make the job feel busy. Even though project leaders are responsible for every aspect of a project, they are not always prepared and familiar with all these specific aspects, such as fundraising. They do have the option to include a fundraiser in their team, but in the end it is their responsibility. According to a project leader, this has made work more intensive, but in a good way:

“A lot is asked of me now, which makes work more dynamic and that’s fun, but I feel like I have to look in all directions. It’s quite busy.” (interview project leader)

If WD does not have the needed expertise with their own people, they can get the expertise from their extensive network which they call the ‘flexible shell’ of the organization. The project structure turns WD into a network focussed organization.

However, the responsibilities and roles in the new structure complicate the work practice in several ways. Since there are no departments in the organization and everybody is involved in multiple projects, it can be hard to determine the best person to contact for certain issues. Job descriptions are replaced (in most cases) by job passports, which makes determining rights in terms of risk management (for example in a software system) less straightforward to establish because there is no obvious hierarchy and there are no obvious organizational boundaries when you allow external partners in your project teams. The flexible relationship with partners can become complex when a partner is trying to relate to the project leader as well as his or her own boss.

The new role for HRM is very different from their former role. They have taken over the line manager role concerning HRM issues, in which it is difficult to determine their relationship with the teams. There is a direct link between teams and HRM, so project members or project leaders can address any issues directly to HRM, whereas previously they went to the department manager first. For urgent issues during a project, HRM can intervene. This made it difficult to find a balance between a team's responsibility and HRM's role of mediator. The head of the HRM department describes it as follows:

“I noticed that because people started to feel a bit lost, I felt like I had to take responsibility. But then I looked at myself and I was like ‘no, the project leader has to do that’.” (interview HRM)

The new structure and the accompanying control mechanisms bring about a new organizational logic: focus on results and more responsibility for closing the gap between income and expenses in every project. Some people are not used to this ‘hard’ side of organizations and have difficulties adapting to this. The nature of the sector is social, human-driven and employees have always been more focussed on the things that were achieved, leaving the funding to the fundraisers. Every project is now responsible for its own funding, which requires people to think more in terms of cost and income:

“People get out of a ‘give me the budget’ mode and that’s good, because it’s not that simple.” (interview financial officer)

However, this does release a sense of ownership and entrepreneurship in employees, because they have more responsibility and do not have a manager who will fix issues for them.

4.3. NEW MANAGEMENT CONTROL – MONITORING

The way to control and monitor such a large network differs from controlling a professional bureaucracy. The nature of partnerships is more temporary. Instead of two parties collaborating because they have known each other for years, the network of possible partners has become larger and more diverse and the resulting relationship is more based on mutual agreement and monitoring because it is more short-term. The monitoring of such a relationship can be complex, because in some cases the relationship between two involved external parties can also influence the relationship between WD and the external party. It is hard to discover the dynamics of such a network and it is even harder to monitor this.

Results become the central means for management control with a soft (relationships, learning) and hard side (figures, success rates) (Woord & Daad, 2017). These results are established in the preparation phase of a project, in which the project leader negotiates with the

board about results and means. This preparation phase is very important in the project structure according to the financial officer:

“A project is 80% preparation and 20% execution. Because changing the course of a vehicle that does not go in the right direction anyway is almost impossible.” (interview financial officer)

Once a month, the project leader meets with the board and they only discuss ‘what’ is accomplished up to that point in time, ‘what’ possible issues arise and ‘what’ is yet to be accomplished. This relationship is hierarchical in the sense that the board functions as the principal that initiates the assignment and the project leader is the agent that accepts the assignment. However, in practice this hierarchy does not produce any real power differences because the relationship between board and project leader is purely informative and based on dialogue. The board plays a facilitating role, safeguarding the direction of the organization and establishing the framework for projects. The meetings are not concerned with the ‘how’, only results are discussed in order to be able to steer the organization. Also, the relationship between project leader and team members is facilitating rather than hierarchical. Since team members have their own expertise, they are the ‘masters’. The project leader is there to ensure the process and steer towards the deliverables:

“It’s an efficiency leap: the project leader coordinates with the board and the experts can continue doing their thing.” (mail contact project leader)

