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# Forming mixed-type inter-organisational relationships in Sub-Saharan Africa: The role of institutional logics, social identities and institutionally embedded agency

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## ABSTRACT

Neo-liberal reforms in Sub-Saharan African countries, under pressure from international donors, have increased the number of mixed-type inter-organisational relationships in their public sectors. However, existing accounting studies often ignore the role of institutional environments and institutionally embedded agents in shaping these relationships. This is an important omission in Sub-Saharan Africa given its institutional complexity. This paper reports a case study of a national public pension fund in a Sub-Saharan African country which invests in real estate developments through mixed-type inter-organisational relationships. We show how it develops new inter-organisational management controls by selectively coupling its private sector and public sector logics at the organisational level, while at the individual level institutionally embedded organisational actors, drawing on social identities which enact societal-level logics, can impede (and possibly subvert) these controls. For this purpose, we develop a conceptual framework by drawing on the institutional logics perspective, and especially microfoundations provided by Thornton and her colleagues, which recognises institutional logics at various levels and highlights the importance of social identity and embedded agency. We argue that, rather than implementing the 'best practices' from developed countries, research should look for *African solutions* which build on and adapt traditional institutional logics and practices.

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## 1. Introduction

In recent years neo-liberal economic reforms, including New Public Management (NPM), have been implemented in numerous African countries, especially countries in Sub-Saharan Africa, often with the assistance (and sometimes at the insistence) of international donors, such as the World Bank and the International Monetary Fund (Lassou & Hopper, 2016; Lassou, Hopper, Soobaroyen, & Wynne, 2018; Tsamenyi, Onumah, & Tetteh-Kumah, 2010). This has resulted in an increasing number of private sector practices being used in the governance of public sector organisations in these countries. These private sector practices tend to be those which are perceived to be the 'best practices' of successful companies in developed countries, predominantly in the West. However, these practices are often implemented

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(sometimes at the instigation of donors) without proper consideration of the historical and cultural context of African countries. As Harrison (2005: 254) points out, when talking about the recent neo-liberal reforms, “[t]he [World] Bank takes no cognisance of specific ethnic or national histories whatsoever. All states are rendered as tabula rasa for new reforms.” Furthermore, Africa tends to be regarded monolithically, with scant consideration given to the diverse realities of its many and varied countries (Lassou, Hopper, & Ntim, 2017). In this paper we will argue that, when they are promoting economic reforms in Africa, international donors should recognise the social, cultural and institutional contexts of individual African countries and seek African solutions to African problems, rather than imposing so-called ‘best practices’, which have emerged in the quite different socio-economic settings of Western developed countries. To do so, we will analyse a case study of the management control of mixed-type inter-organisational relationships (IORs) in a Sub-Saharan African country.

Mixed-type IORs are an area where research has documented high failure rates (see e.g. Jamali, 2004; Tsamenyi, Qureshi, & Yazdifar, 2013). The reasons for the failure of IORs are often attributed to the selection of the wrong partner (Hitt, Dacin, Levitas, Arregle, & Borza, 2000), the deployment of inappropriate inter-organisational management controls (IOMCs) (Groot & Merchant, 2000; Tsamenyi et al., 2013) or their inefficacy (Dekker, 2004; Tomkins, 2001). However, in the context of developing countries, it has also been argued that management controls are influenced by the institutional environment (Damayanthi & Gooneratne, 2017; van Helden & Uddin, 2016). Unfortunately, the majority of studies of IORs focus on the organisational level (Marchington & Vincent, 2004) and give relatively limited attention to the role of other elements of the institutional environment and/or the actions of individuals in shaping the IORs (but see Reay & Hinings, 2009; Saz-Carranza & Longo, 2012). Much research on IORs implicitly assumes that *organisations* (rather than individuals) make decisions about IORs and are based on rational economic calculations, thereby ignoring the agency of organisational actors and/or the wider institutional environment in which they are embedded (see e.g. Barretta & Busco, 2011; Caglio & Ditillo, 2008; Marchington & Vincent, 2004; Saz-Carranza & Longo, 2012). We believe the reasons for the failure of many IORs, especially in developing countries, including those in Sub-Saharan Africa, lies more in their institutional environments and the agency of embedded actors, than in the use of inappropriate or inefficient management controls (cf. Bryson, Crosby, & Stone, 2006).

The overarching aim of the study is to explore the influence of the institutional environment and the agency of embedded actors on mixed-type IORs in Sub-Saharan Africa. To do so, we draw on the institutional logics perspective (Friedland & Alford, 1991; Thornton & Ocasio, 2008; Thornton, 2004; Thornton, Ocasio, & Lounsbury, 2012) and, in particular, Thornton et al. (2012) microfoundations (2012: Chp 4) which recognise that the institutional environment comprises logics at the societal, organisational field, organisation and individual levels. Although the institutional logics perspective highlights the importance of embeddedness at these different levels, and also the need to understand the behaviour of both organisations and individuals, as embedded in, and influenced by, their societal context, few studies deploy a multi-level institutional analysis (Thornton et al., 2012; Zilber, 2016). This has led to criticisms of institutional logics research for ignoring the micro-processes through which organisational actors enact and thereby reproduce institutional logics, and consequently for underplaying the complexities involved (Quattrone, 2015). We respond to such criticisms by deploying a ‘bottom-up approach’<sup>1</sup> and explaining “how institutional logics work on the ground” (Zilber, 2016: 141).

A bottom-up approach will enable us to gain an in-depth understanding of the impact of institutional logics (at the societal, organisational field, organisational and individual levels) on mixed-type IORs and to understand how these logics shape the IOMCs enacted by organisational actors (at the organisational and individual levels). As we will explain further in the next section, we will draw specifically on Thornton et al. (2012) Chapter 4: “Microfoundations of Institutional Logics”, which highlights the social identities of organisational actors and their institutionally embedded agency. In addition, we recognise the impact of the institutionally complex environment at the societal and the organisational field levels (see Thornton et al., 2012: Chp 7).

Neo-liberal reforms have increased institutional complexity in Sub-Saharan Africa, especially in relation to mixed-type IORs, where public and private sector organisations, with their different institutional logics, interact with each other. Due to this increasing institutional complexity, Sub-Saharan African countries provide an interesting context for researching the way in which the institutional environment shapes IORs and their management control, while at the same time enabling us to study how institutional complexity in Sub-Saharan Africa affects the implementation of the NPM practices which international donors are pressuring them to use. As called for by IOR researchers, such as Barretta and Busco (2011), Caglio and Ditillo (2008), Marchington and Vincent (2004) and Saz-Carranza and Longo (2012), we will explore how institutional logics affect mixed-type IORs and the role embedded agents play in the enactment of these logics. In addition, we will explore how these logics shape the identities and embedded agency of organisational actors (see e.g. Meyer, Egger-Peitler, Höllerer, & Hammerschmid, 2014; Skelcher & Smith, 2015; Thornton et al., 2012) and how they, in turn, shape the formation and ex-ante management control<sup>2</sup> of mixed-type IORs.

We will do this through a case study of the organisation which manages the public pension fund in a Sub-Saharan African Country (hereafter SSAC—for confidentiality reasons). The institutional complexity of SSAC provides an interesting and relevant context in which to address the following research question:

<sup>1</sup> For a comparison, see Saz-Carranza and Longo (2012) who seem to deploy more ‘top-down approach’ in their study of public-private joint ventures.

<sup>2</sup> This paper is a part of a larger study and here we focus on the process of setting up IORs and the management controls used in this process, which we call ex-ante IOMCs. We do not look at the management controls used later in the operations of the IORs, i.e., ex-post IOMCs, although this is part of the larger study.

How do institutional logics shape the way in which a public organisation in a Sub-Saharan African country forms mixed-type IORs and deploys and enacts ex-ante IOMCs?

In this way, we contribute to the debate about the impact of multiple institutional logics and the role of social identities and embedded agency in the institutional analysis of both IORs (Kilfoyle & Richardson, 2015; Marchington & Vincent, 2004; Mineev, 2012; Reay & Hinings, 2009; Saz-Carranza & Longo, 2012) and management accounting change (Burns & Nielsen, 2006; de Araújo Wanderley, 2019; Englund & Gerdin, 2011; Horton & de Araújo Wanderley, 2018; Kilfoyle & Richardson, 2011; Macintosh & Scapens, 1990; Modell, 2009; Nor-Aziah & Scapens, 2007). More specifically, we show how the institutional environments of countries in Sub-Saharan Africa can influence the way mixed-type IORs are formed and ex-ante IOMCs are enacted. For example, we show how societal-level logics, such as kinship and political connections, can underpin the social identities of organisational actors, shape their institutionally embedded agency and, consequently, influence the formation of mixed-type IORs and the enactment of ex-ante IOMCs.

Furthermore, we will argue that the problems encountered in mixed-typed IORs in Sub-Saharan Africa are just as likely to be due to their institutional environments, as to the lack of appropriate ex-ante IOMCs—i.e., those which have been found to be particularly important for successful IORs in developed countries (cf. Dekker, 2008; Ding, Dekker, & Groot, 2013; Neumann, 2010). In our case study we will see that problems with mixed-type IORs in Sub-Saharan Africa are not necessarily caused by inappropriate or ineffective IOMCs, but by the way in which they are enacted by organisational actors. As such, we reinforce Hopper, Tsamenyi, Uddin, and Wickramasinghe (2009) claim that many of the problems in developing countries, such as those in Sub-Saharan Africa, are socio-economic and political, not technical. This implies the introduction, through neo-liberal reforms, of what are perceived to be the private sector 'best practices' in developed countries are (and are likely to remain) problematic in developing countries, such as those in Sub-Saharan Africa, due to the historically contingent institutional environments which shape the behaviour of organisational actors in those countries. Consequently, we would question the policies of international donors who require (or at least encourage) developing countries (in Africa and elsewhere) to implement the so-called 'best practices' of private sector organisations in the West. We hope this will stimulate further research to identify African (rather than Western) solutions to African problems: in other words, solutions which reflect the institutional contexts of African countries.

The rest of the paper is divided into five sections. The next section explains the theoretical underpinnings of the study. This is followed by a section explaining our research methods. The subsequent section presents the setting of the case and the case company, while the following section presents the results. The penultimate section discusses our findings and the final section offers some concluding comments.

## 2. Institutional logics perspective

As indicated above, to address our research question we draw on the institutional logics perspective and, in particular Thornton et al. (2012) microfoundations of institutional logics (Chp 4) which recognise: (1) that institutional logics reside at multiple levels, and (2) the social identity and embedded agency of individual actors. In this way we recognise that the behaviour of institutionally embedded actors is shaped by their social identities which are underpinned by logics at the societal, organisational field, organisational and individual levels. Thornton et al. (2012: 51) define institutional logics as “socially constructed, historical patterns of cultural symbols and material practices, assumptions, values and beliefs by which individuals produce and reproduce their material subsistence, organize time and space, and provide meaning to their daily activity”. At the beginning of their book they explain that “institutional logics represent frames of reference that condition actors' choices for sense-making, the vocabulary they use to motivate action, and their sense of self and identity” (Thornton et al., 2012: 2). In our case study we will explore the logics at the organisational level and how they interact with other logics at the organisational field level. Furthermore, we will observe how, at the individual level, these logics are enacted by institutionally embedded agents whose social identities are shaped by societal-level logics, as well as organisational and organisational field-level logics. This section discusses the theoretical underpinnings of our analysis, as summarised in our conceptual framework set out in Fig. 1.

