Institutional agents missing in action?: Management accounting at non-governmental organisations


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Institutional Agents Missing in Action?: Management Accounting at Non-Governmental Organisations

Abstract

The objective of this paper is to establish the management accounting role of finance managers at international development non-governmental organisations and their role as institutional agents. Through empirical evidence from three case organisations, the management accounting role of finance managers is shown as primarily reporting on spending of specific donor grants, rather than providing insights which could help maximise the overall social impact of their organisation. This dynamic potentially limits the social impact of accounting in such organisations, and potentially in the wider sector. The findings suggest finance managers, by focusing on donor-compliance, do not act as ‘definers’ of institutional elements of management accounting.

Keywords: Social Impact; Management Accounting; Non-Governmental Organisation (NGO); Institutional Agent; Uganda.
1. Introduction

Connections between spending on direct charitable activities and the quality and quantity of charity services is unclear in public reports (Connolly et al., 2013). Such observations raise questions around whether social-purpose organisations\(^1\) like charities could improve their social impact with available resources. From extant literature (see Section Two), it is not clear if all social-purpose organisations have information to answer such questions; nor is the role played by finance managers.

Charities and other social-purpose organisations are important socially and economically (Hall and O’Dwyer, 2017). Critical research examining the interplay between social impact and management accounting – particularly through the role of finance managers – can challenge and complement existing knowledge. Social impact implications were highlighted by Hopper et al. (2009, p.493) who noted ‘anecdotal reports’ of management accounting systems of large NGOs may not reconcile with broader humanitarian values and goals, suggesting further research is needed. Hall and O’Dwyer (2017) similarly called for research on how accounting emerges in NGOs and what are the societal impacts. Drawing on such calls, the core objective here is to establish the management accounting role\(^2\) of finance managers at international development NGOs (hereafter IDNGO). The role is analysed in the context of Scott’s (2008) understanding of ‘institutional agents\(^3\)’ roles to derive the second objective, to explain how and why (or not) finance managers engage with management accounting information and tools.

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1 The term ‘social-purpose organisation’ encompasses charities, social enterprises, non-profits, and other not-for-profits.
2 Järvenpää (2007) defines three common roles – scorekeeping, controlling and business support. These are unquestioned here, as the focus is institutional agent roles.
3 Scott (2008, p.223) defines institutional agents as ‘definers, interpreters, and appliers of institutional elements.’ Broadly speaking, institutional agents translate environmental demands into organisations and transmit organisational concerns outwards (Scott, 2001).
A contribution of this paper is to explain how finance managers, in the context of management accounting (hereafter MA) and its potential social impacts, are not assuming an expected institutional agent role at IDNGOs. This contribution is derived from empirical evidence on MA at three cases and augments Scott’s (2008) understanding of institutional agents, specifically in relation to finance managers. At the three case sites, finance managers focussed mainly on donor-compliance reporting, broadly confirming Hopper et al.’s (2009, p.493) ‘anecdotal reports’. MA that could potentially deliver information to increase social impact for beneficiaries was largely absent, suggesting IDNGOs are missing opportunities to assess and improve how their programs deliver discernible social impact. This is despite each case utilising complex accounting software, employing professionally qualified accounting staff, and having substantial income.

The remainder of the paper is structured as follows. The next section details the context of the finance managers and accounting in NGOs, drawing on literature. This is followed by an outline of the methods used in the case setting (Europe and Uganda) for three IDNGOs. Then, MA at the cases is described, followed by a discussion of finance managers and the institutional agent. Some final comments conclude the paper.

2. Context and literature
To set the context of the sector and paper, extant literature on the concept of institutional agents and on accounting and accountability at NGOs is now outlined.
2.1 Finance managers as institutional agents

In MA research, institutional theories have focused on forces that can impact on/be impacted by MA (Moll et al., 2006). Several strands of institutional theory have explained change and/or stability in and around MA (see for example, Burns and Scapens, 2000; Lukka, 2007; Quinn, 2011; Quinn and Jackson, 2014; Quinn and Hiebl, 2018; Sharma et al., 2014; Soin et al., 2002). Inherent in institutional research is the duality of institutions around structure and action. The latter creates, maintains and changes institutions, and has been captured in concepts such as institutional work (Lawrence and Suddaby, 2006), institutional entrepreneurship (Battilana et al., 2009) and the institutional agent (Scott, 2008). These three concepts share some commonalties, and we acknowledge one or more could be useful to this study. However, the notion of an institutional entrepreneur is less useful here as the empirical data (see later) revealed little or no ‘highly agentic’ activity (Suddaby et al., 2015). The concept of institutional work (Canning and O’Dwyer, 2016; Clune and O’Dwyer, 2020; Lawrence and Suddaby, 2006), while potentially suitable, is similarly not adopted as its focus is more on processes of creating, maintaining and changing institutions. The notion of an institutional agent is more suited given this study’s focus on finance managers as potential agents (i.e. a focus on actors, not processes)

More than other social categories, professionals (e.g. accountants) function as institutional agents – as definers, interpreters, andappers of institutional elements (Scott, 2008). Institutional agents’ primary social function is to create, test, convey and apply normative, regulative and cultural-cognitive frameworks governing a social sphere. These three frameworks are referred to as the pillars of institutions (Scott, 2014). Although emphasis is

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It is acknowledged that institutional agents may enact institutional work.
often on one pillar, all three exist simultaneously with varying degrees of influence (Caronna, 2004; Scott et al., 2000). The normative pillar consists of values and beliefs, including informal rule systems that structure expectations and enforce mutual obligations (Scott, 2001). The regulative pillar recognises the authority of certain bodies to formally constrain and enable organisational behaviour, e.g. establish rules, inspect conformity, and sanction (Scott, 2001). The cultural-cognitive pillar points to legitimacy by conforming to a common definition of a situation, frame of reference, or a recognisable role (for individuals) or structural template (for organisations). The cultural-cognitive mode is the deepest level since it rests on pre-conscious, taken-for-granted understandings (Scott, 2014).

A starting point for new institutionalism-informed studies is an assumption that intra-organisational structures and procedures - like accounting - are shaped by external factors (Moll et al., 2006; Scott, 2001) and, organisations which operate in similar environments are subject to comparable influences. New institutionalism has been used to explain accounting practices in the public and private sectors (e.g. Adhikari et al., 2013; Lounsbury, 2008; Tsamenyi et al. 2006); to focus on the interplay between institutional and technical environments, individual actor responses to institutional pressures, and organisational change (Hussain and Hoque, 2002; Jack, 2013); and, explore social and environmental accounting (Ball and Craig, 2010). It is particularly relevant for analysing organisations with inherent uncertainties (e.g. funding from donors), which as a result compete for institutional legitimacy and market position (Tsamenyi et al., 2006).

Institutional literature has emphasised the adaptive nature of organisational behaviour, and Brignall and Modell (2000) have highlighted the need to complement this with a view of
management as an intentional and pro-active agent. Others, such as Suddaby (2010) have highlighted a need to incorporate interpretivist methods in institutionally-informed research. For this study, it is worth noting Scott’s (2014) emphasis on understanding the behaviour of individuals and organisations in context as social roles generate role-specific responsibilities towards various stakeholders (Kaler, 2003). This is manifested in a dual way - people in organisations not only represent organisational concerns to institutional stakeholders, but also transmit environmental demands into organisations (Scott, 2001).