So the hierarchical elements in this structure exist mainly to have one person that keeps track of the process in order to take maximum advantage of experts and projects. Some departments still exist, such as finance, communications, HRM and ICT, but they all serve the projects. This mainly flat organizational structure provides more overview, because the project leader is the only medium between projects/work practice and the board. At the start of each week, everyone comes together for a general opening of the week in which they reflect on the organizational values and goals. In some cases, projects are put in the spotlight to address what they have achieved in the past period:

“Someone will give an update with photos and say: look what has been achieved here everyone, we opened three million schools, many people got a job, I saw it with my own eyes! And then you see people thinking like ‘ah, that’s why I do what I do’.” (interview HRM)

This makes sure that people from different projects still know what is going on in the rest of the organization and to keep in mind the purpose.

4.4. NEW MANAGEMENT CONTROL – PLANNING AND INCENTIVES

People become flexibly employable strategic assets of the organization, organized in ‘expertise pools’. Based on their ‘passport’, which is a profile of an employee that provides information about the expertise, qualities, strengths, and experience of the person concerned (Woord & Daad, 2017), they take part in projects that suit them. An advantage of the passports is that people are not their organizational function, such as fundraiser or clerk. The scope is now broader than this, namely all their skills and knowledge are considered. This raises the opportunity for some people to be deployed in multiple projects with differing themes. It makes work more diverse and brings the most out of people. The character of projects differs substantially and therefore, different kinds of project leaders and project members flourish in different projects. The project manual states: “colleagues who have the potential to become a project leader but lack the necessary experience are given the opportunity to become a trainee project leader” (Woord & Daad, 2017, p. 5).

The transition has placed a large amount of responsibility with the team and the project leader. A project team is responsible for the agreed upon results, but also for how this is achieved. Any issues in this process are for them to deal with. People are interdependent in these teams, because they are jointly responsible for the results. In order to acknowledge this interdependency and to be straightforward about expectations, every project team member has a project team member contract with personal objectives (Woord & Daad, 2017). Project leaders and project members are assessed based on a project member form which team members have to fill in about each other. So as a team member you are assessed by all your team members and you in turn, assess each of your team members. HRM uses this as a tool to evaluate project members and the results of the project.

The passport is kept up-to-date based on project evaluations. If it turns out that someone has developed a new skill or expertise, this passport is reassessed and possibly adjusted. Functions are valued according to the FUWASYS, which is a method based around fourteen indicators that concern among other things skills, expertise, complexity of work and impact (Rijksoverheid, 2017). So this compensation method is linked to the project evaluations. WD used this method already in the old structure, but now expertise is more central in evaluations because it is more important in the project structure. WD once experimented with bonuses for the fundraising department (in the old structure), but people did not really respond to these kinds of incentives. The project evaluations and the fixed compensation keeps people motivated to continue learning.

Passports are also used for external collaboration purposes, because they help with matching organizational members to external partners. So with these passports WD aims to oversee their human capital and deploy this as efficiently and effectively as possible. The project structure generally complements the informal atmosphere in the organization, because people already know where to find each other (Woord & Daad, 2015). Some project leaders do not really consider the passports in composing their team, but only consider the people they know well. This can be a positive aspect, because through their informal network project leaders can compose their team within a short period of time. However, this way project leaders can also overlook valuable employees whom they do not really know. It may also occur that a passport does not match with the demands of projects, which results in an employee not being asked to take part in projects. The process of composing a team based on expertise can exclude some employees, whereas in the former structure these people were perfectly fine. Although HRM assists project leaders in the process of composing a team, they cannot avoid that some people are not suited for the new project structure.