This conceptual framework recognises that institutional logics reside at multiple levels and that the social identity and embedded agency of organisational actors shape the formation of IORs and ex-ante IOMCs. The centre of Fig. 1 is the focus of our analysis: the *Formation of Mixed-type Inter-organisational Relationships by a Public Organisation* and the *Ex-ante Inter-organisational Management Controls*. As will be discussed in section 2.1 below, these practices are shaped by multiple logics at the organisational level. Two organisational-level logics are illustrated in Fig. 1, although there could be more. Furthermore, organisational-level logics will be influenced by organisational field-level logics (cf. ter Bogt & Scapens, 2019)—again only two organisational field-level logics are illustrated in the figure. The logics at the organisational level interact with each other and shape the practices of the public organisation through selective coupling (as will be discussed in Section 2.1). In our case study, this selective coupling of organisational-level logics shapes the formation of mixed-type IORs and the deployment and enactment of IOMCs through the social identities and agency exercised by the organisational actors. As will be further explained in Section 2.2, the lower part of the dotted oval in Fig. 1 refers to *Actors' Organisational Identities*, while the upper part refers to *Actors' Social Identities*. However, both are social identities—as defined in Thornton et al. (2012). We use the term *Actors' Organisational Identities* in the lower part of

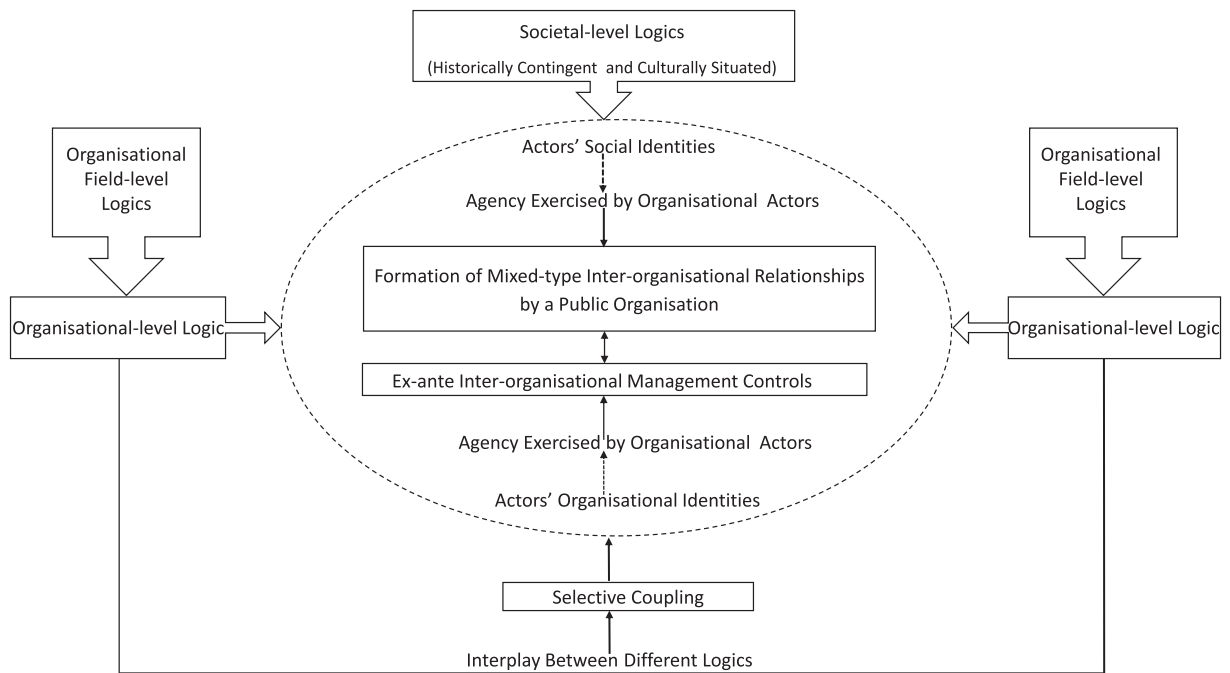


Fig. 1. Summary of conceptual framework.

the figure to indicate that these social identities are shaped by organisational-level logics, while the social identities in the upper part of the figure are shaped by the societal-level logics.

Section 2.2 will discuss how the embedded agency of the organisational actors shapes the formation of mixed-type IORs and the deployment and enactment of IOMCs. More specifically, by shaping organisational actors' social identities, societal-level logics (indicated at the top Fig. 1) can influence the formation of IORs and the use of IOMCs. This takes place within the organisation which is indicated by the dotted oval in the figure. In our case study we will show how the practices shaped by the selective coupling of organisational-level logics, which in turn will have been influenced by organisational field-level logics, are implemented (and even subverted) by the agency of embedded organisational actors, whose social identities are shaped by the societal-level logics in the Sub-Saharan country in which the organisation is located.

Section 2.3 will then discuss societal-level logics in Sub-Saharan Africa, and how they are influencing the implementation of neo-liberal reforms and the introduction of NPM-inspired practices. Finally, Section 2.4 will discuss more specifically how institutional logics are shaping inter-organisational relationships, again in Sub-Saharan Africa. The conceptual framework in Fig. 1, together with the discussion in the remainder of this section, provide the theoretical underpinnings to enable us to address the research question we set out earlier.

### 2.1. Multiple institutional logics

Of the many studies which draw on the institutional logics perspective, the vast majority focus on the institutional logics at the societal and organisational field levels (for reviews see Lounsbury & Boxenbaum, 2013; Modell, Vinnari, & Lukka, 2017; Zilber, 2013). As Zilber (2016: 137) noted, "current studies of institutional logics... often offer a macro and reified depiction thereof". In addition, shifts in institutional logics tend to be portrayed as a relatively organised and systematic process (Golyagina, 2020; Modell et al., 2017). As Dunn and Jones (2010: 149) contend, "most studies underscore institutional change as [the] replacement of one dominant logic for another". Furthermore, Modell et al. (2017: 64) argue that such changes "are treated as period effects that segregate one relatively stable period of beliefs and activities from another".

However, recent research has begun to study how the complexities arising from multiple logics can stimulate more continuous processes of change (Almandoz, 2012; Busco, Giovannoni, & Riccaboni, 2017; Conrath-Hargreaves & Wüstemann, 2019; Gooneratne & Hoque, 2016; Rizza & Ruggeri, 2018), and the strategies which organisations employ to respond to the demands stemming from multiple logics (see e.g. Greenwood, Raynard, Kodeih, Micelotta, & Lounsbury, 2011; Pache & Santos, 2013). Pache and Santos (2013) suggest that rather than deploying strategies, such as decoupling or compromising, to deal with multiple institutional logics, organisations tend to selectively couple the organising principles of different logics. Through selective coupling, organisations are able to "project legitimacy to external stakeholders without having to engage in costly deceptions [decoupling] or negotiations [compromising]" (Pache &



Santos, 2013: 972) and, in addition, they avoid “appearing fake or insincere” (Kaufman & Covaleski, 2019: 44). The conceptual framework (shown in Fig. 1) recognises that selective coupling can be used to cope with the interplay between different, and potentially competing, logics within an organisation, while recognising that the logics are enacted by institutionally embedded individuals, who make sense of them through their social identities.

Although institutional logics are “fundamental and influential” (Lander, Koene, & Linssen, 2013: 131), as they “structure the world and make it meaningful” (Meyer et al., 2014: 863), it has been recognised that “logics are not purely top-down: real people, in real contexts, with consequential past experiences of their own, play with them, question them, combine them with institutional logics from other domains, take what they can use from them, and make them fit their needs” (Binder, 2007: 568). However, organisations still tend to comply with institutional logics to obtain endorsement from their various stakeholders (Greenwood et al., 2011). Nevertheless, it must be recognised that organisational fields are rarely subject to a single dominant logic (Lander et al., 2013). Organisations operate in a world characterised by institutional complexity (Greenwood, Díaz, Li, & Lorente, 2010; Kraatz & Block, 2008); a world with a multiplicity of logics (Friedland & Alford, 1991; Lounsbury, 2007) which thereby enable agency (Skelcher & Smith, 2015). Consequently, organisations and individuals have to deal with multiple and often, but not always, contradictory logics (Amans, Mazars-Chapelon, & Villesèque-Dubus, 2015). As multiple logics are frequently embedded in organisations, recent studies contend that various logics can co-exist within individual organisations (Busco et al., 2017; Conrath-Hargreaves & Wüstemann, 2019; Dai, Tan, Tang, & Xiao, 2017; Kaufman & Covaleski, 2019). As such, organisations can be arenas of contradiction<sup>3</sup> (Pache & Santos, 2013). This can be particularly evident in public sector organisations which are expected, following the NPM reforms, to implement private sector practices. Such contradictions can provide both opportunities and constraints, as the multiple logics are enacted through the agency of institutionally embedded organisational actors. Consequently, our conceptual framework recognises the agency exercised by organisational actors—as we will discuss next.

## 2.2. Embedded agency

Thornton et al. (2012) microfoundations of institutional logics recognises that institutional logics shape the actions of organisational actors through their social identities and this underpins the notion of embedded agency which is at the core of the institutional logics perspective. While institutional logics impact organisational practices, organisational actors can influence the extent to which, and how, specific logics are instantiated in organisational practices; i.e., they can exercise agency (Thornton et al., 2012). This is because organisational actors are “not just social dupes but existential beings who reflexively monitor and provide rationales for the character of the ongoing flow of their social life” (Macintosh & Scapens, 1990: 458) and, as such, they are purposeful agents. Zilber (2002: 235) argues that actors “are carriers of institutional meanings... [and] their interpretations can be considered as expressions of agency”. This is because actors derive their social identities and meanings “from the normative frames supplied by institutional logics”, but they can also reinterpret and reshape them in the organisational context through their own agency (Skelcher & Smith, 2015: 443).

As Tajfel (1982: 24) explains, social identity is “part of an individual’s self-concept which derives from his knowledge of his membership in a social group (or groups)”. This emphasises that actors’ behaviour in institutionalised environments arise from their sense of belonging to social groups (Meyer et al., 2014). In specific social situations organisational actors utilise the frames of reference and rationales prescribed by particular institutional logics. This means that organisational actors can enact specific social identities and, as such, social identities are not a feature of the actor, but of the social situation (Meyer & Hammerschmid, 2006a: 107). In different social situations, organisational actors can enact different social identities (derived from different institutional logics, including logics at different levels—societal, organisational field, organisational and individual) depending on their referent social group (Meyer & Hammerschmid, 2006b; see also Rao, Monin, & Durand, 2003). It follows from the situated nature of social identities that organisational actors may not be wholly unaware that the choices they make enact specific social identities. However, they are not wholly strategic about them either (Meyer et al., 2014). This exemplifies the nature of institutionally embedded agency. As pointed out above, in Fig. 1 we refer to the actors’ identities which are shaped by organisational-level logics as the actors’ organisational identities, to distinguish them from the actors’ identities which are shaped by societal-level logics. However, Thornton et al. (2012) would refer to both as actors’ social identities.

Following Thornton et al. (2012: 106), who argue that “ordinary individuals and organizations can act outside the confines of their immediate institutional environments”, we will see in our study that organisational actors draw, not only on the institutional logics in their own organisation, but also on the broader societal-level logics which construct their social identities and, in this way, they express their individual agency. Although research has shown that workplace identities (*Actors’ Organisational Identities* in Fig. 1) are particularly strong sources of social identity (Horton & de Araújo Wanderley, 2018), we will see that, even at work, organisational actors can activate social identities which draw on societal-level logics (*Actors’ Social Identities* in Fig. 1). This is not to suggest that organisational actors can easily change

<sup>3</sup> Some such organisations, particularly public organisations, are referred to as hybrid organisations in the institutional logics literature (see e.g. Battilana & Lee, 2014; Busco et al., 2017; Dai et al., 2017; Gooneratne & Hoque, 2016; Pache & Santos, 2013). However, (mixed-type) IORs are also often referred to as ‘hybrids’ (see e.g. Jay, 2013; Skelcher & Smith, 2015). Therefore, we deliberately avoid using the notion of ‘hybrid organisation’ as it could create confusions in the current study.

the institutional arrangements in which they are embedded, but it recognises that they can express their agency by taking actions which are different from those prescribed by the logics of their own organisation (or organisational field). In this way, they express their agency, but it is agency which is institutionally embedded. Moreover, as Meyer and Hammerschmid (2006b: 1011) observe, “actors do not enact logics in full but selectively pick elements [e.g. organising principles] that, beyond their personal priorities, represent the structures of relevance of the specific belief system of which they are part”. In this way, they “manifest the local interpretations of the various available logics” (ibid). This is recognised in our conceptual framework as the societal-level logics, which are historically contingent and culturally situated, and shape the social identities of the embedded organisational actors who form mixed-type IORs and enact IOMCs. In this respect, Sub-Saharan Africa, with its distinct culture and traditions provides an interesting ‘local’ and, more importantly, untapped context in which to study the formation of mixed-type IORs in a changing and institutionally complex environment. Next, we will discuss societal-level logics in Sub-Saharan Africa in order to better understand the institutional context which informs our conceptual framework.

### 2.3. Societal-level logics in Sub-Saharan Africa

Thornton et al. (2012) portray societies as inter-institutional systems made up of societal-level logics, such as family, religion, state, corporation, market and profession (see also Thornton, Jones, & Kury, 2005). However, it is important to recognise that, as the institutional logics perspective was developed in the West, the societal-level logics may be different in non-Western societies. According to Thornton et al. (2012: 2), societal-level logics contain “unique organizing principles, practices, and symbols that influence individual and organizational behaviour”. Our conceptual framework recognises that the historically contingent and culturally situated societal logics in Sub-Saharan Africa can influence the introduction of neo-liberal NPM reforms, specifically practices related to the formation of mixed-type IORs and ex-ante IOMCs in public organisations; reforms and practices which are underpinned by the institutional logics of the West.