The emergence of the modern non-profit sector has been attributed to professional influence (Hwang and Powell, 2009), implying the integration of professional ideals into the sector. Non-profits with full-time management show higher levels of professionalism, opening up organisations to institutional pressures and external expectations (Hwang and Powell, 2009). The quest for metrics in the sector remains elusive, emphasising the paradox of the declining authority of traditional professions (e.g. accounting) and the expansion of a diffuse professionalism across wider society. As formerly expressive settings like non-profits become more calculable and instrumental, broader expectations about what practices are appropriate are reshaped (Hwang and Powell, 2009). The prime carriers of professionalism in non-profits are managerial professionals (e.g. finance managers) and donors. Donors are rendering a heretofore heterogeneous mix of organisations more similar, promoting standardisation over experimentation, leading to potentially higher reliability and greater scale (Hwang and Powell, 2009). Accountants, or finance managers, have long sought to distinguish their expertise from competing occupational groups by appealing to notions of professionalism, independence, ethics, organisational commitment and claims of serving the public interest (Parker, 1994; [5]

As organisational fields professionalise, new actors emerge, but research has largely ignored the individual level at which professional identities, talents and attributes are constructed and reproduced. Professionals change institutions using expertise and legitimacy to challenge the incumbent order and define new spaces, using their influence and skill to populate a field with new actors and new identities, introducing new rules/standards that recreate field boundaries, and by using influence to confer a new social order within a field (Suddaby and Viale, 2011).

In accounting, previous studies (e.g. Greenwood and Suddaby, 2006; Suddaby et al., 2009) have focused on the ‘accounting firm’ as an institutional agent, rather than the individual. As individuals, finance managers (as institutional agents in the NGO sector) could act to infuse insightful MA to maximise the organisational social impact, and beyond to the organisational field. However, there is little empirical research on the NGO sector using an institutional lens (Claeyé and Jackson, 2012) despite funding typically coming from external bodies with associated institutional pressures (Dolnicar et al., 2008). Institutional theory has been used to explore organisational performance in the NGO sector (Tucker, 2010) and to explain elements of accounting (Goddard et al., 2016). However, such research does not embrace the notion of the institutional agent, and thus knowledge is lacking on how and why finance managers in NGOs may act as institutional agents – are they appliers, interpreters, or definers of institutional elements?
2.2 Accounting at IDNGOs

Research to-date on IDNGOs and the wider charity sector\(^6\) has concentrated on an inconclusive debate about the effectiveness of external accountability measures (e.g. Boomsma and O’Dwyer, 2018; Connolly and Hyndman, 2013; Dixon et al., 2006; Ebrahim, 2005; Edwards and Hulme, 1995; O’Dwyer and Unerman, 2007; 2008). The perceived importance and complexity of accountability has led to a sizable body of theorising the extent to which and to whom charities (and IDNGOs) are accountable (e.g. Agyemang et al., 2019; Dhanani, 2019; Dhanani and Connolly, 2015; O’Dwyer and Boomsma, 2015). The NGO-donor accountability relationship centres on control and justification, often through accounting (O’Dwyer and Unerman, 2007) and upward reporting mechanisms to donors (Awio et al., 2011). However, donor accountability requirements can undermine the organisation’s notions of goals and accountability (Everett and Friesen, 2010). A dominance of upward donor accountability may distort a NGO’s accountability priorities, and has led to perceived negative impacts on aid effectiveness (Agyemang et al., 2017; O’Dwyer and Unerman, 2007). Donor accountability encourages NGOs to focus on proven product-based approaches to development, discouraging innovative process-based approaches, such as broader social improvements (Agyemang et al., 2017). Ebrahim (2002) argued that if NGOs are to be attentive to social impact, donors must relax some financial components of reporting and support simpler, qualitative systems. The appropriate use of resources by such organisations is an on-going public concern (Agyemang et al., 2017; Connolly et al., 2012), and they are under increasing critical scrutiny to demonstrate value-for-money, identify cost-effective ways to serve beneficiaries (O’Dwyer

\(^6\) Distinctions between NGOs, charities, non-profit organisations, and similar terms are often imprecise. A standard definition of ‘NGO’ remains elusive (Amagoh, 2015; Awio et al., 2011; Valeau, 2015). In this study, IDNGOs are regarded as a sub-set of charities.
and Boomsma, 2015), allocate resources and prioritise activities (Harris et al., 2009). Such issues are the remit of MA, to which we now turn.

Researchers have noted a dearth of knowledge on MA use at IDNGOs (e.g. Goddard and Assad, 2006; Hopper and Bui, 2016) and charities (e.g. Helmig et al., 2009; Tinkelman and Donabedian, 2007; Torres and Pina, 2003). While such organisations have grown, their need to demonstrate efficiency through conventional MA is difficult to reconcile with social missions. Managers (including finance managers) at such organisations could benefit from clearer measures of output, quality, and value (Tinkelman and Donabedian, 2007). In the context of the present study, Goddard and Assad’s (2006) research on indigenous Tanzanian NGOs is a useful starting point – they suggested, in the context of organisational legitimacy, that accounting ‘appeared to have had an inconsequential impact on internal decision processes’ (2006, p.395). In later research, they suggested that accounting is a device to obtain more funds, and not of additional use to the NGO (Goddard et al., 2016). They called for research to extend the understanding of accounting across a broader range of NGOs, research using more formal theories, and for more detailed empirical analysis of accounting practices. For example, in related work, Assad and Goddard (2010) did not detail accounting, did not use the term ‘management accounting’, and their research was not from an internal accounting perspective. In general, MA research on IDNGOs and the wider charity sector has been incidental to research on, for example, stakeholder salience (Assad and Goddard, 2010), strategic planning (Harris et al., 2009), organisational effectiveness (Lecy et al., 2012), accountability (Torres and Pina, 2003), accounting manipulation (Trussel, 2003), and financial

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7 In this study, we interpret management accounting in a broad sense as the branch of accounting which ‘measures and reports financial as well as other types of information that are primarily intended to assist managers in fulfilling the goals of the organisation’ (Horngren et al., 2007, p.5).
vulnerability (Tuckman and Chang, 1991). However, the resources managed by IDNGOs increases demand for financial and non-financial information, which requires MA systems (Torres and Pina, 2003). Despite this need - to which a finance manager is central - Assad and Goddard (2010) found accounting was virtually unemployed in internal decision-making processes.