Some people spend all their time on projects, but the people in the facilitating departments may spend part of their time on this facilitating task and some part of their time on projects. They can be asked for projects because of their fundraising or financial expertise. The nature of projects is very result-driven: the projects provide a very explicit goal, which is a great motivation to work, because people are set to achieve these goals together in the project teams. This is a temptation for these part-time project employees to spend relatively much time on projects and neglect their facilitating task. The financial officer mentions this experience:

“Especially in the beginning you’re tempted to do the best you can in the projects, because the projects have such clear results to be achieved and your regular work can suffer from this.” (interview finance officer)

Employees allocate hours to each project they take part in and this way, HRM oversees the availability of human capital. It also results in less overhead costs and more insight into costs of activities for the board as well as the employees themselves. The fact that people have to keep track of their hours has several effects. When an employee has 40 hours to spend on projects and takes part in four projects for 10 hours, this employee has to be very efficient with his or her time. In the preparation phase of the project, project leaders have to develop a project plan in which they carefully consider what they need (e.g. in terms of hours) to accomplish certain results. However, in practice this estimation may turn out differently. Combined with the strong focus on results, this can give employees the feeling of not having enough time. Furthermore, some people carefully allocate their hours, others find it a lot of work and abolish

the job. This can manipulate the cost of a project. However, allocating hours makes people more aware of their time and generally makes them spend their hours more effectively. People who have a facilitating task, but who also take part in projects initially had to allocate only the hours they worked for projects. It made them wonder how much time they were spending on their facilitating task, for instance within the finance department and HRM. Gradually, some people also started to allocate hours to their facilitating task in order to get more insight into their hours.

4.5. NEW MANAGEMENT CONTROL – INDICATORS AND INFORMATION PROCESSES

The new organization has a knowledge centre in which feedback processes have become more specific and centred around projects. KPIs are reduced to the essence, because KPIs are tailored for each project and connected to the results of the project. They have a more narrative and descriptive nature, which also opens up the possibility to better customize information to specific funders. The requirement for any KPI is that it has to be relevant for the practice of projects. The knowledge centre aggregates the lessons learned from each unique project in order to safeguard synergy amongst all of these fragmented projects. However, it can be very hard to have a good overview of what is being learned and to disclose knowledge that people hold implicitly.

Facilitating ICT tools are Sharepoint, which is an ICT tool that becomes more prominent in sharing information between team members, and Project Connect, which is a tool that facilitates easier information sharing between local partners and WD.

5. DISCUSSION

5.1. MANAGEMENT PHILOSOPHIES: MORE PROMINENT STEWARDSHIP CHARACTERISTICS

Theory has been informed on the foundation of changes in management control systems. Generally, these changes find their origins in notions about human nature and fitting management philosophies. For NGOs specifically, institutional forces can also play a role in changing organizational structures and subsequently in changing accounting functions (Claeyé & Jackson, 2012). The case demonstrates these notions, since the transition can be seen as a response to institutional forces, such as more demand for flexibility and expertise. This changed the organizational structure, but also the foundation of the management control system.

The nature of the organization is such that employees display commitment to the organizational goal; that is often the main reason why they work there and has not changed with the transition to self-managed teams. However, the new structure shifts the locus of control and provides employees with more responsibilities and freedom, which characterizes self-managed teams (Barker, 1993; Steward & Manz, 1995; Larson & Tompkins, 2005; Kirkman & Shapiro, 2001). This new structure has generally made stewardship characteristics more prominent. Not necessarily in the sense that it changed the amount of trust the board put in employees, but in the sense that the board acted more upon trust. Changing the locus of control changes the location of risk and the role of trust. In the former structure, managers were responsible for their department and any risk was with this manager, whereas now all employees bear a certain amount of risk. This is seen in the project team member contracts. Taking part in a project requires a certain vulnerability, because there is a joint responsibility for the end result. Therefore, every project member has to trust the other project members (Vosselman, 2013).

5.2. WIDELY SUPPORTED CONTROL SYSTEMS

Elements of management control in a self-managed NGO setting differ from management control in the former structure. A lot of responsibility and flexibility comes to rest upon project teams in the new structure, which is a fertile ground for enabling control mechanisms (Ahrens & Chapman, 2004). It facilitates both positive and limiting forces in the daily practice of project teams (Simons, 1995). Whereas belief systems were already strong in the old structure, the new structure emphasizes organizational values through project teams that show their results at the general meeting at the start of each week. This is how organizational