As a concept, NPM evolved in the West (particularly Europe and to a lesser extent the US) and is heavily ingrained with the values, norms and practices which are typical of a ‘Western’ understanding of the state and the public sector. In the context of a developed country (i.e., Austria), Meyer and Hammerschmid (2006a: 99) explain that the purpose of NPM is to “provide a new [public] sector logic that is argued will gradually replace the old administrative rationality and substantially and universally transform public administrations”. However, as we are studying a country in Sub-Saharan Africa, we must avoid imposing Western structures and institutional arrangements which neglect the realities of Africa, especially its history and traditions (Lassou et al., 2017, 2018). Although, with the help of international donors, many Sub-Saharan African countries are in the process of shifting from state-controlled economies towards more market-based economies<sup>4</sup> (Acquaah, 2005), various Sub-Saharan African traditions, customs and values (i.e., societal-level logics) are still firmly embedded and continue to exert considerable influence on both individuals and organisations.

Whilst NPM emphasises the importance of formalised management controls in public organisations (Ashraf & Uddin, 2011), Tsamenyi et al. (2013: 183) argued that business decisions and management practices (including the formation of IORs) in developing countries, such as Sub-Saharan African countries, tend “to be conducted on the basis of social and personal relations”. This is because institutional environments in these countries tend to be dominated by informal/social institutions<sup>5</sup>, while institutional environments in developed countries are more likely to be dominated by formal/economic institutions<sup>6</sup> (Narooz & Child, 2017). This is not to suggest that there are no informal institutions in developed countries, but in developing countries informal institutions are generally more prevalent due to the lack of formalised rules. Despite the neo-liberal reforms in Sub-Saharan Africa, informal mechanisms are still deeply embedded and this can create resistance to the adoption of the formal rules which are a fundamental feature of these reforms. For example, Elharidy, Nicholson, and Scapens (2013: 64) argue that “[m]anagers are influenced either consciously or unconsciously by the values, customs and traditions of their society when conducting business and interacting with one another”. As such, the institutional environments of Sub-Saharan Africa can impede the implementation of formal IOMCs (cf. Ashraf & Uddin, 2011; Everett, 2012; Hopper, Tsamenyi, Uddin, & Wickramasinghe, 2012). Recent accounting studies of institutional change in Africa tend to suggest that the implementation of neo-liberal reforms and the adoption of formal (management) accounting practices in the public sector are often ceremonial (being loosely coupled or decoupled) (see e.g. Hopper et al., 2009; Lassou, 2017; Uddin & Tsamenyi, 2005). However, as mentioned above, our conceptual framework recognises that selective coupling can be used to cope with potentially competing logics. Furthermore, the framework explicitly recognises the influence of historically contingent and culturally situated societal-level logics on the social identities of embedded actors. Next we will discuss how institutional logics at multiple levels, societal, organisational field, organisational and individual, influence the formation of mixed-type IORs and the deployment and enactment of IOMCs.

<sup>4</sup> In other words, they are moving away from African Socialism to a more pro-Western form of society (Friedland & Rosberg, 1964).

<sup>5</sup> Informal institutions (Helmke & Levitsky, 2004) are ‘soft’ (Wiener, 2006), which means that they are “culturally informed” and exhibited in social norms “and traditional customary practices” (Narooz & Child, 2017: 685). Owen-Smith and Powell (2008) refer to this form of institutions as social institutions.

<sup>6</sup> Formal institutions are ‘hard’ and exhibited in, for example, legal rules (Narooz & Child, 2017). Owen-Smith and Powell (2008) refer to this form of institutions as economic institutions.

## 2.4. Institutional logics and IORs<sup>7</sup>

As institutional logics are historically contingent and culturally situated, the existence of particular institutional logics, at the societal level as well as at the organisational field and organisational levels, is an empirical question which cannot simply be assumed, but must be empirically analysed (Amans et al., 2015; Carlsson-Wall, Kraus, & Messner, 2016). Thus, we do not assume that the societal-level logics described in Thornton et al. (2012) shape the behaviour of the case organisation and its organisational actors. Instead, we use Thornton et al.'s typology as a starting point for our data collection and analysis, but allow the logics to emerge out of the data, rather than being imposed on it. By analysing the data, using a bottom-up pattern-inducing approach (see Reay & Jones, 2016), we try to tease out the logics at the organisational level, as well as those societal-level logics which shape behaviour within the organisation we are studying.

Furthermore, in times of change, when prevailing institutional logics are being challenged, areas of conflict can become much more apparent and the appropriateness of previously unquestioned interpretations may start to be questioned (Meyer et al., 2014). Under such circumstances, as other logics become available, and new social identities come to the fore, actors have to decide which institutional logic(s) to follow and which social identity(ies) to activate. In the context of NPM reforms, the changes in logics brought about by the transformation of the public sector from traditional forms of administration to new forms of public management (i.e., NPM) can be mirrored at the individual level by organisational actors activating different and/or new social identities (see Meyer & Hammerschmid, 2006a; Meyer et al., 2014). As Kraatz and Block (2008: 243) point out, an organisation facing institutional complexity “plays in two or more games at the same time” and, therefore, some organisational actors may activate multiple identities (Skelcher & Smith, 2015).

In this study, following the new neo-liberal economic reforms, public sector organisations are now working more closely with private sector organisations through mixed-type IORs (see also Saz-Carranza & Longo, 2012). IORs often operate at the intersection of organisational fields (Kilfoyle & Richardson, 2015) and mixed-type IORs, by definition, operate in diverse organisational fields—namely the private sector and the public sector (Bryson et al., 2006; Saz-Carranza & Longo, 2012). This can place conflicting institutional demands on organisations engaged in mixed-type IORs, and make them particularly difficult to control due, for example, to the partners' differing objectives and approaches to management, as well as their different political, social and economic interests (Broadbent & Laughlin, 2003; Bryson et al., 2006; Saz-Carranza & Longo, 2012; Shaoul, Stafford, & Stapleton, 2012). Moreover, some of the difficulties involved in managing IORs are particularly prevalent in, and some even unique to, Sub-Saharan Africa (Acquaah, 2009; Babatunde, Perera, Zhou, & Udejaja, 2015; Osei-Kyei, Dansoh, & Ofori-Kuragu, 2014), due to the institutional environments of these countries (Babatunde, Opawole, & Akinsiku, 2012)<sup>8</sup>. Nevertheless, as mentioned earlier, much of the research on IORs ignores the institutional environment (Caglio & Ditillo, 2008; Marchington & Vincent, 2004) and, furthermore, IORs in Africa appear to be under researched (Rahaman, 2010; Soobaroyen, Tsamenyi, & Sapra, 2017; Sy, 2010).

Our conceptual framework will help us to close this gap in research on IORs in Africa by showing how the institutional logics perspective can be used to study the formation of mixed-type IORs and the deployment and enactment of formal ex-ante IOMCs in the institutionally complex environment of SSAC. It will enable us to explore the impact of institutional complexity on organisations and organisational actors as we study how institutional logics are enacted and reproduced by a specific organisation and its actors in the formation of IORs and in the deployment and enactment of ex-ante IOMCs. By so doing, we hope to better understand how the institutional logics in Sub-Saharan African countries shape the way in which the neo-liberal reforms promoted by international donors are enacted in these countries.

In the next section we explain our research methods, before describing the case setting and the case company in the subsequent section, and then using our conceptual framework to explain our case study.

## 3. Research methods

We conducted an explanatory case study to address the research question set out earlier. Its aim was to gain an in-depth understanding of the impact of the institutional environment and the influence of institutionally embedded organisational actors on the formation of mixed-type IORs in Sub-Saharan Africa. A qualitative research design is appropriate for studying complex phenomena, such as mixed-type IORs, in their contextual settings, (Chua & Mahama, 2007; Coad & Cullen, 2006; Marques, Ribeiro, & Scapens, 2011) as it enables the researcher (1) to explain “how things work in a particular context” (Mason, 2002: 1) and (2) to produce “a deep and rich understanding of the social nature” of organisational practice (Scapens, 2004: 261). Furthermore, it is particularly useful in the context of Sub-Saharan Africa, where many management issues “are neither well understood nor articulated in prior literature, [and where] cultural and governance

<sup>7</sup> IORs comprise various types of collaborative arrangements between independent organisations (Kraus & Lind, 2007; Velez et al., 2008), and mixed-type IORs involve collaboration between public and private organisations. However, the term Public Private Partnerships (PPPs) is avoided in this study because definitions of PPPs differ across countries (Osei-Kyei, Dansoh & Ofori-Kuragu, 2014) and this can lead to confusion. Furthermore, it has been contended that “the term PPP has been abused and become a muddle of conceptual ambiguities” (Jamali, 2004: 416). It has also been suggested that the word ‘partnership’, in the PPP concept, “involves a joint definition of specific goals, and a clear assignment of responsibilities and areas of competence between the partners in the pursuit of a common endeavour” (ibid). However, the majority of PPPs in developing countries do not seem to meet these criteria (Jamali, 2004).

<sup>8</sup> The difficulties stemming from the institutional environments of developing countries, such as Sub-Saharan African countries, can be “attributed to ambiguous laws and regulations, and to the ineffective and/or corrupt workings of the government bureaucracy” (Child, Faulkner, & Tallman, 2005: 373) and this can have a significant impact on the operations and management of mixed-type IORs (Jamali, 2004; Babatunde et al., 2015).



issues predominate, oral rather than written cultures preside, and there is a desire to identify problems bottom up paying respect to the meanings and understandings of local participants" (Alawattage, Hopper, & Wickramasinghe, 2007: 184).

As indicated earlier, the study was undertaken in a Sub-Saharan African Country which we refer to as SSAC. This country provides a suitable context for our research as it is (1) moving away from being a state-controlled economy (which could be characterised as African Socialism) to a more market-based economy, and in so doing is (2) restructuring its public sector by implementing neo-liberal reforms. As a result, it has the theoretical characteristics in which we are interested; namely, changing forms of control in a complex institutional setting with multiple and potentially conflicting logics. The focus of the case study is the organisation which manages the public pension fund in SSAC, which we will refer to as PenFund (for reasons of confidentiality). PenFund is a major player in the country and is implementing NPM reforms by, amongst other things, forming mixed-type IORs with numerous, mainly private sector, partners. However, it has to be acknowledged that the country/organisation selection was influenced by the researchers' social network, as this is probably the most effective (and maybe only) way of securing access to organisations in Sub-Saharan Africa (Jankowicz, 2005; Uddin & Tsamenyi, 2005). Furthermore, in developing countries, such as SSAC, data collection can be very problematic, and can only be feasibly conducted by exploiting 'personal contacts' (Alawattage et al., 2007). In this case, relying extensively on personal contacts and introductions by personal contacts, data were gathered through both interviews and observations of organisational actors, and also through the collection of documents. The use of semi-structured interviews, observations and documents not only enhanced the procedural reliability and contextual validity of the study, but they also enabled us to grasp the complexities and dynamics of IORs and their IOMCs (cf. Dekker, 2004; Velez, Sanchez, & Alvarez-Dardet, 2008). The data (interviews, observations and internal documents) were collected during field work which took place between July and September 2014<sup>9</sup>.

Although a single case study design was used, in order to avoid an "interpretation of organisational and inter-organisational phenomena [which is] heavily influenced by the attitudes, beliefs and values expressed by the management and employees" of the case organisation (Coad & Cullen, 2006: 365), interviews were also conducted in one of PenFund's joint ventures, and in the partner organisations of that joint venture, as well as with government officials dealing with PenFund and also former directors of PenFund. By cross-referencing the information provided by PenFund's organisational actors, with information provided by the partners and managers of the joint venture, as well as by government officials and former directors, the contextual validity of the study was enhanced. The study was conducted in two stages. To examine the impact of multiple logics and individual actors on the formation of IORs, and the deployment of ex-ante IOMCs, from the perspective of a public organisation, the first phase was conducted within PenFund, supplemented by interviews with government officials and former directors. Subsequently, the second phase was conducted in one of PenFund's joint ventures in order to deepen our understanding of the ex-ante IOMCs. In total, there were 39 interviews, with 32 different people<sup>10</sup>, each lasting approximately 60–90 min<sup>11</sup> (see Appendix 1). The interviews were often coupled with observations of the work of the interviewees and their work colleagues. In this way, we collected 'informal evidence', while collecting evidence formally (Scapens, 2004), and this enabled us to see how things work in practice.