NGOs often collate accounting information for donor requirements which is not relevant to their internal needs (Ebrahim, 2005; Goddard and Assad, 2006). Operational efficiency is one aspect of how a finance manager can provide input to internal decision-making (Pierce and O’Dea, 2003). While measuring efficiency is considered important by charity stakeholders (Torres and Pina, 2003), it is under-researched and measures of efficiency are rarely reported (Hyndman and McConville, 2016). Connolly and Hyndman (2004) suggested a reason for non-disclosure of substantive performance information was it was likely unavailable. Performance reporting is not universal even in large charities, and there are obvious challenges with measuring organisational outputs and outcomes in practice (Hall, 2014; Torres and Pina, 2003). Thus, simple quantifications often substitute for meaningful measures of effectiveness or efficiency (Dhanani, 2009). For example, overhead cost ratios are used as a proxy efficiency measure (Connolly and Hyndman, 2004), even though charities can ‘manage’ such measures (Connolly et al., 2013; Tinkelman and Donabedian, 2007). The notion that donors focus on specific ratios can be explained with insights from institutional theory, as organisations whose outputs are difficult to measure face strong pressures to conform to behaviour expectations.

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8 Roberts (2005) studied the effect of the introduction of two sets of charity accounting standards in America in relation to ‘joint-costs’. The study found that even though fewer joint-costs were allocated to programs because of new rules, program-spending ratios did not decrease at the charities studied, suggesting that they manage other accounting numbers to avoid reporting a decrease in the program-spending ratio.
Therefore, if ratios are perceived important, NGOs will adopt them and the information collected becomes important because it is available (Ebrahim, 2002). However, undue emphasis on ratios induces dysfunctional behaviour (e.g. Arya and Mittendorf, 2015; Connolly et al., 2013). Nevertheless, donations are positively correlated with ‘better’ program-spending ratios, and donors use ratios in making decisions (Tinkelman, 1999; Van der Heijden, 2013). Managers therefore have incentive to manipulate program-spending ratios (Trussel, 2003), but their use continues (O’Dwyer and Unerman, 2007).

Based on existing literature, detailed research on the MA role of finance managers at IDNGOs is scarce. However, factors known to impact the role of management accountants generally include competitive environments, management expectations, culture, technological developments, cross-functional interaction, structural arrangements, physical location, accounting innovations, individual qualities, economic forces, and institutional forces (Byrne and Pierce, 2007). The next section provides an empirically-based picture of MA and the role of finance managers therein by drawing on case data from three IDNGOs.

3. Research methods
This study draws on case studies of three IDNGOs headquartered in Europe and operating throughout the developing world. A case study approach is suited to complex phenomena which defy quantitative empirical testing (Brignall and Modell, 2000), such as the subject here. The cases are named HelpOthers, BetterWorld and DevelopmentNow (anonymised). Their annual incomes ranged from €50m-€250m throughout the past decade⁹, primarily from

⁹ Source – annual financial statements 2010 to 2019 inclusive.
multiple large donors such as USAID (US government), DFID (UK government) and the European Union.

Multiple cases were selected to reflect differences in models of delivering international development which affect modes of operation, and a comparison of three cases provided an opportunity to explore operational approaches with a wider variety of management information needs; thus, MA at each case may be different. DevelopmentNow works exclusively through local partner organisations; HelpOthers works with partner organisations and directly implements; BetterWorld almost exclusively directly implements. The latter, for example, may imply greater control over operational activity, timing, spending, operational outputs, and available information. Another distinction was differing proportions of ‘restricted funding’\(^{10}\), ranging from 68% at DevelopmentNow to 98% at BetterWorld based on 2019 annual reports. Management have greater discretion using unrestricted funding, and therefore MA could be different in organisations with higher unrestricted income.

The potential social impact of the international development sector can be illustrated by the $53 billion flowing from OECD countries to Africa annually (OECD, 2019) as bilateral, multilateral and civil society aid. As mentioned, Uganda is the case setting, and it is a prime example of how international aid can have a beneficial impact (Stiglitz, 2002). The World Bank notes Uganda has achieved remarkable poverty reduction over recent decades, but a child born there today is still expected to be 38% as productive as an adult compared to an adult enjoying

\(^{10}\) NGOs receive funding from ‘restricted’ or ‘unrestricted’ sources. Restricted is where a donor specifies how money is spent; unrestricted is where management has discretion to use funds in a manner they deem most appropriate.
complete education and full health (World Bank, 2020). Uganda’s economic success from the 1980s onwards had significant influence on development thinking and on the international aid architecture (Kuteesa et al., 2010; Stiglitz, 2002), but it remains low on the United Nation’s 2019 human development index. Although each country is unique, Uganda is generally representative of the type of country that IDNGOs operate in, one that is making progress but with many challenges, and it has been a fertile setting for previous research studies (e.g. Awio et al., 2018). Uganda was chosen as the case setting mainly for this reason, and secondly because the three cases HelpOthers (€3m annual expenditure), BetterWorld (€6m annual expenditure) and DevelopmentNow (€3m annual expenditure) all have long-standing and significant activities in Uganda - since the 1970s for BetterWorld and the 1990s for HelpOthers and DevelopmentNow.

### 3.1 Data collection

Flowing from the first research objective, the empirical research comprised semi-structured interviews with eleven key informants in Europe and Uganda, averaging an hour in length. The target interviewees were the Chief Executive Officers (CEO) and Chief Financial Officers\(^\text{11}\) (CFO) in Europe, and the Country Directors (CD) and Financial Controllers (FC) in Uganda (see Table 1). This was to provide a finance manager perspective and a general manager perspective.

\(^{11}\) Job titles used in this paper are not always the exact job title of the respective interviewees to disguise the case organisations. However, the CFOs are the most senior people in the finance function at their respective organisations.
Table 1 – Key Informant Interviewees

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<tr>
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<th>General Managers</th>
<th>Finance Managers</th>
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<tbody>
<tr>
<td><strong>Europe</strong></td>
<td>1. CEO HelpOthers</td>
<td>3. CFO HelpOthers</td>
</tr>
<tr>
<td></td>
<td>2. CEO DevelopmentNow</td>
<td>4. CFO BetterWorld</td>
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<tr>
<td></td>
<td></td>
<td>5. CFO DevelopmentNow</td>
</tr>
<tr>
<td><strong>Uganda</strong></td>
<td>6. CD HelpOthers</td>
<td>9. FC HelpOthers</td>
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<tr>
<td></td>
<td>7. CD BetterWorld</td>
<td>10. FC BetterWorld</td>
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<td></td>
<td>8. CD DevelopmentNow</td>
<td>11. FC DevelopmentNow</td>
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The scope of the interviews started with a narrow focus before fanning-out into broader issues. Questions were drawn to some extent from literature (see Section 2) and covered interviewee backgrounds, their respective organisations (e.g. how would you describe your current role in the organisation?), MA practices (e.g. what accounting information do you use for internal decision-making?), broader organisational accounting issues (e.g. how do particular factors, conditions or circumstances influence how you use accounting information for internal decision-making?), and wider contextual issues for the sector (e.g. is there anything else in relation to accounting / finance in the NGO sector that you would like to tell me about or elaborate on?). Such questioning was necessary given the lack of detail on MA in the extant literature.

Pilot interviews were conducted with experienced NGO managers outside the cases to mitigate the possibility of leading questions. All interviewees were asked the same questions in order, increasing the comparability of responses and ensuring complete data for each person (Patton, 1990). Questions relating to issues like further uses of MA were not rigidly defined in order to fully utilise the semi-structured nature of the interviews and to fully capture each person’s own
perspective on MA. During each interview, new issues emerging were probed. Views raised by participants informed, but did not prejudice, interviews with later participants. This also prompted new lines of investigating literature and theory. Artefacts\(^{12}\) of interest were also examined to corroborate interview data when interviewees granted access. Furthermore, publicly available information was gathered to help corroborate empirical data (Patton, 1990).