values are not only communicated from the board to the employees, but also how values are communicated among employees, which demonstrates an inculcation and reflection on values (Segal & Lehrer, 2012). At these general meetings, people reflect on the purpose of their work and remember why they do what they do, which maintains the level of trust people have in the organization and in each other. Interactive control systems are also implemented through systems such as Sharepoint and Project Connect. Information is available for each project member, which makes it easy to incorporate all this process data into strategic decisions (Simons, 1995). Project teams can track new ideas and use them immediately, but the knowledge centre of the organization can also use lessons learned or specific issues of project teams for organizational learning (Simons, 1995). Also, boundary systems and diagnostic control systems are now based on self-regulation and peer regulation (Simons, 1995; Segal & Lehrer, 2012). Each member signs a project member contract with the project leader, which seems a quite formal element of control to ensure a certain attitude or behaviour. However, this contract is based on dialogue and mutual agreement on the contribution of a team member, which is an enabling capacity to implement a control mechanism (Ahrens & Chapman, 2004). Furthermore, employees are evaluated based on how colleagues experience them in teams, or on what their skills and abilities are according to their passports. Project members evaluation forms and passports are formal elements of control, but are a form of peer regulation that help ensure the steward attitude of people and make sure people continue learning (Chenhall & Morris, 1995; Segal & Lehrer, 2012).

5.3. ELEMENTS OF HIERARCHY

Management control changes in terms of responsibilities and monitoring, which can be seen in the hierarchy in the new structure. In theory, the organizational structure of WD consists of circles that co-exist and co-create, such as experts, project leaders, external parties and the board (figure 1). In practice, there seems to be a hierarchical element left in the relationship between project members and project leaders, as well as project leaders and the board. However, this hierarchical element is not to limit employees or show a lack of trust, but the element of hierarchy serves the purpose of having efficient communication processes and accountability flows in the organization. In this respect, “it is important that boards carry out the monitoring of management, while being careful to recognize the intrinsic motivation of the managers” (Hyndman & McDonnell, 2009, p. 23). The board has to create balance in accountability and monitoring practices on one hand, and giving employees enough freedom

on the other hand. Seeking this balance is required for their main task of steering the organization and reducing the threat of crowding-out capability or motivation (Frey, 1997). To make informed decisions about the direction of the organization, they need information that lies primarily with project members. This requires formal management control elements, such as the monthly feedback meetings with project leaders, but it also has informal aspects. Although the preparation phase of a project requires careful planning and clear set results, the creation of this plan including establishing appropriate KPIs is a process of dialogue between a project leader and the board. The final project proposal could then become a formal tool on which feedback formats are based, but this can benefit the organization because it provides focus and can prevent squandering of resources (Chenhall & Morris, 1995). This balance is what explains the reduced threat of crowding-out: project leaders are fully involved in the creation of appropriate KPIs, so they see how the accountability process that results from the project proposal is closely linked to actual activities (Clerkin & Quinn, 2017). The same happens in teams: all members are involved in ‘how’ the project is approached so everyone understands how they contribute to the results. Through the hour allocation they get a sense of efficiency and personal ownership concerning their activities, which is a very enabling element for management control (Ahrens & Chapman, 2004).

5.4. ROLES AND RESPONSIBILITIES

The project-based way of working has concentrated all stakeholders in one project, whereas formerly each department had its own set of stakeholders. For instance, formerly the fundraising department and finance department were concerned about donors and the people that worked in projects (those existed in the old structure as well) were mainly concerned with beneficiaries and did not really care about how activities would be funded because it was not their responsibility. The self-management structure places responsibility for funds with the project leader so now the team has to make sure their activities are covered by donors. A project team has to deal with its own stakeholders, which include all parties that are involved with that particular project. This unites different stakeholders and thus gives the organization a more ethical approach to stakeholders (Clerkin & Quinn, 2017). Monthly feedback meetings also monitor how much of the funding has been received, how much is expected and how much is needed still. All this information is accumulated with the project leader since projects are responsible for all stakeholders.