Greenwood et al. (2011: 342) contend that the various institutional demands arising from institutional complexity "do not just 'enter' an organisation—they are interpreted, given meaning and 'represented' by occupants of structural positions"; for example, managers and other employees of the organisation. Therefore, interviews with these individuals were considered to be the most appropriate way of collecting the research evidence. Nevertheless, as argued in the literature, it is particularly challenging "to understand how logics might be operating but without leading informants to that conclusion" (Bastedo, 2009: 213). Therefore, we did not ask our research participants to identify particular logics and/or to identify themselves with a particular group and/or social identity. Instead, we (re)constructed the institutional logics and social identities by searching for cues in the data. This is because institutional logics include framing cues, which "are signature elements that can be used to identify the frame of reference used" (Meyer & Hammerschmid, 2006b: 1005). The interviews started by asking interviewees to explain their background, tasks/duties and tenure in their current position. They were then asked, amongst other things, to explain how PenFund's organisational structure, vision, mission, objectives, investment decisions and management practices were impacted by the changes introduced in SSAC's public sector (and subsequently in its pensions field). They were also asked various questions about their experiences and understanding of IORs and IOMCs. However, to ask these questions, we did not use academic jargon and/or concepts derived directly from the literature.

<sup>9</sup> However, the whole research process lasted four years (2013–2017), and therefore some of the publicly available documents, such as financial reports, were collected after the field work, for example Financial Report 2015 and 2016.

<sup>10</sup> Certain individuals have dual roles. For example, we interviewed a Departmental Manager in PenFund who is also a member of the Board of Directors of the Joint Venture we examined. Therefore, he/she was interviewed twice, but in these two different roles.

<sup>11</sup> Guides for the semi-structured interviews were used in the early stages. Due to the diversity of research participants (interviewees from the case organisation and its partners, government officials and former directors) two interview guides were used, and they were adapted to the specific positions of the interviewees. The interview guides specified the key themes to be investigated, but at the same time were flexible enough to allow emerging ideas to be explored (Bédard & Gendron, 2004). Consequently, we could ask questions in our own words, order them differently, and probe and follow up responses when needed. Although interview guides were used, the interviewees were encouraged to talk freely. This form of interviewing revealed issues which had not previously been identified, allowing them to be followed up during the interview or in informal discussions, and further investigated during observations and document analysis. The current study is a part of a larger research project and consequently some of the questions are not relevant for this paper. So, in order to avoid confusion, we do not attach the interview guides. However, they are available on request.

As we were seeking to understand “how institutional logics work on the ground” (Zilber, 2016: 141), we adopted a bottom-up approach. Using a ‘pattern inducing’ interpretive approach, we sought to capture the institutional logics at work in PenFund by inductively analysing the interviews and observations (see Reay & Jones, 2016). This analysis was undertaken in several stages using NVivo. In the first stage, evidence in the form of interview transcripts, observation notes and documents<sup>12</sup> were coded, using various coding methods (Miles, Huberman, & Saldaña, 2013). For example, attribute codes were used to describe individuals and process codes were used to describe what they do. These codes emerged from the data and were used to index and organise the data for further analysis. In the second stage, patterns and themes were identified (Saldaña, 2013) to re-organise the data in order to give direction to the study. All the codes developed in the first stage were listed and grouped into categories. These categories and their labels were derived through a process of sorting, comparing and mapping; i.e., copying and pasting all the codes into a Microsoft Word document to determine which could be grouped into each category. In the final stage the codes/categories were linked to the theory to produce a coherent meta-synthesis of the data. In this stage some codes developed in the first stage were merged, others had to be dropped due to their lack of conceptual significance, while others were retained<sup>13</sup>.

It has to be acknowledged that any coding process is not “analytically neutral” (Mason, 2002: 148) as our role as researchers is to link specific practices to theory. In the final stage of the coding process we drew on institutional logics, social identities and the other concepts shown in Fig. 1 above. We looked for various cues indicating, for example, relationships between organisational actors, on the one hand, and politicians, citizens (the contributors to PenFund) and their kinship groups, on the other. As suggested by Thornton (2002: 83), institutional logics determine “which issues and problems are salient” as well as “which answers and solutions are the focus of management’s attention”. In this way, we gathered salient issues and problems from the interview transcripts, documents and our observation notes. Through the data analysis we were able to identify the different rationales, meanings and importance of, for example, investment decisions and IOMCs. These rationales and meanings were indicative of the multiple institutional logics in PenFund.

By deploying this bottom-up approach, we identified public and private sector logics in PenFund, as set out in Tables 1 and 2. For example, many interviewees stressed the need to fulfil the demands of SSAC’s citizens, who are PenFund’s contributors, to invest in socially targeted investments. Furthermore, although PenFund is no longer a governmental organisation, interviewees also emphasised that the government expects PenFund to support the achievement of national development goals. This is indicative of the public sector logic in PenFund. However, there were also indications of a private sector logic. For example, the need for PenFund to be responsible for its growth and financial performance was highlighted by interviewees. In addition, due to increasing competition amongst pension funds, PenFund is expected to generate commercial rates of return on its investments.

To summarise, the analysis revealed two salient institutional logics in PenFund, namely a public sector logic and a private sector logic. These two logics provide a ‘formal’ frame of reference within PenFund. Therefore, we organised the data into these two inductively developed ‘meta-codes’ (Saldaña, 2013: 210). Table 1 indicates the broad characteristic of the public and private sector logics in PenFund, together with some exemplary evidence, and Table 2 juxtaposes the organising principles of the two logics. However, it is important to note that we do not imply a sharp distinction between these public and private sector logics, or a distinction which is universally applicable. PenFund’s private sector logic is a mixture of the logics of private sector organisations in SSAC (i.e., at the organisational field level) and the logic emerging at the organisational level due to the neo-liberal NPM reforms, while the public sector logic within PenFund stems from the public sector history of PenFund, as well as the current economic and political interests of the country<sup>14</sup>. As such, these logics are both organisation and country specific (historically contingent and culturally situated) and, consequently, they are not generalisable.

Finally, the public and the private sector logics are not the only logics used as a frame of reference by the organisational actors in PenFund. Through cues in the data, we identified that, in some situations, organisational actors ‘informally’ use, as a frame of reference, elements of societal-level logics which are outside PenFund and outside its organisational field (i.e., the pensions field)<sup>15</sup>. This means that they make their decisions and take actions by drawing on neither the public sector logic nor the private sector logic which currently reside within PenFund. Instead, they draw on the societal-level logics which embed the organising principles of, for example, kinship and political connections. The way in which these societal-level logics influence the formation of mixed-type IORs, and the deployment and enactment of ex-ante IOMCs, will be explained in more detail in the following sections. In the meantime, the next section will describe PenFund and its institutionally complex environment.

<sup>12</sup> The research evidence in the form of soft copies and scanned hard copies of documents were imported into the NVivo software and coded/analysed in the same way as the interview transcripts and field notes. Storing all the research evidence in one file facilitated the analysis. Using various NVivo functions, such as queries and links, we could review all the information coded as a specific node and verify whether there were any contradictions between the various forms of evidence.

<sup>13</sup> As the current study is a part of a larger research project, some of the codes are not relevant to this particular study. Therefore, in order to avoid confusion, we do not attach the entire coding scheme, however an exemplary extract is set out in Appendix 2. The entire coding scheme is available on request.

<sup>14</sup> As ter Bogt and Scapens (2019) argue, logics at the organisational level (or situated rationalities as they term them) are shaped by the history and experience within the organisation, as well as the broader institutional logics outside the organisation—at both the organisational field and the societal levels.

<sup>15</sup> It is important to recall our theoretical assumption that “ordinary individuals and organizations can act outside the confines of their immediate institutional environments” (Thornton et al., 2012: 106) and draw on broader societal-level logics, depending on the situation in which they find themselves.

**Table 1**

Indicators of institutional logics in PenFund.

The Logics	Exemplary Research Evidence
<p><b>Public Sector Logic:</b></p> <p>The economic and political interests of the country and citizens are a priority. As such, the main objective is to meet expectations of the government and its agencies, as well as citizens, by complying with national regulations, protecting entrusted funds, and achieving national goals</p>	<p>"It [PenFund] has been made for all of us; for all SSAC's workers [...] so we do things that are of immediate benefit to the worker, for example, the worker can live in a house that we built." (Departmental Manager: Corporate Law)</p> <p>"There was always a challenge because on the Board of [PenFund] were also representatives of labour who were very much against investing monies outside SSAC as in their view the monies could be used in SSAC to create jobs. They didn't appreciate the fact that sometimes you also need to diversify your risk portfolio." (Director General 1)</p> <p>"There are areas that the government can help us with. If we were private, we couldn't do certain things. For instance, in terms of tax, our returns are not taxed because we are set up by government... But if we were private business our returns would be taxed... Of course, we have government support in terms of what we do. Contributors have to pay their contributions, or we can send them to court if they don't." (Departmental Manager: Portfolio Performance Measurement and Monitoring)</p> <p>"PenFund is a public trust so people don't look at [our] investment with that commercial eye that you would want them to look at—to make some profit [...] So if we take the housing that we put up all over the country as an example. If we want to review rent, it becomes an issue. People think that it's a public service so we cannot charge market price. People think that it is public company so it should be a charity." (General Manager of the Legal Division)</p> <p>According to a report in a Local Newspaper PenFund's investments in the real estate sector are usually aligned with its investment policy of supporting national economic development<sup>1</sup></p>
<p><b>Private Sector Logic:</b></p> <p>PenFund is an independent business entity, which is responsible for its own growth and the management of its (financial) performance through the development of various management practices. This logic is inextricably linked with the organisation's aspirations to increase its efficiency and to succeed in a competitive environment. Moreover, according to this logic the interests of contributors (perceived as customers/ investors) comes first and therefore entrusted funds should be invested in high-yielding IORs</p>	<p>"The structures we have in PenFund are structures that would work in the private sector as well. Of course, as a private business managing pensions you need your investment managers, you need operations team, etc. and we have them. So, some of our structures, of course, would work in a private pension fund." (Departmental Manager: Portfolio Performance Measurement and Monitoring)</p> <p>"Action has already started to make sure that staff of PenFund get the necessary training to carry out their mandatory functions. By this we mean there should be prudent investment of the funds we handle so that <i>maximum returns will be generated</i>." (Financial Report 2013: 9, <i>emphasis added</i>)</p> <p>"Last but not the least, appropriate technology would be procured and used judiciously so as to keep [PenFund] competitive in this very challenging market." (Financial Report, 2013: 9)</p> <p>"[PenFund's] investments are made on the basis of the return on investment, absolutely! I can guarantee you that." (Director General 1)</p> <p>The 2013 Financial Report expressed PenFund's Mission Statement as: "To provide cutting-edge income replacement schemes through improved <i>business-oriented methods and state-of-the-art technology</i> for the benefit of stakeholders and SSAC citizens by <i>professional, dedicated and quality driven leadership and staff</i>." (<i>emphasis added</i>) This was restated in the 2014, 2015 and 2016 Financial Reports as: "To provide income security for workers in SSAC through <i>excellent business practices</i>." (<i>emphasis added</i>)</p>

<sup>1</sup> The precise quote and the newspaper cannot be disclosed for reasons of confidentiality.

#### 4. PenFund and its complex institutional environment

In the previous section we described how we identified the two salient institutional logics in PenFund: namely, its public sector logic and its private sector logic. As we explained, these are PenFund's organisational-level logics, which we identified by deploying a bottom-up approach. These logics have been shaped by the institutional complexity in which PenFund operates in SSAC and are due, in part, to the neo-liberal reforms which are being implemented more generally in Sub-Saharan Africa and other developing countries at the behest of major international donors. Consequently, institutional logics at multiple levels, including the societal level and the organisational field level have influenced the organisational logics within PenFund. In this section we will provide a brief history of PenFund and the public sector in SSAC (Section 4.1) to explain the background to this institutional complexity, and to indicate how it has shaped PenFund's structure, management and governance today (Section 4.2). Then Section 5 will discuss how PenFund copes with this institutional complexity through selective coupling, how this has influenced the formalisation of the procedures involved in the formation of mixed-type IORs and the development of IOMCs and how the societal-level logics in SSAC have affected the implementation of these formal procedures.

##### 4.1. A brief history of PenFund and the public sector in SSAC

Nowadays, although SSAC is considered to be politically stable, economically it is amongst the poorest countries in the world. However, following World Bank and International Monetary Fund initiatives in Sub-Saharan Africa in 1980's, SSAC has been engaged in a programme of economic recovery. This programme comprised three phases, over a period of approximately 10 years starting in the early 1980's, and has significantly impacted the country's business environment.