With evidence on the nature of MA and roles from the above-mentioned interviews, twelve additional interviews were conducted through the theoretical lens of Scott’s (2008) understanding of institutional agents to elucidate the second research objective – arguably applying a more formal theory as suggested by Goddard and Assad (2006). The scope of the interviews included MA, and questions to tease out the applier, interpreter, and definer elements of an institutional agent to place the role of the finance manager in the context of Scott’s (2008) institutional agents. The collection of evidence, while designed within the framework of prior theory, should allow for new issues and theoretical ideas to emerge (Humphrey and Scapens, 1996; Scapens, 2004). In line with this, questions were designed within the concept of an institutional agent and incorporated evidence from the first round of interviews (see Section 4) to allow new issues and theoretical ideas emerge. For the second round, interviewees were the CFOs and Chief Operating Officers (COO) based in Europe, Financial Controllers in Uganda, and Program Managers (PM) in Uganda (see Table 2)\(^{13}\). All interviewees were again asked the same questions in order, in a semi-structured manner (see Appendix 1).

\(^{12}\) Artefacts included internal management accounts and reports, internal finance manuals, as well as public documents such as annual reports and monitoring/evaluation reports.

\(^{13}\) Although there is overlap in the finance manager roles interviewed here with the initial interviews, only one individual was interviewed twice due to intervening staff changes.
Table 2 – Second Round Interviewees

<table>
<thead>
<tr>
<th>Operations Managers</th>
<th>Finance Managers</th>
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<tbody>
<tr>
<td><strong>Europe</strong></td>
<td></td>
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<tr>
<td>12. COO HelpOthers</td>
<td>15. CFO HelpOthers</td>
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<tr>
<td>13. COO BetterWorld</td>
<td>16. COO BetterWorld</td>
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<tr>
<td>14. COO DevelopmentNow</td>
<td>17. COO DevelopmentNow</td>
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<tr>
<td><strong>Uganda</strong></td>
<td></td>
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<tr>
<td>18. PM HelpOthers</td>
<td>21. FC HelpOthers</td>
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<tr>
<td>19. PM BetterWorld</td>
<td>22. FC BetterWorld</td>
</tr>
<tr>
<td>20. PM DevelopmentNow</td>
<td>23. FC DevelopmentNow</td>
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</table>

3.2 Data analysis

The empirical data was analysed and coded manually in stages. During each interview and its transcription, thoughts and observations were noted. Transcripts were read without any preconceived lens or categories, and emerging themes were recorded. The transcripts were subsequently re-read considering the institutional agents roles as appliers, interpreters, or definers of management accounting. Elements matching themes were transferred to a separate document, which was probed and re-arranged gradually to develop connections and form a holistic perspective (Scapens, 2004). Data analysis occurred in five ways: 1) each organisation, 2) by head office 3) by country office, 4) by general/operational manager, and 5) by finance manager – 2 to 5 were across all organisations. This approach provided both a finance manager and a general/operational manager perspective, and interviews could be cross-analysed against counterparts in other organisations and against colleagues within the organisation. Cross-case analysis was used to draw out points of convergence and difference inherent in the three organisations (Yin, 2003).
4. Management accounting at case sites

An analysis of the core research objective (the MA role of finance managers) is now detailed, presented by each individual case initially, followed by comparisons between cases. The second objective is addressed in Section 5. All three cases operated along thematic lines, concentrating resources on a small number of priority sectors/regions to avoid spreading resources thinly. Two cases also used their own staff for projects, all had an administrative office in Kampala where senior management and finance staff were based. Operations were remote from the Kampala office. Where partner NGOs implemented programs, the accounting, accountability, and MA happened within this dynamic. Finally, operational activities were considered separate from one another within each organisation, either by geographic region or thematic program. This is noteworthy, as spending on each activity is typically connected to a specific funding stream. The main MA techniques used at each organisation are now described from unprompted interviewee responses who engaged with, or at least receive, MA information. All interviewees noted budgeting as a key MA practice, and corresponding reviews of artefacts revealed that global organisational budgets, overall country budgets, and specific program budgets included amounts allocated for non-program costs such as spending on administration. Table 3 summarises comments from interviewees who indicated that they engaged with, or at least considered, MA information.
More detail of practices per Table 3 is now provided contributing to calls by, for example, Goddard and Assad (2006) to provide more in-depth empirical data on (management) accounting in the IDNGO context.

### 4.1 HelpOthers

HelpOthers’ key MA activity can be summarised as monthly reporting to head office on spending variances against program budgets. Both CFO and COO described the monthly reports as ‘not fit for purpose’. CFO HelpOthers remarked:

> We have qualified accountants in each of our country offices, we have an accounting package in each of those. They produce management accounts on a monthly basis [...] based on the budgets for the program and the actuals. But, nobody wants that. What they want is what the donor budget is.

<table>
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<tr>
<th>Form of Conversion Ratio</th>
<th>Monitoring of Spending Variances</th>
<th>Other</th>
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<tbody>
<tr>
<td>Proportion spent on administration</td>
<td>Spending variances</td>
<td>Budgets</td>
</tr>
<tr>
<td>Proportion spend on program expenditure (direct and indirect expenditure)</td>
<td>Donor Status reports; Forecast spend-out</td>
<td>Cash flow projections; Balance Sheet</td>
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<tr>
<td>Proportion on salaries; Proportion on program support costs; Proportion on training; Proportion on headquarters; Proportion on partner capacity-building.</td>
<td>Program budget disbursements compared to activity of partner organisations.</td>
<td>Bank reconciliations; Benchmarking spend per beneficiary to partner organisations broken down by themes; Reserves; Income &amp; Expenditure Statement; Return on investment of fundraising; Grant income trends; Public donations trends; Fixed asset spot-checks report; Ad-hoc reports when needed.</td>
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<th>All Interviewees</th>
<th>Monitoring of Spending Variances</th>
<th>Other</th>
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Essentially, program managers wished to monitor spending variances against donor budgets rather than program budgets as several donors may fund programs. The desired use of MA reports versus design were thus misaligned. The field office focused on quarterly pre-formatted reporting to head office. FC HelpOthers noted:

We do allocations based on criteria like direct and indirect. It’s all pre-formatted for us by headquarters [...] Other than that we don’t really use a great deal of management accounting.

In turn, head office focused on program spending variances and collating reports from field offices. Any corrective action on spending variances subsequently occurred at field level.

As hinted above, donor-compliance was a priority at HelpOthers. For instance, CFO HelpOthers described the practical considerations in meeting donor requirements:

Donors are sometimes wildly unrealistic as to what is possible. I think with the compliance burden, that people don’t realise the sheer amount of donor obligations placed on you. It’s much bigger than for commercial organisations.