Furthermore, in the former organizational structure departments and managers had clear responsibilities, which made it straightforward to determine editing rights in systems, the authority to sign documents, etc. The project structure seems to be accompanied by some confusion about these things. The supporting functions such as finance and HRM have difficulties determining the right person to approach for certain issues. On the one hand, the project leader is the contact point for anything but on the other hand, sometimes it may be quicker to ask someone with the right expertise immediately. These unclear areas of project-based working are only discovered during the process. Encountering these loose ends of implementation may result in new delegated responsibilities, which can involve a process of devolution and foster trust in the organization (Segal & Lehrer, 2012). It may also result in training and competence-building in order to ensure people have the capability to handle new tasks or responsibilities. For instance, the pressure on a project leader to look in every direction is said to have made the work more fun, but also more intense and busy. This attitude has to stay balanced in order to have project leaders repeatedly choose a stewardship attitude (Segal & Lehrer, 2012).

6. CONCLUSION

This paper has showed how management control changes when an NGO transitions to self-managed teams. It has made sense of this change by using a conceptualization of theories about formal and informal management control, the levers of control, coercive and enabling control, crowding-out and the stakeholder approach. The study contributes to stewardship theory by indicating specific processes by which stewardship characteristics are institutionalized. More specifically, it shows how the location of risk and the role of trust changes, because the organization becomes a network and results become a central means for management control. It gives more way to informal management control elements because the process and decision rights on many aspects are delegated, which has made stewardship characteristics more prominent. This study has contributed to the developing theory about management control in self-managed teams by showing the specific elements that make management control more enabling. These involve case specific insights such as hour allocation, monitoring on results, working with passports and the team dynamics and peer regulation. Some of these aspects will be case specific, but some will also be applicable to other cases. For instance, the increased responsibility and flexibility gives employees the ability to be involved in the creation of control mechanisms and KPIs and this increases transparency of management control. Also, the nature of the hierarchical element that is left in the self-managed team setting does not facilitate crowding-out because the accountability process is closely linked to activities and employees have an overall high intrinsic motivation. The increased ethical approach to stakeholders that characterizes self-managed teams in this study is also a specific demonstration of how management control is affected by a self-management structure.

It seems that most management control elements are implemented in an enabling way or otherwise have an informal way of developing along the way. However, one element that can come to damage intended management control consequences and stewardship attitudes is the loose end of implementation regarding roles and responsibilities. The lack of clarity surrounding these elements can be changed for the better provided that they are seen as opportunities for devolution and competence-building in order to ensure stewardship attitudes.

A limitation of this study is the amount of data that it is based on. Future studies could strengthen this by studying other cases with more data. Whereas this study concentrates on an NGO, future research could study other sectors as well. An avenue for future research that is more applicable to NGOs is the trade-off between cultural and economic capital, which was also observed in the study on management control systems and social capital (Chenhall, Hall,

& Smith, 2010). This study has demonstrated that such a trade-off is possibly also relevant in the NGO sector, where people generally are not used to the 'hard' side of business and thinking in terms of efficiency and cost/benefit. Future studies could provide more insight into the social consequences and other organizational effects of this more prominent role for economic thinking in NGOs.

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APPENDIX A

Memo's

In alle interviews viel de rol van uren me op. Het werkte wel complexer, maar toch ook wel weer overzichtelijker. Waar zit dit hem in?

Interview Vreugenhil (projectleider):

Door steeds meer momentjes en formatjes wordt het vertrouwen in projectleiders misschien een beetje ondermijnt. Maar dat ligt ook aan de projectleider hoe dit het fijn vind. Het denken in uren levert maakt het soms moeilijk om focus te hebben, maar dat is niet de belangrijkste oorzaak voor meer werkdruk. Het is vooral de diversiteit van de taak. Focus is lastig want er zijn veel verschillende aspecten die je in de gaten moet houden. Je bent een spin in het web. Dat is leuk, maar ook erg druk.

Interview Molenaar (RvB):

De organisatie wordt stuurbaarder, beter te monitoren eigenlijk. Je houdt je in de bestuurdersrol alleen maar bezig met het wat. Dat geeft focus en overzicht. Rol van kwalitatieve informatie kan beter worden gebruikt in projecten omdat een projectleider de vraag duidelijker heeft. Hier loop ik tegenaan, doe daar onderzoek naar en gebruik het ook meteen. Dat is meer 1 op 1 toepasbaar die kennis. Dus de kwantitatieve resultatenmeting is vooral voor voortgang en overzicht (voor RvB), en de kwalitatieve metingen en voortgang wordt gemonitort door 'het oranje vlak', kennisstrategie.