**Table 2**

Organising principles of the public and the private sector logics in PenFund.

Organising principles	Public Sector Logic	Private Sector Logic
Key values	Security, safety, legality, accountability, loyalty, empathy, bureaucracy	Efficiency, performance, commercial yield, prudence, competition
Forms of ownership	Public	Private
Organisation form	Legal bureaucracy	Divisionalised
Source of authority	Government regulations and policies Commitment to national values and ideology	Board of Trustees and Senior management Organisational policies Board of Directors and Shareholder activism in IORs
Source of Identity	Pension fund as an integral part of government bureaucracy Emotional connection to the country/nation Identity of managers and other employees – good public servants	Pension fund as an autonomous corporate body Identity of managers and other employees – efficient employees and/or managers
Basis of Norms	Citizenship in the country	Employment in the organisation
Basis of Strategy	Following government guidelines and policies Contributing to the national good	Increase size of organisation Increase returns through the diversification of investment portfolio
Basis of Mission	Attain economic and social goals of the country	Build reputation and position in the pensions field through diversification and growth
Source of Legitimacy	Social interest of the citizens Economic interest of the country	Position of organisation in the pensions field
Formal control mechanism	Following government legislation and guidelines	Following organisational policies Supervision by the Board of Trustees
Informal control mechanisms	Visibility of decision making	Organisation culture
Logic of investment	Capital committed to public policy and socially targeted investments	Capital committed to commercial returns

In order to balance the economy, the first phase was a stabilisation phase aimed at reducing inflation. Then, the second phase focused on economic liberalisation and the relaxation of price controls, and on encouraging foreign investment by offering tax incentives to foreign investors, either to invest directly or to buy shares in state-owned organisations—thereby beginning a process of privatisation. The goal of the third and final phase was to eliminate, or at least significantly reduce, government interference in market mechanisms. Together, these reforms were intended to lay the foundations for the development of the private sector and the implementation of private sector practices in public sector organisations—in line with the principles of NPM (Gruening, 2001; Hope, 2001). In this way, the economic reform programme, implemented in SSAC, with the support of international donors, has contributed to the emergence of a private sector logic in the public sector (and in the country more generally). As a result, the public sector in SSAC, comprising public organisations like PenFund, has changed significantly. Prior to the economic recovery programme, as a public organisation PenFund was largely permeated by the public sector logic in SSAC. However, as a result of the economic reforms it now has both a public sector logic and a private sector logic (see Table 2 for the organising principles). Furthermore, elements of its public sector logic have changed because, for example, a goal of the World Bank initiative was to reduce government interference in the workings of the economy. So now, *at least formally*, government interference is no longer generally accepted as a characteristic of the public sector in SSAC.

Traditionally, in SSAC there was no national pension fund and the family provided support when family members became old and at risk of economic deprivation. For those without a (close) family, the extended family provided that support. However, in the years after independence<sup>16</sup> the population of SSAC expanded and there was increasing migration from rural to urban areas which disrupted the traditional support systems. Consequently, in the 1960's the government established a social security system which covered workers in SSAC. It was set up in the form of a fund (which we will refer to as FunLumpSum) into which contributions were paid, and this provided its members with a lump sum when they reached retirement age. Initially, FunLumpSum was administrated by a governmental department (the Pensions Department) and the State Insurance Company. While the Pensions Department was responsible for the administration of the funds and for setting the laws and policies, the State Insurance Company dealt with all operational matters, such as collecting contributions and paying benefits. However, the laws and policies, especially regarding the investment of the funds, were vague and this allowed the government to access the funds to finance its own budget deficits. As the contributions were invested in government stocks, with long maturity dates and low interest rates (relative to inflation), FunLumpSum provided a cheap source of funds to the government.

Due to the low returns, coupled with high operational expenses and increasing inflation over the years, the lump sum at retirement eventually became almost worthless and, consequently, stakeholders began to pressure the government to

<sup>16</sup> This was post-Second World War. We cannot give precise dates for reasons of confidentiality, as this would identify the country and hence the organisation.

redesign FunLumpSum. Some of our interviewees indicated that a major reason for this pressure was the desire to limit government interference in the management of FunLumpSum's funds. In response to this pressure, which became very strong in the early nineties, changes in pension law in that decade transformed FunLumpSum into a public pension fund (i.e., PenFund) under which more adequate monthly payments were made to the beneficiaries. PenFund was set up as a corporatised public organisation, responsible to its contributors. Initially, it was the only pension fund in SSAC, but reforms initiated by the government in the early 2000's, culminating in a new pension law later in the decade which introduced competition into the pensions field, allowed private pension funds to compete with PenFund. This new pension law introduced a three-tier pension scheme, in which the first two tiers are compulsory, and the third is voluntary. The first tier, which is the basic contributory social security scheme, is managed by PenFund, while both the second tier, which is a fully-funded occupational scheme, and the third tier, which comprises a provident fund and private pension plans, are managed by private pension funds. This has triggered a proliferation of private pension funds. Whereas the provision of pensions in SSAC had previously been administered by a government department, it is now a potentially profitable business opportunity for private companies. Additionally, the new pension law allowed PenFund (and other pension funds) to make external investments, i.e., outside the country, although such investments could not exceed a certain percentage of the portfolio. Furthermore, a National Pensions Control Authority was established, amongst other things, to monitor compliance with the act and to regulate the operations of both the public and private pension funds in SSAC.

In addition to reshaping its public sector logic, the economic reforms in SSAC (especially pension reforms in the early 2000's) have led to the emergence of a private sector logic within PenFund. As explained in PenFund's Assets Allocation Policy (2010), the new pensions law resulted in some fundamental changes in the pension field in SSAC. In particular, PenFund now has to:

- Compete with other pension fund managers in terms of production (efficiency of process), return (performance) and investment opportunities (pipeline).
  - Face a greater degree of scrutiny (sometimes hostile) from domestic critics.
  - Compete for the attraction and retention of competent professionals to ensure efficiency in the management of the investment portfolio.
- (Assets Allocation Policy, 2010: 7, brackets in original, *emphasis added*).

The Assets Allocation Policy goes on to explain that “the portfolio is historically outdated” and that “it is necessary for PenFund to revise its Asset Allocation, thereby positioning its portfolio to generate *optimal returns* within the *changing market environment and expectations*, while ensuring the corpus, risk and performance of the investment portfolio remains relatively safe and sound” (ibid: 3, *emphasis added*).

As can be seen from the language used in the above extracts, PenFund is now subject to institutional demands which are similar to those facing organisations operating in the private sector. Furthermore, it is operating in a pensions field which is nowadays ‘a fragmented institutional field’ (see Greenwood et al., 2011; Pache & Santos, 2010) comprising various stakeholders, including the government, the National Pensions Control Authority<sup>17</sup>, contributors and beneficiaries, private pension funds and fund managers, each placing different (and even competing) demands on PenFund. Aside from the requirement to generate yields at a commercial rate (private sector logic), it must also contend with (1) the demands of citizens (its contributors/beneficiaries) to invest in socially targeted investments (public sector logic) and (2) pressure from the government to use its investments to support the economic development of the country (another public sector logic). According to Greenwood et al. (2010) and Kraatz and Block (2008), this implies institutional complexity, as there are multiple (and potentially competing) institutional logics, which are giving rise to diverse expectations. However, it is important to recall that PenFund's public and private sector logics, as illustrated in Tables 1 and 2, are organisational-level logics, although they have been shaped, in part at least, by organisational field-level logics in SSAC (as illustrated in Fig. 1 by the links between the organisational field-level logics and the organisational-level logics).

#### 4.2. PenFund today: its structure, management and governance

PenFund can still be considered a public organisation, even though today it resembles a private company in its structure, management and governance (see quotes in Table 1), because its funding, ownership and control are in many respects still those of a public organisation. It continues to be responsible for the administration and investment of the national pension fund. However, unlike its predecessor, FunLumpSum, it is no longer administered by the Pensions Department. The owners of the PenFund are notionally the workers in SSAC, on whose behalf contributions are made<sup>18</sup>.

<sup>17</sup> We do not discuss the role of the National Pensions Control Authority any further, because during the field work it was explained that it is a relatively ‘new organisation’ and has not yet explicitly established its monitoring practices. As explained by one of PenFund's former Directors: “To tell you the truth, they [National Pensions Control Authority] have just started. They haven't really established themselves properly yet, so they are in the process of making themselves very relevant. So, I think maybe give it four years and they will come in and do an inspection.” (Director General 1)

<sup>18</sup> The funds are contributed by both the employers and the employees, and the government only provides funds to PenFund in its capacity as an employer.



There is a Board of Trustees (hereafter BoT), which exercises a supervisory role in overseeing its operations and the role of the government is supposedly only custodial.

Despite the government's supposedly limited role in PenFund, it was pointed out by many of the interviewees that the level of government interference remains very high. This is because, as already indicated, PenFund's predecessor (FunLumpSum) was administered by the Pensions Department and, consequently, government officers had unrestricted access to its assets to help finance budget deficits. Furthermore, over the years it has become generally accepted in SSAC that the government interferes in all aspects of the economy and society. For instance, a former Director General explained that: "When the government comes and says: 'We are in a very tight corner. We have some budgetary deficits [and] government payrolls have not been paid. Will you [PenFund] come and lend us some money?' So, we [PenFund] fill that financial gap." (Director General 2) This history seems to be very difficult to overcome, and it is hard to deinstitutionalise such generally accepted practices (cf. [Harrison, 2005](#)), as even today the government appoints the Director General (hereafter DG) and a majority of PenFund's BoT.

As a result, the DG owes his<sup>19</sup> position and, hence his loyalty, to the government. As a former DG explained: "The Director General's position is a political appointment. So, you come and go on the whim of whoever is President. [...] Government tends to appoint those that share the same political ideologies." (DG 2) Inevitably, it is expected that the DG represents the government's interests, rather more than the interests of PenFund and/or its contributors. The former DG continued:

The Director General's job is very, very transient. You are there, but you can be gone in a year. It is not a permanent job. You come in on a contract. You are not a permanent employee. So, if let's say two years from now, the government doesn't want you, you are gone. (DG 2)

As such, the (political) nature of the DG's role is somewhat different to the role of the chief executive of a private sector company. Although PenFund is an autonomous corporate body, with formal control mechanisms and a governance structure which is very similar to a private sector company, the government retains significant control over PenFund's operations. Nevertheless, PenFund currently has a typical private sector divisionalised structure, in contrast to the bureaucratic structure when it was administered by the Pensions Department. It is organised into seven divisions (Legal, Finance, Administration, Investment & Development, Information Systems, Operations and Benefits, each headed by a General Manager who reports directly to the DG, and an Actuarial Division headed by the Chief Actuary who also reports directly to the DG. As such, PenFund's current organisational structure resembles, to some extent at least, that of a private sector company. However, despite the divisionalised structure, all major decisions are centralised and require the approval of the DG. For example, all decisions concerning the formation of IORs must be approved by the DG. Investment proposals may be put forward by departmental managers, but they must be sent to either the DG or the General Manager of the Investment and Development Division, and even the latter must seek the approval of the DG. The Departmental Manager: Project Development explained this as follows:

When they [potential partners] come to our department we direct them to the executives [either the General Manager of the Investment and Development Division or the Director General] because when they come to us, we still have to seek the approval of the General Manager of the Investment and Development Division and the Director General. So, what we normally do, if they come to us, we forward their proposal to the executives or advise them to go directly to the executives.

Although much decision-making, especially investment decision-making, is centralised in the DG, the BoT has oversight of all PenFund's activities. PenFund's Financial Report (2014: 25)<sup>20</sup> "acknowledges the importance of, and is committed to, the principles of good corporate governance, which include transparency and accountability. The Board of Trustees is responsible for ensuring that the highest standards of corporate governance are achieved in directing and controlling [PenFund's] business." As such, the BoT controls policy direction and approves all PenFund's major decisions, including IOR-related decisions. However, prior to sending to the BoT, everything has to be channelled through the DG. Therefore, some investment proposals never reach the BoT. Furthermore, as a Former Trustee explained: the DG is "inside PenFund [and] he knows how to manipulate the Board." Therefore, the BoT is, to some extent, used to "rubber-stamp decisions already made by the DG." (Former Trustee)

The BoT comprises representatives from the government, employers and workers, as well as the DG representing PenFund, and the Chairman who is also a government representative. The position of the Chairman and the trustees representing the government is similar to that of the DG; i.e., they come and go with changing governments. Moreover, as a Government Member (also a Former Trustee) explained: "The way our politics works here [in SSAC], unfortunately, is so partisan that it is difficult to get somebody from the other party to work for you." Therefore, the DG and the trustees appointed by the government share the political ideologies of the current government. Although the BoT does not report directly to the government, the government representatives inform the Ministry of Finance about PenFund's activities. However, as the only person representing PenFund on the BoT, the DG is responsible for maintaining PenFund's relationships with the other constituencies represented on the BoT. As such, the DG is a powerful figure within PenFund, but (as indicated above) his tenure is uncertain as the source of his power lies in his support for the current government.