There is no integration of the demands of donors. They all have completely different reporting formats, rules as to how you can spend their money, different audit requirements. If you have a poor accountant in a country with six donors, they will in all likelihood have six different reporting periods, six different reporting formats, six different sets of rules.

This issue with accounting reports was confirmed by Ugandan managers, who proposed the accounting system be designed around donor reporting instead of head office. There was also a level of frustration about the role of the finance managers in HelpOthers. For example, the CFO argued:

To me there is no point in even signing a contract with a donor for a project if the compliance requirements involved are bonkers [...] you are going to have to jump through all of these hoops, and are you willing to do that? I find in HelpOthers they are willing to do that, but they are not the ones that have to do the work. So you have a massive on-going tension [...] nobody is thinking someone is going to have to spend five days doing that report.
4.2 BetterWorld

BetterWorld’s key MA activity can be summarised as monthly spending variances to ensure donor funding is spent in time. BetterWorld had a strong focus on procedures, and on ‘spend-out’ (spending all funds within a time-period). FC BetterWorld explained:

> We have a responsibility to spend-out our grants. If we don’t, it may obviously have consequences for further funding [...] Everybody is focused on spend-out and making sure you’re spending your grant. For me, that’s only part of the picture. The big picture is whether we’re implementing as we’re supposed to be [for social impact].

A focus on spend-out could potentially discourage efficiencies by not spending an entire grant in the ‘best’ way - however, once spent, the organisation can often receive additional funds. The field office in BetterWorld focused on monthly updating of a standardised ‘donor status report’ for head office, which monitored spending variances. Head office focused on global consolidation of all donor status reports. Field offices in BetterWorld updated their forecasts for spend-out of donor funds as part of this process.

Monitoring and evaluation of operational outputs and outcomes was also important at BetterWorld, something which could contribute to more sophisticated MA. Despite this potential in linking operational data with financial data, PM BetterWorld remarked from a field perspective ‘I don’t use any [MA] in my role’. It was in this context that CFO BetterWorld emphasised efficiency:

> Value-for-money is the key buzzword [...] there has to be little or no tolerance for inefficiencies because it can impact donor relationships.

While emphasising value-for-money, CFO BetterWorld only mentioned the spend on administration. At a field level, the picture was replicated, as FC BetterWorld stated:

> We would sometimes do cost analysis, very rarely, to see where we are getting better ‘bang for our buck.’
CD BetterWorld echoed this:

I would like more analysis, particularly on our directly-implemented programs [...] how much does it cost per beneficiary to do that? So the kind of thing we do with our partners, it would be very nice if we could do the same with our directly-implemented programs [...] we have the information and could do a lot more with it.

One reason CD BetterWorld cited for the level of analysis was the funding structure in the IDNGO sector – ‘it’s shorter-term funding, you tend to be very busy implementing’. These quotes provide clues as to reasons why finance managers may engage less in the type of role that could be expected, in that the funding structure from donors to IDNGOs is predominantly ‘restricted’. This funding structure may be encouraging a focus on spend-out by finance managers, with an emphasis on external compliance reporting.

4.3 DevelopmentNow

DevelopmentNow had the best MA information capabilities with a recently-implemented global, real-time software system. However, even here, the key MA activity focused on spending variances and controlling deviations. The field office in DevelopmentNow also focused on monthly standardised reporting of spending variances of donor funds to head office, and versions of overhead ratios. Corrective action occurred at field level based on spending variances. FC DevelopmentNow described their internal accounting as follows:

We have two types of budget, program and administration. We also have the program split into grants partners, and program-monitoring costs, which are ancillaries. I don’t think we really use other things other than the budget and actual.

CFO DevelopmentNow further explained:

The field office do the reports, and they’re checked. So, the pressure is on our field offices. Finance in headquarters only really have a systems role [...] more on [funding] applications really, where you have time being taken up on donor proposals.
This quote draws out several issues. MA could possibly be more effective at field level where the reports are composed, rather than at head office. However, CFO DevelopmentNow’s stated priority was developing the capacity of ‘national’ (non-expatriate) finance staff at field level. Therefore, staff capacity for MA was questionable.

CFO DevelopmentNow espoused moving beyond spending variances to a balanced scorecard approach. Aside from spending variances, virtually all internal key performance measures linked to overhead ratios, e.g. administration spending to total expenditure. Such measures fail to marry social impact with spending. A proliferation of measures at DevelopmentNow could be over-compensating for a lack of tangible measurements of performance. DevelopmentNow’s relative focus on broader social-change activities means tangible measurements were harder than for infrastructural projects (Fowler, 1997). The challenges involved in identifying and quantifying the outputs and outcomes of DevelopmentNow’s activity - typical of IDNGOs - could be another reason why finance managers prefer to concentrate on aspects they are more comfortable with and where colleagues demand it – i.e. tracking spending variances.

4.4 Overview of management accounting at the cases

There is evidence in all three cases of constraints on local flexibility in MA, due to the pre-formatting and standardisation of reports/accounting systems. This standardisation is another potential reason why finance managers play their current roles in the context of MA - particularly at field level in Uganda - where more sophisticated MA could have a greater social impact. Notably, the finance managers in HelpOthers asserted that their MA reports do not contribute to decision-making as financial considerations were secondary to development
priorities. However, head office managers (CEO, COO, and CFO) in DevelopmentNow noted that financial considerations became more prominent as funding opportunities decreased, and all interviewees in DevelopmentNow demonstrated comparatively higher cognisance of MA, aided by better quality information from their new software system.

Interestingly, participants expressed a need to demonstrate social impact without directly linking to efficiency measures. None of the cases employed an Enterprise Resource Planning (ERP) system (or similar) to automatically link operational and financial information. The measurement of operational data provided by ‘monitoring and evaluation’ exercises created potential for calculating efficiency by part-quantifying operational impact, outputs, and services rendered. BetterWorld were even introducing data analytics software that draws on field data to enhance their work. Such quantification of operational data could be linked to financial data. This disconnect between systems mirrored a corresponding two-way disconnect between finance staff and program staff in all three cases. For example, at field level, there was poor financial literacy among program staff, while the finance team failed to adequately translate financial reports for program staff. In addition, capacity in staff numbers and staff ability was lacking in finance teams at field level, thereby potentially limiting the scope for MA.

Nevertheless, accounting software and professional expertise (at higher management levels in Uganda and at head office) existed in these organisations to extend MA. Yet, there was no evidence of anything beyond what has been described earlier (see Table 3). Overall, this illustrates MA at the cases is somewhat limited. Accounting at the cases was primarily for maintaining relationships with external stakeholders (e.g. donors), rather than for internal
purposes. Notwithstanding some staff capacity challenges in Uganda, there was no technical reason for MA being relatively limited. As noted, across all three cases, MA comprised mainly budgeting and spending variance reports, with little evidence of internal measures of efficiency. For example, CFO BetterWorld noted how ‘we don’t work out yields or various connotations or have processes. It would literally be reporting and reflecting spending in the field’. This is despite an emphasis on efficiency and a results-based culture becoming more pervasive, against a backdrop of decreasing funding and greater donor influence on NGOs (O’Dwyer and Boomsma, 2015). The commonly-cited proxy measures of efficiency used by external stakeholders (Callen et al., 2003) were monitored internally at all three cases. Although regarded as important by NGO stakeholders, the proportion spent on administration or on charitable activities fails to reflect the quantity, quality, and value of social impact, or of organisational strategy (Tinkelman and Donabedian, 2007). Accordingly, relationships with external stakeholders like donors appear important, as internal measures mirror those cited by external stakeholders.