Interview Willigen (finance):

Het is complexer omdat je meer aanspreekpunten hebt, maar je kan sneller schakelen. Je hoeft niet meer langs allerlei managers en mensen hebben meer ownership over zaken. En puur formeel, juridisch zijn functies en rollen soms wel heel belangrijk, wie tekent waarvoor. Dat is nu vager. Voor sommige partners die teamlid zijn is het ook veranderd omdat voor hen niet altijd duidelijk is aan wie ze verantwoording afleggen. Ze hebben een baas, maar ook een projectleider. Leuk dat die finance mensen of bijv fondswervers flexibel gevraagd kunnen worden voor een team, maar dan ben je wel teamlid en kan je gewone werk gaan lijden onder dat project omdat je daar heel gedreven voor die resultaten gaat. Changing context: het uren schrijven ging inspireren bij finance, laten we integraal uren gaan schrijven om te kijken waar dat allemaal in zit. Uren schrijven op zichzelf is op zich niet heel veel gedoe, kost niet heel veel tijd. Maar de vraag is wel hoe goed mensen tijdschrijven, hoe integraal dat gaat en dus of je een realistisch beeld krijgt uiteindelijk in je administratie. Maar het is wel beter te plaatsen. Minder overhead, meer inzicht wat RvB ook al zei. Meer inzicht waar kosten in zitten. Net zo in het veranderen van het koersrapport. Dat ging ongeveer tegelijk met de transitie. Welke KPI's waren nou echt belangrijk? Ook het hele fonds verhaal werd inzichtelijker. Daardoor is het koersrapport ook een stuk dunner, maar meer info. Hij zegt zelf dat het werk complexer is geworden, maar wel overzichtelijker.

Er zit een soort spanning want een projectleider heeft nu bijvoorbeeld verantwoordelijkheid voor fondsen. Daar zitten heel veel goede kanten aan, het werkt, maar het is ook wel een vak apart en veel mensen noemen het voorbeeld van zet een fondswerver in je team. Dat is blijkbaar wel een ding. Een aantal projectleiders dacht ook van hoe kan ik dat nu ooit doen, nou zet een fondswerver in je team. De nieuwe manier van met fondsen omgaan is een vorm van druk denk ik. Het valt me op dat veel mensen dat voorbeeld noemen.

Rol van ICT, je moet eerst weten wat je wilt voordat je het kan maken of kopen, maar daarvoor is eerst ervaring nodig. Dus vaak loopt ICT achter op informatie behoefte. Dan gaan mensen omwegen bedenken en dat is zonde. Mensen houden het in hun eigen laptop, dan zit dat heel beperkt bij een projectleider bijvoorbeeld. Zonde.

Ook het belang van goede voorbereiding in projecten komt naar voren omdat je werkt in niet gecontroleerde omgevingen. Daarom doe je bijvoorbeeld een context analyse.

Interview Bosch (projectlid):

Iedereen voelt zich veel meer verantwoordelijk voor het eindresultaat. Je komt niet alleen even je eigen ding doen maar je bent echt deel van een team. Zij noemt ook het expertise probleem, dat je niet zomaar meer mensen spreek met je eigen expertise. De vorm van paspoorten is misschien overbodig voor huidige

werknemers maar niet voor nieuwe of externen. Maar als je het verhaal hoort van HRM is het vooral ook handig voor overzicht en beschikbaarheid. Dus het plannings functie van die paspoorten is nog anders dan het sociale functie ervan. Het is resultaat gericht maar de opzet fase, onderhandeling, is gewoon mogelijk dus je hebt ook echt wel de kans om haalbare dingen af te spreken. Er worden nooit onmogelijke dingen gevraagd. Het is wel een harder doel, maar daar gaan mensen ook harder van werken. Eerder waren mensen daar lakser in. Zij noemt dus ook dat uren aspect en dat wat je zelf kost heel inzichtelijk wordt, dat je zorgvuldiger met je tijd om gaat op die manier ook. Het is een meer ondernemende houding die de resultaatgerichtheid met zich mee brengt, maar het maakt wel inzichtelijk waar jij je tijd aan besteed. Aan de andere kant veranderd het de cultuur (waar niet iedereen zich misschien in kan vinden – HRM).