<sup>19</sup> Almost all of the senior management team are male, although a significant number of middle managers are female.

<sup>20</sup> This was confirmed in the subsequent Financial Report (2015: 28).

Consequently, although PenFund is no longer owned by the government, its organisational structure, management and governance still allow the government to interfere in its activities and this can have an important impact on its IORs.

In this section we have seen the complex institutional environment in which PenFund operates, and how neo-liberal reforms have brought changes to the public sector and pensions field in SSAC and thereby shaped the organisational-level logics in PenFund. In terms of our conceptual framework, these organisational-level logics are represented (in Fig. 1) by the boxes at the extreme left and extreme right of the figure. As the figure indicates, these organisational-level logics have been and continue to be influenced by the organisational field-level logics. In the case of PenFund, these are the organisational field-level logics in the public and private sectors in SSAC.

In Section 5.1 we will see how PenFund uses selective coupling to cope with the interplay between its organisational-level logics, by selectively drawing on elements of its public sector and private sector logics (see Tables 1 and 2) to simultaneously project both public and private sector organisational identities (see the lower part of Fig. 1). We will then see how the social identities of organisational actors (which we term the actors' organisational identities) influence the way they exercise agency in the formalisation of partner selection procedures (Section 5.2). Finally, in Section 5.3 we will see how the societal-level logics in SSAC (see the upper part of Fig. 1) shape the social identities of organisational actors and, thereby, influence the way in which they exercise their agency in implementing (and potentially subverting) these formal procedures.

## 5. PenFund: coping with institutional complexity

### 5.1. Coping through selective coupling

As we saw in the previous section, PenFund operates in a complex institutional environment. The economic reforms in SSAC have introduced significant changes in the pensions field, especially with the introduction of competition from private sector pension funds. In response, in 2010, PenFund implemented a new strategy—which it calls a 'New Business Process'. This is aimed at increasing efficiency in collecting and handling the contributions, and in managing the contributors' funds. This is indicative of the 'key values' of PenFund's private sector logic (see Table 2), as confirmed by the Chairman's Report in 2015:

Together, the Board, Management and Staff of [PenFund] will continue to work to consolidate the gains of our business process and re-engineering drive in the coming year in order to further enhance the effectiveness and efficiency of [PenFund]. (Financial Report, 2015: 11)

Referring to PenFund's 'New Business Process', the Assets Allocation Policy (2010: 3) explains that "a number of strategic and operational recommendations are submitted for consideration, approval and implementation. The recommendations also revamp the structure of the portfolio with respect to nomenclature and composition, including the target mix, rebalancing ranges and the benchmarks". Financial Report (2013: 26) further explains:

Opportunities in the Energy and Real Estate sectors are being explored for added value and portfolio diversification. [PenFund] would *continue to optimize earnings* from the Investible funds [...]. We would *encourage Public Private Partnership (PPP)*<sup>21</sup> arrangements with focus on real estate development and other safe but *high yielding investments* to sustain or *improve on the positive RROI*<sup>22</sup> (*emphasis added*).

As well as revising its Assets Allocation Policy "*to strategically reposition the fund for optimal portfolio returns*" (Assets Allocation Policy, 2010: 5, *emphasis added*), PenFund has issued various policy documents in relation to IORs (including Investment Policy and Guidelines (2010) and Joint Venture Policy (2014)) to provide formal rules for its investment decisions and the management of its JVs. It is through these revised and new policies that PenFund has sought to project a private sector organisation identity in the way it makes its investment decisions. In addition, the rhetoric/language used in these policies and Financial Reports (as illustrated above) reflect PenFund's private sector logic – see also Tables 1 and 2.

However, at the same time, PenFund continues to project a public sector organisation identity by emphasising (for instance, in its statements to Local Newspapers) that it is committed to using its investments to further the country's economic development (see quote in Table 1). Issuing such statements, at the same time as it is implementing its New Business Process, reflects both its public sector logics and its private sector logics. In this way, PenFund selectively couples elements of the two logics in the way it communicates with its stakeholders, thereby ensuring that both identities are projected to stakeholders so as to secure their continued support (See Table 2 – 'source of legitimacy'). This illustrates how, through selective coupling, PenFund is able to "project legitimacy to external stakeholders" (Pache & Santos, 2013: 972), while avoiding "appearing fake or insincere" (Kaufman & Covaeski, 2019: 44), as will be explained below.

As stated in its Assets Allocation Policy (2010), PenFund seeks to achieve dual objectives. The first is to ensure its viability through relevant investment decisions. To achieve this objective, the following sub-objectives have to be met: (1) achieve an

<sup>21</sup> In our case study we label them IORs.

<sup>22</sup> Real Return on Investments

adequate yield, i.e., a commercial rate of return, (2) manage investment risks by maintaining a diversified portfolio, and (3) ensure the liquidity needed to meet PenFund's obligations by maintaining a spread of investments by duration. The second (of the dual) objectives is to provide development-oriented funds for national economic and social programmes. As it is a public organisation in a developing country, and its funds are the collective savings of the citizens, PenFund recognises that its investments should not only yield the highest possible returns, but also contribute to the development of the country's infrastructure and the provision of basic services, thereby improving the general standard of living in the country. Whilst the first of these dual objectives reflects the 'key values' of PenFund's private sector logic, the second reflects the 'basis of norms' and 'basis of strategy' of its public sector logic (see Table 2). Here again, we can see that, at the organisation level, PenFund selectively couples elements of both logics in formulating its objectives.

To achieve these dual objectives PenFund's single-asset-class portfolio was converted into a multiple-assets-class portfolio, with the aim of meeting the demands of its different stakeholders. This multiple-assets-class portfolio is composed of Fixed Income Investments, Equity Investments and Alternative Investments. The Alternative Investments comprise Real Estate Investments<sup>23</sup> and Socially Targeted Investments; i.e., investments undertaken for social reasons, usually also in the real estate sector. Alternative Investments can take various forms, including mixed-type IORs (such as JVs), minority or majority equity holdings in companies, and wholly-owned subsidiaries. As explained earlier, PenFund's stakeholders impose different, and sometimes conflicting, demands on PenFund. Hence, these Alternative Investments are expected to yield commercial rates of return (private sector logic), while at the same time being socially orientated and supporting the economic development of the country (public sector logic).

These new types of investment allow PenFund to draw simultaneously on various elements of both its private sector logic and its public sector logic; this is what [Pache and Santos \(2013\)](#) term selective coupling. In this way PenFund can project a private sector organisation identity (embedding its private sector logic), while continuing to maintain its public sector organisation identity (embedding its public sector logic), and thereby gain legitimacy from different groups of stakeholders. Through this selective coupling, PenFund's public sector organisation identity (with its public sector logic) is not replaced by a 'new' private sector organisation identity (and private sector logic). This is in contrast to some existing institutional studies which either portray institutional change as the replacement of an old institutional logic by a new logic ([Dunn & Jones, 2010](#); [Modell et al., 2017](#)), or a process by which the two logics are blended into a single logic (cf. [Dai et al., 2017](#); [Greenwood et al., 2011](#)). Furthermore, this means that the adoption of the new private sector practices in the public sector in Africa does not necessarily need to be ceremonial or decoupled at the organisational level, as has been hitherto suggested in some accounting studies (e.g. [Hopper et al., 2009](#); [Lassou, 2017](#); [Uddin & Tsamenyi, 2005](#)).

The following section illustrates how PenFund's organisational identities, shaped by this selective coupling, were enacted by its organisational actors through the formalisation of partner selection procedures when forming mixed-type IORs in the real estate sector. At the time of our field work (between July and September 2014) PenFund had seven joint ventures in the real estate sector with ten different partner organisations<sup>24</sup>; one minority equity interest and one majority equity interest in two different real estate companies; two wholly owned real estate companies; and 15 commercial properties. As we will see below, mixed-type IORs have enabled PenFund to project simultaneously both its public sector organisation identity and its private sector organisation identity. However, as we will see subsequently (in section 5.3), these formal procedures were enacted by organisational actors whose social identities are shaped by the societal-level logics in SSAC.

## 5.2. The formalisation of partner selection procedures

As the new pensions law, introduced towards the end of the first decade of the 2000s, increased benefit payments without proportionally increasing the contributions, PenFund needed to increase the returns earned on its investments<sup>25</sup> and it identified the real estate sector as a potential source of superior returns, as explained in its Financial Report (2013: 26):

To compensate for the shortfalls in the cash inflow, [PenFund] will seek partnership arrangements to execute investment deals especially in real estates and other infrastructural works, through syndications and other best business practice arrangements...

While terms like 'best business practice arrangements' and 'high yielding investments' reflect its private sector logic, these partnership arrangements also helped PenFund to meet its social obligations (as embedded in its public sector logic). As the Financial Report (2015: 21) explained:

[PenFund] has embarked on Real Estate development projects to deliver [almost 6000] housing units at [various locations] over the next four years. Aside from generating returns for [PenFund], these projects will help address part of the nation's [substantial] housing deficit <sup>[26]</sup>.

<sup>23</sup> Investment in the real estate sector includes both the construction and the sale/rent of the buildings.

<sup>24</sup> In the data collection we interviewed two of these partner organisations, and we refer to them as Partner Organisation 1 and Partner Organisation 2—see List of Interviewees in [Appendix 1](#).

<sup>25</sup> This was consistently pointed out in PenFund's Financial Reports in 2011, 2012 and 2013.

<sup>26</sup> The precise numbers are not shown for reasons of confidentiality.

Furthermore, as reported in local news media, the government, or more accurately the President, when inaugurating a new member of the Board of Trustees, asked PenFund to undertake strategically profitable investments and thereby to increase its own capital, while at the same time helping the economy of the country<sup>27</sup>. He further stated that housing is one of the key areas in which PenFund should invest due to the housing shortage in the country, and he then added that this sector has the potential to yield high returns. By forming such partnerships PenFund can project its public sector organisation identity, as well as its private sector organisation identity.

Before forming mixed-type IORs in the real estate sector, PenFund was already building houses for workers in SSAC, but this created various problems. For example, tenants often failed to pay their rent on time, or even at all, and government officials would 'pressure' PenFund's executives to allocate properties to their staff. As explained by a former DG, forming mixed-type IORs reduced these problems:

These public-private arrangements relieved us of having the trouble of always chasing after workers who think that because their building belongs to [PenFund], they don't need to pay the rent. But if it's a real estate done and partially owned by a private company, if you won't pay, they will throw you out. Whereas, [PenFund] would have a problem throwing people out because of its social responsibility. So, this is what eventually informed us that, if we are going to be in the real estate business, we should do what they call PPPs, Public Private Partnerships. (DG 2)

The Legal and Admin Manager from Partner Organisation 1 also said:

I spoke to one of PenFund's directors and I asked, 'why are you doing this Joint Venture with us?' If you have the money and you have the land why don't you do it yourself? And he said that they [PenFund] want to get the best out of it because when [PenFund] put up the buildings themselves the government say: 'can you reserve one apartment for this director, can you reserve one for this minister' etc.. But if they have a private entity with them, then PenFund is to some extent controlled so they [the government] can no longer ask for the 'free' flats as we [private partners] will not agree and that was the advantage of having a private partner for them.

Forming mixed-type IORs with private sector organisations helped PenFund to reduce the problems it was already having in the real estate sector, while at the same time significantly extending its investments in that sector to meet the challenges placed on it, notably by the President. As it is common knowledge in SSAC that PenFund owns huge amounts of land all over the country, it can be approached by potential private partners who want to use some of that land for real estate developments, including commercial properties, shopping malls, hotels, luxury apartments and car parks. As a result, PenFund has been able to draw on the expertise of such partners to reduce costs and to share the risks associated with real estate developments. As the Chief Actuary explained:

Partnerships are a way of mitigating risk. Also, once we partner, it's a bit cheaper. So what I'm saying is that if you are doing things on your own it's too risky, isn't it? And if you partner with someone, at least it becomes a bit easier and a bit cheaper. Also, I think that our partners bring some expertise on board. So that's the beauty of partnering.