Such relationships with external stakeholders led to a recurring trend with interviewees of a focus on procedures. This strong focus stemmed from regulative forces (coercive enforcing rules) in the institutional environment. For example, PM HelpOthers remarked:

The program people would feel that the finance and procurement people don’t have a full understanding of the realities on the ground, and that they just want the rules and regulations followed.

Overall, compared to operational managers (especially in Uganda), finance managers demonstrated a positive approach to stakeholders\(^\text{14}\), trying to ‘manage’ important stakeholders.

\(^\text{14}\) An ethical approach is where NGO managers try to be fair to all stakeholders through genuine stakeholder participation (Dhanani and Connolly, 2012), while a positive approach is where NGO managers put effort into ‘managing’ a key stakeholder in the best interests of the NGO (Hyndman and McMahon, 2010).
Finance managers assumed that activities in Uganda align with their NGO’s mission, and viewed compliance as benefiting beneficiaries, because compliance ensures continued funding. This reconciles finance managers’ assertions of intrinsic motivations (i.e. a normative influence) with their outward concern for compliance (i.e. a regulative influence).

With increasing expectations for transparency by the public and donors, another commonality across the three cases was donors regularly auditing the organisations, as highlighted in the following:

> We have our own annual statutory audit, and an annual statutory audit in each of the fields, which feeds into the consolidated financial statements. But we’ve on-going audits with donors like USAID, EU, DFID. It’s continual, and out of those audits you’ll get recommendations, and we’ll have to complete management responses (CFO BetterWorld).

> We had the external auditors in, and they had enormous demands, going back over programs of the last 4 or 5 years. They looked for over 3,000 bits of validations of information (COO HelpOthers).

> They [donors] want to get a report. They want to know why we didn’t do this. Donors are following everything that NGOs are doing. I think it’s [compliance] becoming extremely important (FC HelpOthers).

This context reflects what finance managers in Uganda (e.g. FC DevelopmentNow) and even in Europe (e.g. CFO BetterWorld) mean when they mentioned ‘efficiency’ - it is linked to donor-compliance with specific funding stipulations (e.g. obtaining quotes from multiple suppliers, administration spending parameters) - rather than achieving better value-for-money by maximising social impact in a broader sense from available resources. This matches the continued prominence of spending variances, and engagement with substantive efficiency (i.e. social impact for the resources used) is consequently neglected. CFO HelpOthers illustrated this dynamic:

> The ‘leakage’ in money is where program managers could spend better. They follow correct procedures such as sign-offs etc. But, they could get better value-for-money on
the 90% of resources spent on overall programming. But, finance doesn’t have much impact at that level in HelpOthers. Finance doesn’t have the same level of input in organisations in the NGO sector as it does in the commercial sector.

Indeed, the spend-out phenomenon may illustrate a disincentive for efficiency – you save money but jeopardise subsequent funding levels. The substantive efficiency of spending on charitable activities therefore becomes side-lined.

In summary, all three organisations were primarily concerned with donor reporting. However, this broad outward appearance of homogeneity belies certain distinctions. Internally, finance managers in BetterWorld perceived their role as more top-down, with finance managers in DevelopmentNow perceiving their role more as ‘support’, and finance managers in HelpOthers in-between. Furthermore, overall, finance managers perceived MA to be less central or useful than general managers do.

4.5 Infusing management accounting further

The empirical data revealed limited MA and little demand to further develop or enhance it - only a few participants indicated such a preference. For example, FC HelpOthers suggested it would be ‘more meaningful’ to combine operational information with accounting information. FC BetterWorld and CD BetterWorld similarly noted they could ‘do a lot more’ with the financial data available, but equally ‘there are time constraints for all of us’. COO BetterWorld indicated they were investigating more sophisticated value-for-money analysis, illustrating a desire to develop their financial analysis. However, rather than normative forces (i.e. morally-governed and socially-obligated) driving this, it was based on a positive approach in trying to ‘manage’ a key stakeholder.
Although there was broad recognition of possible benefits to incorporating more sophisticated MA - such as improving substantive efficiency and maximising social impact - finance functions remain focused on donor-compliance. While the relative absence or ambiguity of NGO social impact measures (Cordery and Sinclair, 2013; Lecy et al., 2012) could help explain the relatively limited nature of MA, equally little demand existed internally or from external stakeholders to rate the most efficient activities (compared to other activities, geographical areas, and across time periods) or to aid innovation.

Another potential reason is the role finance managers play at NGOs. Surprisingly, the findings from the cases do not tally with Scott’s (2008) understanding of an institutional agent. Finance managers at the cases would ordinarily be considered institutional agents. Evidence could be expected of professional expertise and influence being applied beyond compliance reporting for donors – ordinarily reflected in observations of finance managers providing insightful information, proposing ideas, and influencing decision-making both within and outside their respective NGOs for the utility of all stakeholders. ‘Professionals, at least in their collective capacity, often embrace and espouse positions […] to advance the collective good’ (Scott, 2008, p. 223). Therefore, an extension of our present understanding of institutional agents – specifically for finance managers at IDNGOs – can be considered. The next section explores why finance managers at the cases seem to not act as institutional agents.

5. Finance managers as institutional agents - or not?
IDNGOs grapple with issues like deciding whether and how to pursue new activities or innovations before funding is secured; weighing-up the optimum level of resources to allocate for effective administration on an ongoing basis; whether investment in a non-charitable
activity like fundraising could improve the overall social impact of the IDNGO in the longer-term; calculating the organisational reserves to retain rather than spend on beneficiaries; or, strategically rating activities as efficient (the social impact for the resources used) compared to other program themes, across geographic areas, and across time periods. With so many competing demands for the limited resources at IDNGOs, managers require information and tools to inform such decisions and understand their consequences – a task of MA – and this is a scenario where a finance manager should be ideally placed to materially contribute to the organisation’s aims and engender greater positive social impact.

In this light, drawing on Scott (2008, p.228), a finance manager (as a professional) can be expected to act in a given institutional setting along the following lines:

The largest proportion of those who make up a professional occupation are those who apply professional principles to the solution [...] the more experienced clinicians do not simply apply mechanically their textbook remedies, but rather more or less creatively adapt their generalised principles to the specific problems confronted. In doing so, in a case-by-case incremental fashion, clinical professionals, like carriers, participate in the creative process of proposing new distinctions, measures and methods in a ‘bottom-up’ incremental fashion.

Relating the above to the earlier definition of an institutional agent - appliers, interpreters, and definers of institutional elements - it can be expected that finance managers as professionals would apply general MA principles, but also generate (define) more specific tools. However, the empirical findings illustrate that finance managers at NGOs do much less (if any) of the latter, for example FC HelpOthers conveying that:

I personally think it’s [MA] rather peripheral. A lot of the decision-making is really contingent upon our donors [...] so the management information is really just a record of what has been spent against that budget [...] it doesn’t really aid decision-making.