Interview Hendriks (HRM):

Heeft de transitie als geheel misschien iets te maken met de focus van ngo's? Meer economisch? Dat is voor future research.

Maar hij heeft soms gestruggled met zijn rol. Hoe het loopt in de teams is iets wat het team aangaat, maar ook waardevol als die teamleden nog wel een uitvalsbasis hebben om te zeggen wat er mis gaat of andere dingen te bespreken. Ook zijn externe blik op teams is waardevol. Maar waar grijp je in en waar niet?

Ook hij vindt het uren schrijven inzichtelijk voor je eigen efficiency.

Misschien zit er trouwens wel een soort verband tussen de manier waarop management filosofies uitwerken bij mensen. Dat het meer verantwoordelijkheid bij sommige mensen als verwacht uitpakt (positief), maar in combinatie met meer resultaatgerichtheid/bedrijfsmatige sfeer, dat het bij sommige mensen juist niet werkt.

Zelfsturing is gebaseerd op gedeelde waarden in de organisatie volgens de theorie. De lijn van de organisatie op die manier. Maar bij WD is meer zelfsturing meer resultaat. Maar in het resultaat zitten die waarden wel. Dus dat is vergelijkbaar. Van baseren op waarden komt meer commitment zegt de theorie. Maar dat komt blijkbare wel in gevaar als mensen niet tegen de bedrijfsmatige aanpak en het denken kunnen. Dat is misschien iets specifiek voor WD.

Eenzijds zorgt samenwerking (met vermogensfondsen en bedrijven) voor een sterkere verantwoordingscultuur. Anderzijds is flexibel teamverband meer zelfstandig en krijgt daarom meer vertrouwen. Hier zit wellicht een spanning.

Het heeft ook heel erg met de aanleiding te maken hoe MC verandert. In de aanleiding zie je duidelijk twee elementen: meer flexibiliteit en (als gevolg daarvan) meer specialisme. Dit resulteert in zelfsturende teams. Deze teams veranderen MC op een aantal gebieden.

- Er is een andere manier om te sturen, meer resultaatgericht. Heeft te maken met het netwerk.
- Er is een andere manier om te plannen, gebaseerd op human capital en beschikbare uren en talent.
- Er is een andere manier van feedback, namelijk grotendeels binnen het team, maandelijks met de RVB en voor issues ga je direct naar HRM (die ook aanstuurt op eigen verantwoordelijkheid). Voor grote lessen/issues is er het knowledge centre.

- Bijkomende effecten kan je meteen benoemen als het erover gaat.

- Je ziet meer elementen van stewardship, maar volledige trust blijft moeilijk. Zou het gewenst zijn?

- Het lijkt alsof de management accounting dichter bij mensen zelf komt te liggen. Hoe mensen dat vinden is een andere vraag, maar het is wel een logisch gevolg van het decentraliseren. Als je management accounting ziet als hulpmiddel voor interne beslissingen, is dat inderdaad iets dat nu dichter bij project teams ligt.

Theorie:

- Management control in NGOs weinig over geschreven. Wel wat: externe krachten vormen de functies in een NGO. Er is relatief weinig druk om management accounting informatie te produceren vergeleken met donor informatie.
- Omdat we het over een verandering hebben, is het belangrijk om te zien hoe management philosophies hun uitwerking kunnen hebben.
- Accountability in NGOs: externe accountability naar donoren kan goed effect hebben op activiteiten omdat er misschien meer focus komt te liggen op efficiency en effectiveness.
- Crowding out theorie: externe druk neemt de plek in van interne motivatie om te werken.
 - o Dit kan een theoretische middenweg aangeven tussen stewardship en agency. Monitor genoeg (vanwege externe druk) maar zorg ervoor dat je medewerkers gemotiveerd blijven (stewardship) door middel van partnership approach (?) (Hyndman)
- Stakeholder approach: ethical en positive (Quin)
- Institutional forces and NGOs.
- How is management accounting used?
 - o Levers of control; verschillende MC typologieën, formal/informal (Hall et al)