We can see here that mixed-type IORs enable PenFund to preserve its public sector organisation identity, whilst simultaneously activating its private sector organisation identity. As such, it can be argued that forming mixed-type IORs is PenFund's strategic response to the institutional complexity it faces in meeting the demands of its different stakeholders. By deploying mixed-type IORs, PenFund is able to selectively couple various elements of its private and public sector logics. This is shown in the lower part of Fig. 1, where selective coupling is used to cope with the interplay between the different organisational-level logics. This selective coupling enables the organisational actors to simultaneously activate both public sector and private sector identities in exercising their agency while forming mixed-type IORs and developing ex-ante IOMCs. However, as the upper part of Fig. 1 illustrates, there are also societal-level logics which can activate other social identities and through the agency of organisational actors these societal-level logics can also affect the formation of IORs and the development of ex-ante IOMs. These societal-level logics are historically contingent and culturally situated, and in SSAC they can be seen in the logics of kinship and political connections. For example, a former DG complained:

We still have all kinds of pressures from the government and politicians to give the contract for developing [real estate] projects to their favourites; to the people that are politically connected. (DG 2)

Furthermore, the other former DG noted:

There were people who had some connections with the government and would go and see a Minister or some other 'big person' and say, 'I'm having this project and I need some money, but I don't have the money. I would like you to recommend PenFund to become my partner... to take part in my project'. So sometimes this actually informs the kind of investments that we do. But some of these projects went bad. (DG1)

From this we can see that despite the neo-liberal reforms and the implementation of NPM practices, which have shaped PenFund's private sector logic, traditional elements of the societal-level logics have not disappeared. Furthermore, although

<sup>27</sup> This paraphrases the President's comment for reasons of confidentiality.

PenFund's private sector logic underpins the formal changes in its business practices, such as the use of mixed-type IORs, the societal-level logics in SSAC can also, but more 'informally', influence the decisions taken by individual organisational actors.

For example, in 2010 a local newspaper reported that the national trade unions' representative body was claiming that [PenFund] had earned only 1.5% on the "workers' money" it had invested, and although it had investments in almost 40 unlisted companies, less than 20% of them had paid any dividends that year<sup>28</sup>. Interviewees explained that the vast majority of the investments in unlisted companies were due to personal and political connections between the senior managers in PenFund and individuals with significant interests in those companies. Furthermore, many of PenFund's IORs in the real estate sector tended to be formed for similar reasons (i.e., kinship, political connections and government interference). As explained by a Former Trustee:

Some partnerships were formed because of the connections; different type of connections. I mean friendship or some other relations, family, uncle of an uncle and so on and so forth, some political relations, etc., etc. For example, in one JV there was some political connection and that should never [have] happened.

When PenFund started to invest in equities, and to form its IORs, it struggled to select investment opportunities which could yield commercial rates of return. To some extent, this was because there were no formal rules regarding partner selection and therefore, as indicated above, the decisions were often informally influenced by such elements of the societal-level logics as kinship and political connections. The problems were exacerbated as the number of IORs increased very quickly. A Former Trustee explained:

So, when I joined I said that we had to take some decisions very, very quickly. There was too much money at stake. All they were doing was putting more and more money in low yielding investments. I thought, what's going on? We need to set some standards, some rules as how to manage all these partnerships.

As this quote indicates, these problems did not go unrecognised. For example, a 2014 report of the Investment Committee recorded that "The JV partners were noted to take advantage of [PenFund] during the procurement of materials and tend to make a lot of money during the construction process" and that some "JV[s] [tend] to align themselves more with the other partners to the disadvantage of [PenFund]". Interviewees explained that this was mostly because PenFund had not developed sufficient controls (i.e., IOMCs) to effectively select its partners and manage its IORs. Furthermore, institutional stakeholders, such as organised labour, were demanding greater visibility in partner selection. In response PenFund introduced various formal IOMCs, including tendering processes, investment appraisal and due diligence procedures. The following two sub-sections will explain how the formalisation of the partner selection process attempted to align the interests of the various institutional stakeholders and the interests of PenFund itself. The subsequent section (section 5.3), however, will then illustrate how the societal-level logics can influence the implementation of these IOMCs through the embedded agency of organisational actors.

#### 5.2.1. *Ex-ante IOMC*<sup>29</sup>: tendering processes

Nowadays, the selection of a 'good partner' in the real estate sector begins with a tendering process. As a public organisation, PenFund must abide by the rules set out in the National Procurement Law<sup>30</sup>, which applies to all public sector organisations in SSAC. As a result, PenFund cannot select a partner for any construction project without a public tender. The regulations introduced by the National Procurement Law implement the principles of NPM and are intended to encourage competition and to increase efficiency, transparency and accountability in the public sector. As such, they are compatible with PenFund's private sector logic. Nevertheless, PenFund is also subject to public scrutiny and, as such, its actions have to be *publicly visible*. As the National Procurement Law applies to all public organisations in SSAC, the requirement of public visibility could be regarded as an element of PenFund's public sector logic. The Departmental Manager: Corporate Law explained that, in order to ensure the visibility expected of PenFund, and to ensure that everyone in SSAC has an equal opportunity, tendering is "a transparent process". He further explained:

We put an advert in a newspaper that PenFund wants to develop a real estate and we require interested consultants or partners to join us. So, interested people should put in their bid. But first and foremost, there is a National Procurement Law which determines all these things. So, they [potential partners] put in their bids. We give a date and a timeline for the bids to be submitted to us. So, they put in their bids in sealed envelopes. We have a box that we put them in and we lock them and then we have a day that we are going to open the tenders. So on that day we invite all the people that bid, all the representatives, to come. We have a conference room in the other block. So, they will all come, we have the box there and we open the box and then we open the sealed envelopes and then we read what is in there for the hearing of everybody. Then we, the members of the Tender Committee, we have a document that records all these things. Then we tell them now you can go and you will hear from us. (Departmental Manager: Corporate Law)

<sup>28</sup> The precise quote and the newspaper cannot be disclosed for reasons of confidentiality.

<sup>29</sup> As indicated earlier, in this paper we examine the control mechanisms exercised in the process of setting up the IORs (ex-ante IOMCs). We do not look at the control mechanisms exercised in the operations of the IORs (ex-post IOMCs), although that is done in the larger project of which this paper is a part.

<sup>30</sup> A National Procurement Act had been promulgated in early 2000's as an integral part of the NPM reforms, and had been further amended by the time of our research.



Additionally, the CEO of Partner Organisation 1 explained that a construction company cannot just form a partnership with PenFund and use PenFund's resources to construct real estate. The National Procurement Law requires visibility in the partner selection process. Furthermore, the CEO of Partner Organisation 1 went on to explain that "Tendering is also normal for construction projects." Writing in the construction management literature, [Gadde and Dubois \(2010: 258\)](#) explain that "Economic efficiency is assumed to be obtained through competitive tendering procedures." As such, the tendering process used by PenFund reflects the norms of economic efficiency which are consistent with its private sector logic<sup>31</sup>, while at the same time meeting the requirements of the National Procurement Law which is consistent with its public sector logic. Thus, PenFund is able to project the identity of a private company by operating like other (private sector) companies in the real estate sector, while at the same time maintaining its public sector organisation identity through a tendering process which draws selectively on elements of both its private and its public sector logics.

Before the results of a tender are revealed, PenFund must conduct due diligence and prepare an investment appraisal. As will be explained below (in [Section 5.3](#)), this is where the agency of institutionally embedded organisational actors can shape the way PenFund's private sector and public sector logics are put into practice. However, first we will outline the investment appraisal and due diligence procedures which enable PenFund to project its private sector organisation identity.

### 5.2.2. Ex-ante IOMCs: investment appraisal and due diligence

The investment appraisal in PenFund is conducted by Investment Analysts in the Equity Department. As they explained during interviews, they apply many of the accounting tools used by private companies, such as Net Present Value, Internal Rate of Return and Payback Period. They explained that using these tools enables them to recommend the partner with the most economically viable proposal. In addition, these Investment Analysts are responsible for elements of the due diligence procedures, which are carried out on all potential partners. Any potential partner that does not pass the due diligence tests cannot form an IOR with PenFund<sup>32</sup>. In this way, the formal partner selection procedures enable PenFund to meet the expectations of its various institutional stakeholders by selecting 'good partners' who put forward economically viable proposals.

As explained by the General Manager of the Investment & Development Division, previously investment appraisal was undertaken only by himself and the DG. However, there is now a Tender Committee, where the opinions (and concerns) of others can be voiced during the partner selection process. The new procedures are perceived to have had a positive impact on both the quantity and quality of information about proposed real estate investments within PenFund and, consequently, potential partners are now selected in what appears to be a more rigorous way. This reflects PenFund's private sector logic and is due, in part, to the increased competition in the pensions field and the subsequent pressure for PenFund to be competitive (see [Table 1](#)).

In this and the previous sub-section we have shown how the formalisation of the partner selection procedures, through the use of ex-ante IOMCs, enables PenFund to selectively draw on elements of its private and public sector logics, and thereby align PenFund's interests with those of its various institutional stakeholders. These formal procedures are put in place by organisational actors enacting PenFund's private sector and public sector organisational identities. However, as we will discuss in the following section, the formal procedures in PenFund are put into practice (i.e., made to work on a day-to-day basis) through the agency of organisational actors whose social identities are shaped by the societal-level logics in SSAC, which are historically contingent and culturally situated.

### 5.3. The role of institutionally embedded agency

As explained above, formally PenFund is expected to follow governmental regulations and its own organisational policies when forming IORs, as well as implement the partner selection procedures just described. However, as will be illustrated below, the IOR formation process is shaped, not only by these formal rules and procedures, but also by the agency of the organisational actors who implement these rules and procedures. As we will see, this agency is institutionally embedded.

Although PenFund is supposed to select the most cost-efficient proposal of those tendered, this does not always happen, as a former DG illustrated:

A group from China had a good Joint Venture proposal, but there was a local company which does similar things. I had this feeling. . . The sentiment was very deep. I had to apologise to the Chinese company, and suggested we partner with the local company. However, if you go to analysis, you can say that the Chinese group would have done a better job than the [SSAC] company, but the sentiment was deep. (DG1)

In this instance, the 'best' potential partner was not selected. This was because, in exercising agency, the DG activated his identity as 'a good public servant' and selected a partner based on his 'sentiment'; i.e., his (emotional) connection to the country. This reflects elements of PenFund's public sector logic, as shown in [Table 2](#). However, here the DG selectively prioritised elements of PenFund's public sector logic over the cost efficiency elements of its private sector logic. As such, the private sector logic was enacted through the lens of the public sector logic. Although the rationale of the private

<sup>31</sup> As well as the logics at the organisational field-level.

<sup>32</sup> As explained earlier, PenFund is subject to public scrutiny and cannot enter into a partnership with such an organisation. Two partner organisations, namely Partner Organisation 1 and Partner Organisation 2, both confirmed that PenFund conducted detailed due diligence on them.

sector logic is that IOR decisions should be based on cost efficiency, the DG gave priority to a local company rather than selecting the lowest cost tender. Although PenFund's Investment Policy and Guidelines (2010: 6) formally allow IORs to be formed with "Established local and/or international companies with a solid track record", the DG prioritised a local partner over an international one, as it would contribute, not only to the development of real estate in SSAC, but also to the development of the construction industry in the country. Although this example further illustrates the selective coupling of elements of PenFund's private and public sector logics, it was the agency of the DG which determined the particular elements to prioritise (specifically, in this instance, elements of the public sector logic) and the organisational identity to enact.

However, despite the formalisation of the partner selection process and the implementation of various ex-ante IOMCs, some decisions continue to be guided by elements of the historically embedded and culturally situated societal-level logics in SSAC, as a former DG explained:

We go through the due diligence process—the criteria for the tender process. But I can say that we are an institution made of humans. So, it's possible that somebody will say "Well, we know these people. Let's partner with them." (DG1)

He went on to clarify that 'knowing the people' refers to relations of kinship and that such relations are frequently given priority in partner selection over the formal investment appraisal. In such situations, organisational actors, such as the DG, activate social identities which are shaped by their group membership—here, by membership of kinship groups.

The CEO of Partner Organisation 1 provided a further illustration:

Unfortunately, in 2008 there was a change of government. So, when the new government came in, as [PenFund's] Board of Trustees is mainly appointed by government, new members on the board wanted to find out how we got our [JV]. Because it is a huge project and everybody wants to find the people that use [PenFund's] money, they wanted to find out what it is all about – a bit of politics. So, then the new chairman on our [JV] board, because he was appointed by PenFund, wanted to understand the entire structure of the JV and how it works. I mean *politically some people thought that I belong to the other party that lost, so therefore they [PenFund] don't have to work with me any longer.* (emphasis added).