Finance managers are not, for example, creating innovative improvements through insightful MA, using their initiative for local flexibility or pro-actively aiding continuous organisational
learning. This, in turn, implies that MA is contributing less than it potentially could to increase social impact for beneficiaries. Instead, finance managers are pre-occupied with pre-formatted compliance reporting to head office and/or donors; that is, they are appliers of a set of accepted practices.

Additionally, finance managers’ input into operations and strategy was relatively weak, and they found it challenging to integrate contributions beyond their own departments - similar to observations on MA in small businesses (e.g. Marriott and Marriott, 2000). CD BetterWorld, for example, stressed the benefit of having a financial controller who can communicate better with colleagues compared to predecessors. Thus, in summary, it would seem finance managers at the cases were interpreters and appliers of institutional elements, not definers. That is, they interpret the institutional environment, determining donors’ information needs are paramount for accounting, and produce information accordingly (i.e. as an applier). We now explore why this appears to be so, or put another way, how finance managers in the IDNGO sector may not be acting as ‘the most influential, contemporary crafters of institutions’ (Scott, 2008, p.223) in a MA context.

As noted by institutional writers (Scott, 2014; Williamson, 2000), institutions may be influenced or changed by internal or external factors. Scott (2001) noted organisations strategically respond to their institutional environment by shaping institutional requirements and redefining it. MA is largely accepted as an institutionalised practice in the literature, and thus subject to change/stability in a similar sense to institutions. From an institutional agent perspective, it would be expected that finance managers draw on professional experience and
be definers of MA. Certain finance managers at the cases did reveal some leaning towards a
definer role, for example:

One of the improvements we could make is to generate things from metrics like value-added and cost-benefit analysis […] I would like to see more of a graphical interface, more data metrics to benchmark against different projects, performance and cost-per-beneficiary (FC HelpOthers).

I would like more of what I call ‘management intelligence’ where we cost what we’re doing more cleverly (FC BetterWorld).

However, in the cases, it was donor (i.e. external) requirements which seem to define MA. One reason for the lack of institutional agency by finance managers may be that the finance function in two of the three cases was not represented on the senior management team; in contrast, COOs were part of the teams. Also, it was primarily non-finance managers suggesting ‘pushing back’ at donors, not finance managers, as revealed in the example quote below:

We have a lot more financial oversight than we have programmatic oversight. We wouldn’t be wanting anymore! [...] what we’re about is really implementing programs. Your systems need to help you do that. Sometimes your systems can be a little bit over-burdensome [...] I would certainly be pushing back against any more compliance (CD BetterWorld).

In contrast, finance managers advocated for donors’ stipulations internally:

The donor requirements are set out at the start of a program. We will always seek to comply with those requirements (CFO DevelopmentNow).

My emphasis is always to make sure that we deliver according to donor expectations (FC BetterWorld).

My own role would be to make sure that we are getting the reports to them [donors] in time and we are following their guidelines […] we just have to do it (FC HelpOthers).

Such evidence points to finance managers not acting as ‘defining’ institutional agents as envisaged by Scott (2008). They are closer to appliers; that is, they act out accounting as required by donors, to the possible detriment of defining MA which could increase social impact. Their focus on compliance and standardisation negates them as a definer of institutional
elements (i.e. MA practice). Their operational counterparts held a different view - COO HelpOthers and COO BetterWorld advocated strongly for greater innovation in their organisations and in the wider IDNGO sector - standing in contrast to their finance counterparts in applying ‘professional principles to the solution of problems presented by individual clients or by specific problematic situations’ (Scott, 2008, p.228).

The dynamics noted here result in potentially sub-optimal social impact for beneficiaries; that is, the social impact of MA in the case IDNGOs is not necessarily at its potential best. Finance managers do have potential to act as definers of institutional elements by drawing on their professional experience, however, the case evidence suggests the IDNGO institutional environment crowds-out scope for this in a MA context. It has been shown that external interventions crowd-out intrinsic motivation if individuals affected perceive them to be controlled (Frey, 1997). In an IDNGO context, (external) donors prefer projects that are administratively-convenient and easily-monitored – e.g. physical infrastructure projects (Fowler, 1997). This helps contextualise why finance managers at IDNGOs, and the IDNGOs themselves, focus on ongoing accounting for donor-compliance rather than on insightful MA. Thus, the transformation of potentially socially-beneficial practices into monetised practices under structuring assumptions of self-interest (meeting donor requirements) crowds-out other motivations for socially-beneficial practices (Frey and Jegen, 2001; Sullivan, 2017). Thus, in an upward conception of accountability (Agyemang et al., 2017), the donor, by appealing to monetary needs with each round of restricted funding, may crowd-out a less extrinsic motivation for longer-term self-improvement by an IDNGO, which can be facilitated by a finance manager’s more insightful input. To give some examples of more insightful input, in the cases, there was an intrinsic motivation of finance managers to help deliver the social impact objectives of their IDNGOs (see Section 4.4). This could facilitate the aspirations of
COOs to drive innovation in their respective IDNGOs. To give examples from outside the cases here, beneficiary participation in budgeting could be examined (O’Leary, 2017), or we could point to the recent launch of a Green Impact Fund\textsuperscript{15} which combines the elements of climate action, social impact, and financial returns for funders.

Institutionalised concepts of performance, such as those detailed, have restrained the imagination, intuition, and flexibility which were the success of organisations such as the cases here (Agyemang et al., 2017). Donors have increasingly prioritised economic performance over social imperatives (Dhanani, 2019). Consequently, the institutional environment limits the role of a finance manager to less than what Scott (2008) describes for a professional as an institutional agent, at least limiting the definer element. In a definer role, institutional agents transmit organisational concerns outward to external stakeholders (Scott, 2001). For example, Ebrahim (2002) observed that professionals hired by NGOs sometimes evolve into instruments of resistance to donor intervention by virtue of their role as ‘experts’ - scant evidence of this emerged from finance managers at the cases. Institutional agents can also play the role of interpreter and applier. As interpreters, they translate environmental demands into organisations (Scott, 2001), and the cases show finance managers perform this role through their taking on board of donor reporting requirements. As applicers, they apply this interpretation with MA reports to comply with donor expectations. For finance managers to be institutional agents as Scott (2008) envisaged, Ebrahim’s (2002) observation is relevant. Finance managers could individually evolve into greater organisational advocates to salient external stakeholders (e.g. to donors or regulatory standard-setters). Over time, finance managers could collectively, through their respective IDNGOs, reshape institutional

\textsuperscript{15} \url{www.vitagreenimpactfund.com}
requirements, redefine the institutional environment, and thus ‘reshape the landscape’ (Hwang and Powell, 2009, p.182).