Discussie:

- De verandering zelf kan deels uitgelegd worden aan de hand van institutional theory. De druk van instanties en het systeem om subsidies aan te vragen veranderde, meer naar tendering. Meer behoefte aan flexibiliteit en daarom naar een plattere organisatie. Dus deze theorie is meer toepasbaar op de aanleiding en transitie zelf.
- De organisatie is door de transitie verschoven naar iets meer stewardship. Mensen hebben meer ownership en ook meer eigen verantwoordelijkheid om dingen zelf op te lossen.
- Toch zitten er al met al misschien nog best wel hiërarchische elementen in, maar deze kan je identificeren als enabling bureaucracy dingen, zoals repair, internal transparency, global transparency and flexibility. Ook meer informal MCS: er is ruimte voor fouten etc. (Hall et al.).
- Management accounting en donor informatie is in projectmatig werken ongeveer hetzelfde. Interne informatie die wordt gebruikt voor besluiten, zijn in feite de KPIs die ook voor donoren gebruikt worden. Ze geven nu alleen automatisch meer inzicht.
- Crowding out gevallen is in projectmatig werken minder aan de orde omdat mensen meer ownership hebben over de resultaten. Ze zijn niet echt aan het werk voor externe druk maar hebben vanaf het begin die resultaten samen bedacht en daar werken ze naartoe.
- In dit verhaal is de stakeholder houding die mensen hebben over het algemeen meer ethical geworden. In projectvorm wordt de fit tussen donor en project meer benadrukt omdat je het zelf moet regelen. Je hebt dus meer je prioriteiten duidelijk en begint met het doel. Je hebt minder druk van donoren die al iets hebben toegezegd dat gebruikt moet worden voor een bepaald doel.
 - o Is er dus een spanning tussen je vooraf gestelde doelen, wat je naar donoren wilt rapporteren en wat er eigenlijk op het veld gebeurt? Het lijkt van niet. Omdat het allemaal van tevoren op elkaar gepuzzeld wordt en op elkaar afgestemd wordt. Verwachtingen en voorbereiding zijn super belangrijk (quotes).
- Hoe management accounting informatie gebruikt wordt, is erg veranderd.
 - o Formal/informal Chenhall en Morris gele gedeeltes toepassen.
 - o Enabling coercive, die vier dingen van repair en zo gele dingen gebruiken in artikel Ahrens Chapman.
 - o Hoe verandert de werk praktijk vervolgens weer van eventuele protocollen/werk standaarden? Artikel Ahrens & Chapman, geel stukje met bron Weick.
- Ze zijn meer netwerk organisatie geworden en dat is moeilijker te sturen. Volgens Minnaar hebben ze project management software nodig zoals Asana.

Future research: resistance to accounting and organizational culture (quantitative?) Finding also indicated by Hall et al., trade off cultural and economic capital.

APPENDIX B

How does management control change with a transition to more self-management?

Framework: the management philosophy influences management control. So how did management philosophy change?

- What ideas were there behind the transition? (practical reasons)
- What does RvB think about their people? How do they work/philosophy?
- Document about philosophy (Molenaar)

This part is mainly about thoughts and reasons for transition and the intended consequences for management control, such as:

- Need for flexibility
- Need for specialism

Apart from these intended consequences, what else does happen?

- Do intended consequences also have by effects? Does the context of the consequence change? Positive by effect or negative?
 - Passports, not only to oversee people and their expertise, but also socially challenging. What if you have the expertise that is not demanded by teams? If people know you, you're good. If people don't, you have to prove yourself more because it's not going automatic.
 - Hours allocation (less focus on standard task, more insight in hours, how precise?)
 - Work pressure
 - Complex
 - Changed work atmosphere/culture
- Cumulative effects/simultaneous or consecutive actions (responsibilities project leader are strictly his responsibilities. Once taken over by HRM will lead to more exceptions. Or doing a quick chore for a colleague, can take more hours than expected).
 - So strict processes, because exceptions can undermine the way of working. Or not well thought out procedures. Learning by doing, but finding one way in this. Otherwise there will be more unintended consequences and it will be out of control.