The findings also raise some questions about Suddaby and Viale’s (2011, p.427) assertion that professionals have ‘developed a schizophrenic ability to conform to the pressures of their employing organization while, simultaneously, using the resources and power of the organization to initiate profound social change at the level of the organizational field’. In the cases, finance managers focused heavily on donor-compliance, and by and large, did not provide illustrations of initiating social change. As this research was not focused on investigating how resources are used to generate change inside or outside an organisation, it could make an interesting avenue for future research (see Section 6 later). In this vein, it is worth noting how institutional forces which shape MA are vulnerable to evolution (e.g. Goddard and Assad, 2006, Hiebl, 2018). Changes in the institutional environment away from ‘restricted’ forms of funding could lead to an evolution of MA at IDNGOs, as well as an evolution in the role of the finance manager to incorporate the definer component of an institutional agent. A key mechanism by which professionals advance their professional projects is the colonisation of new intellectual and economic space (Abbott, 1988). This process can occur internally as professions expand their expertise and knowledge base by defining new practice areas (Abbott, 1988). While this study suggests that finance managers at NGOs are not acting in this way, a redefined NGO institutional environment could provide greater scope and relevance for MA and consequent evolution of the role of finance managers.

MA is an important resource not only for legitimising institutional change ex-post, but also in identifying a need for change, gaining others’ support, and implementing change (Hiebl, 2018).
Whether or not this can (or should) happen is beyond the scope of this paper. However, professionals have power to effect change through their expert knowledge and ‘social skill’ in influencing social order within a field. This makes professionals uniquely qualified to engage in the ‘institutional work’ of creating, maintaining, or altering institutions (Suddaby and Viale, 2011). Finance managers at the cases engage primarily in ‘maintaining’ institutions on behalf of donors – even though donors often have a self-interested agenda to promote (Hopper et al., 2017). More provocatively, it could be contended that finance managers are maintaining a hierarchy on behalf of the ‘elite’ stakeholder of the IDNGO sector by focusing on ‘upward’ accountability. In this regard, finance managers are appliers of the status quo, and the consequences of finance managers not acting as ‘definers’ means the international development sector is losing opportunities to hear and implement insights on greater positive social impact from centrally-placed professionals. This paper illustrates that finance managers at IDNGOs could fully function as institutional agents as envisaged by Scott (2008), but do not. They have professional expertise, software systems, and the ability, but are constrained to interpreting the donor-dominated institutional environment and applying donor accounting requirements.

6. Final remarks
Accounting researchers have played (and continue to play) a substantive role at an organisational level toward international development aims, and there is potential to contribute significantly to its challenges (Bebbington and Unerman, 2018). Through access to three cases with rich empirical data (c.f. Goddard and Assad, 2006), this paper highlights that MA which could underpin increased/maximised social impact for beneficiaries is lacking. Scott (2001) did not note the NGO sector as a field where institutional theory had contributed to our understanding, and little empirical research has been conducted using institutional theory in the
NGO sector (Claeyé and Jackson, 2012). The findings here (see Sections 4 and 5) suggest that finance managers in an IDNGO context act less as ‘definer’ agents than envisaged by literature (Scott, 2008). By focusing on donor-compliance, the definer of practices role is not apparent, and insightful MA that could improve social impact is lacking. This anomaly may be explained through influences from the IDNGO institutional environment, including the ‘restricted’ nature of funding in the sector, standardisation rather than local flexibility, the practice of ‘spend-out’ of grants, and compliance and donor reporting.

Thus, the IDNGO institutional environment crowds-out the ‘definer’ institutional agent role that a finance manager as a professional accountant would typically assume. While the pillars of institutions as defined by Scott (2014) are expected to constrain behaviour, the duality of structure and action within institutions implies institutional agents can initiate change. Specifically on finance managers at IDNGOs, as noted earlier it could be expected that these agents be definers of institutions, supported by their professional knowledge and background. Based on the findings here, donor-compliance reporting appears as an embedded structure quite resistant to change, even from professionals such as finance managers. The study also highlights the impact of the MA role enacted by finance managers on the delivery of socially-orientated services, and how it influences their operation and development. It simultaneously also shows an instance where accounting could make a progressive social impact. Accounting research needs to be socially and institutionally contextualised, and without a persistent focus on social and organisational settings, potentially wider societal contributions are lost (Parker et al., 2011). As Hopper et al. (2017, p.125) noted, ‘better accounting will not solve poverty, but it is an essential, if neglected, cog’.
The outcomes of this research are reminiscent of an older debate on MA where the relevance of MA was questioned (Johnson and Kaplan, 1987), particularly in contexts where measurement is challenging (Chenhall and Langfield-Smith, 1998). This critique resulted in attempts to redirect the focus of MA from number-crunching to strategic context and commercial awareness (Chenhall and Langfield-Smith, 1998). It is hoped that this paper, by highlighting the incomplete acting out of a finance manager’s role, may prompt some debate on how finance managers can become definers of MA, and in turn through better decision-making information, improve the social impact of IDNGOs.

This research has some limitations. First, it is based on a study of three IDNGOs in one developing country (i.e. Uganda), so it is not fully conclusive or generalisable. Second, the interpretive nature of qualitative case study research has in-built limitations (Parker, 2011). Third, the research design did not incorporate perspectives of donors, beneficiaries, and other external stakeholders, as such a broad perspective was beyond the scope of a single study. Future research could be enriched by incorporating the perspectives of donors and other stakeholders. Evidence collected from such additional sources may reveal detail on processes in the sector, and an institutional work approach could be useful in this regard.

Literature on the MA role of finance managers and/or MA at IDNGOs, the techniques being used, and the outcomes of such techniques remains scarce. More studies could be conducted into other charities, not-for-profits or the public sector confirming, contradicting, or building on the understanding of a finance manager as an institutional agent in those contexts. Alternative perspectives such as literature on professions could enlighten other aspects of a
finance manager’s role (e.g. Ahmad and Taylor, 2009; Burkert and Lueg, 2013; Zoni and Pippo, 2017; Zorn, 2004).

There is also a normative question of ‘how can accounting be improved at NGOs?’ Future research could encompass issues like accountability and include MA, the internal use of accounting information, and the role of the finance manager. For example, future studies may address questions such as could more MA contribute to the strategy or model of an IDNGO?; could MA influence program themes to concentrate on?; which countries/geographic areas to concentrate on?; why is the IDNGO performing better/worse? Taking this a step further, future research could subsequently investigate the cost-benefit of additional MA; and investigate MA stability and change at IDNGOs, or investigate the current/potential role of the finance manager as a ‘definer’ institutional agent. Such issues, if then communicated to practitioners, could ultimately increase the social impact of IDNGOs.

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Appendix 1 – Illustrative interview questions:

- what are the top priorities of your own role?
- what do you see as the top priorities of the management group as a whole?
- in what way does your performance contribute to organisational goals?
- what management accounting do you use?
- when the organisation is awarded funding for a project / program, how much emphasis do you as an individual in your own role place on 1) delivering for the beneficiaries in the most appropriate way, and 2) maintaining a relationship with a donor?
- how do the dynamics of achieving the mission of your NGO in the most appropriate manner and the modern deadlines / reporting / efficiency pressures in the NGO sector play out in terms of your own role?
- do your colleagues appreciate your perspectives and your concerns?
- would you say that operational priorities and financial priorities generally align with each other or compete with each other in your NGO, and explain why?