An informal discussion with the CEO of Partner Organisation 1 revealed that he is not a member of any party, although he is politically active and supports the political ideology of the former government. It also became evident that the former DG of PenFund (DG1), who was DG when the JV with Partner Organisation 1 was formed, is a close friend of the CEO of Partner Organisation 1. This was, to some extent, confirmed by other partners:

Partner Organisation 1 had a sort of a connection with [PenFund] and we partnered with Partner Organisation 1, and then we went into the competition [tender] and we won the competition. That's how it all worked—they [Partner Organisation 1] have a connection within [PenFund] and that would sort of give us a competitive advantage. (Managing Director of Partner Organisation 2)

The Managing Director of Partner Organisation 2 went on to say that, had it not been for the political connections of Partner Organisation 1, forming an IOR with PenFund would have been much more difficult. Additionally, other interviewees from PenFund's partner organisations suggested that a private organisation in which the owners or managers are affiliated to the ruling political party has a much higher probability of forming an IOR with PenFund. The Legal and Admin Manager from Partner Organisation 1 explained:

[The CEO of Partner Organisation 1] had some relationships with some [of PenFund's] directors; so it was easier to start the conversation with them. If you have no connections, they may not even look at your proposal.

Whereas the previous example illustrated decisions which were influenced by relations of kinship, this example illustrates the influence of political connections. In both examples we can see how elements of the societal-level logics in SSAC can subvert the implementation of the formal procedures which reflect the selective coupling of PenFund's private sector and public sector logics. In both cases, the institutionally embedded agency activated the social identities associated with the membership of kinship and political groups. These identities reflect the societal-level logics in SSAC, rather than the organising principles of PenFund's public sector and private sector logics.

As acknowledged by both a Former Trustee and a Former Director General (DG2), some of PenFund's IORs should never have been set up, as they were unlikely to yield commercial returns and were not socially targeted. As a result, they have contributed to neither of PenFund's dual objectives. In most of these IORs, despite the formal tendering process, institutionally embedded actors activated social identities which were not the 'workplace' organisational identities of a 'good civil servant' or an 'efficient manager' (see Table 2). Instead, they activated social identities which reflect their membership of kinship and political groups.

It should be noted that in the first example in this section, where the DG prioritised a local company over a Chinese company, the DG was exercising agency by prioritising one of PenFund's dual objectives over the other—i.e., meeting national economic and social goals, over optimising the return to PenFund. This enacted the organisational-level logics and the DG's organisational identity. As such, he was managing the balance between PenFund's private sector and public sector logics. However, in the other examples the exercise of agency subverted the NPM practices implemented following the neo-liberal reforms in SSAC, and enacted the actors' social identities and the societal-level logics in SSAC, rather than the actors' organisational identities and the private sector and public sector logics of PenFund.

Here we have drawn on the conceptual framework set out in Fig. 1 to explain how PenFund has responded to the institutional complexity of its environment through the formation of mixed-type IORs and the development of ex-ante IOMCs. Specifically, to respond to the institutional demands of its different stakeholders, PenFund selectively couples elements of its public and private sector logics and, by so doing, it can simultaneously project both public sector and private sector identities. The organising principles of PenFund's public and private sector logics are reflected in the various rules and procedures it has established for the formation of mixed-type IORs. Nevertheless, we also saw that the implementation of these rules and procedures can be subverted by the agency of organisational actors who enact elements of the historically contingent and culturally situated societal-level logics, such as kinship and political connections, which shape the actors' social identities and underpin their institutionally embedded agency. In this way, not only are the effectiveness and efficiency of the formal rules and procedures compromised, but the processes of developing new management practices, which embed PenFund's private sector logic, are impeded. As such, the way in which organisational actors enact institutional logics at the individual level also have an impact on how mixed-type IORs are formed and ex-ante IOMCs are developed.

In this case we have seen how logics at multiple levels can shape behaviour in an individual organisation. Although we focused on the organisation-level logics in PenFund, which we labelled public sector logic and private sector logic, we recognise that these organisational-level logics have been influenced by organisational field-level logics in the public sector and in the private sector, and specifically in the latter, the logics in the pension field. Furthermore, we have now also seen how the enactment of these organisation-level logics by individual organisational actors can be shaped by the societal-level logics in SSAC.

As the case of PenFund illustrates, our conceptual framework provides a basis for studying the interaction of institutional logics at multiple levels—societal, organisational field, organisational and individual. Furthermore, by drawing on Thornton et al. (2012) microfoundations of institutional logics, the framework also enables us to recognise how these multiple institutional logics shape the social identities which organisational actors draw upon as they enact their institutionally embedded agency. In this paper we have studied the impact of institutional logics at multiple levels in a developing country (SSAC), together with the influences of the institutionally embedded agency of organisational actors, on the formation of mixed-type IORs and the enactment of ex-ante IOMCs in one organisation (PenFund). However, we believe this conceptual framework provides a basis for studying the formation of other types of management accounting and control practices in other developing countries and, potentially, more generally. In the next (and penultimate) section we will discuss the findings of our study of PenFund, before the final section offers some concluding remarks.

## 6. Discussion of findings and their implications

In our study we observed that changes in the institutional environment, following the neo-liberal reforms and the introduction NPM practices in SSAC, provided the impetus for PenFund's formation of mixed-type IORs. More specifically, PenFund diversified its investment portfolio and, amongst other things, began investing in real estate developments through mixed-type IORs. However, our study suggests that the impression portrayed in the existing literature (e.g. Barretta & Busco, 2011) that IORs are formed in the public sector to increase the efficiency, quality and competitiveness of public sector services is an over-simplification of a complex and uncertain process. We do not deny that the NPM reforms in SSAC contributed to the formation of various IORs, as well as to the emergence of a private sector logic in the public sector and, in particular, to the adoption of private sector practices by PenFund. However, there were also other reasons for the formation of PenFund's IORs, such as the need to reduce the housing deficit and to strengthen the economy of SSAC, as well as the desire to minimise the impact of government interference. In our study we identified the emergence of a private sector logic in PenFund, but also a continuation of its public sector logic. By selectively coupling elements of these two logics PenFund was able to respond to the various institutional pressures it faced. For example, its partner selection process was formalised and ex-ante IOMCs, such as tendering, due diligence and investment appraisal, were introduced. To some extent these IOMCs align the interests of PenFund and its institutional stakeholders, and help PenFund to balance the various beliefs, expectations and rationales arising from the institutional complexity in SSAC.

Thus, the formation of mixed-type IORs, as well as the implementation of ex-ante IOMCs, can be seen as a *strategic* response of a public organisation to the multiple institutional pressures it faces as a result of institutional change<sup>33</sup>. By deploying mixed-type IORs and ex-ante IOMCs, PenFund has been able to selectively couple elements of its private sector and public sector logics, and to project a private sector organisation identity while also retaining a public sector organisation identity. In this way, it has been able to secure its legitimacy, despite the diverse interests of its stakeholders. Thus, we can see that, through selective coupling, competing logics can coexist within an organisation, rather than one of the logics 'winning' over the other(s). So, when 'new' logics emerge they do not necessarily need to replace the 'old' logics (cf. Dunn & Jones, 2010; Modell et al., 2017), nor do they need to be blended in a new logic (cf. Dai et al., 2017; Greenwood et al., 2011). Furthermore, this implies that the adoption of new private sector practices in the public sector in Sub-Saharan Africa does not necessarily need to be ceremonial (or decoupled) at the organisational level—in contrast to suggestions in the existing African Accounting literature (Lassou & Hopper, 2016; Lassou, 2017; Sy, 2010; Uddin & Tsamenyi, 2005; van Helden

<sup>33</sup> Cf. Nor-Aziah and Scapens (2007) where the loose coupling was not a strategy, although it emerged as a result of purposeful actions of organisational actors.

& Uddin, 2016). However, because of the embedded agency of organisational actors, they could become 'ceremonial' (or be subverted) at the level of individual actors.

In PenFund we also saw that, even though it has introduced the type of ex-ante IOMCs which are common in the private sector (especially in developed countries), its day-to-day practices continue to be influenced by elements of the societal-level logics in SSAC (such as kinship and political connections). This is because, despite PenFund's emerging private sector logic, organisational actors are members of social groups, such as kinship groups and political groups, each with their societal-level logics and, consequently, at the individual level they can activate social identities (linked to these societal-level logics). As a result, their decisions in the workplace can be shaped by the societal-level logics in SSAC, as well as the organisational-level logics in PenFund.

Here we see that, under conditions of institutional complexity, organisations (especially public sector organisations) can face diverse institutional demands and, while their responses are guided by their prevailing and emerging organisation-level institutional logics, individual organisational actors can exert an important influence over organisational decisions (cf. Dekker, 2008; Ding et al., 2013; Neumann, 2010). However, the agency of these individual actors remains institutionally embedded, not only in the institutional logics permeating their organisation, but also in the societal-level logics. Consequently, their behaviour can be shaped by social identities which are associated with particular elements of the societal-level logics, such as kinship and political connections, as well as the logics at the organisational level. As we saw in PenFund, the way IOMCs are enacted at the individual level can impede or subvert the formal procedures and, consequently, their effectiveness and efficiency—at least their effectiveness and efficiency in the terms conceived in the neo-liberal reforms. So, in PenFund, although formal IOMCs are in place at the organisational level, through the embedded agency of organisational actors they can become ceremonial at the individual level (cf. Hopper et al., 2012; Tsamenyi et al., 2010).

As the societal-level logics are deeply embedded in SSAC (being historically contingent and culturally situated), organisational actors may not be wholly strategic in activating their identities of group membership when taking specific decisions within PenFund, but they may not be wholly unaware of them either (cf. Meyer et al., 2014). So, even after the neo-liberal reforms, and the accompanying pressures from international donors, at the individual level organisational actors may still draw on societal-level logics, such as kinship and political connections, in the formation of mixed-type IORs and in the use of ex-ante IOMCs. Such societal-level logics can be difficult to deinstitutionalise as the sense of belonging to social groups does not disappear with the implementation of, for example, neo-liberal reforms (Meyer et al., 2014). Although previous research has shown that workplace identities are a particularly strong source of social identity (see Horton & de Araújo Wanderley, 2018), in the current study we see that, while enacting institutionally embedded agency, organisational actors draw on, not only the institutional logics in their own organisation, but also the societal-level logics which construct their social identities. Unlike other studies on 'embedded agency', which focus on the 'paradox of embedded agency' (see e.g. Burns & Nielsen, 2006; Englund & Gerdin, 2011; Hiebl, 2018; Horton & de Araújo Wanderley, 2018; Kilfoyle & Richardson, 2011), we do not suggest that, by enacting embedded agency, organisational actors change the institutional arrangements in which they are embedded, instead we recognise that they can take actions which are different from those which would reflect the organisation-level logics. In this way, they enact their agency—but it is agency which is institutionally embedded.

As such, we have demonstrated that public sector managers can enact institutional logics which reside outside their organisation. In this way, the process of management accounting change through, for instance, the formation of the mixed-type IORs can be impeded. In comparison to studies of IORs which examine the impact of organisational field-level logics, but ignore societal-level logics (e.g. Reay & Hinings, 2009), and studies which acknowledge both societal-level and organisational field-level logics, but pay only limited attention to the individual actors (e.g. Saz-Carranza & Longo, 2012), we add the 'individual level' to the study of IORs. Furthermore, by including the individual level, we also add to institutional studies of management accounting change (see e.g. Amans et al., 2015; Busco et al., 2017; Carlsson-Wall et al., 2016; see also Modell, 2009) which focus primarily on the organisational and/or organisational field levels. Here, we show how logics which reside outside the immediate institutional environment of the organisation can shape the identities of organisational actors who, through their embedded agency, enact elements of the societal-level logics and thereby impact organisational practices, such as IORs and IOMCs.

## 7. Concluding remarks

The overarching aim of the study was to answer the following research question:

*How do institutional logics shape the way in which a public organisation in a Sub-Saharan African country forms mixed-type IORs and deploys and enacts ex-ante IOMCs?*

Recent studies drawing on the institutional logics perspective have been criticised for ignoring the micro-processes through which organisational actors respond to the multiplicity of logics permeating their institutional fields and, consequently, for underplaying the complexities involved (Modell et al., 2017; Quattrone, 2015). In this paper, we have addressed our research question by drawing on Thornton et al. (2012), which recognises that institutional logics reside at multiple levels, and by deploying a bottom-up approach (Zilber, 2016) to study the impact of a complex institutional

environment on an organisation and its organisational actors, and how institutional logics are enacted and reproduced within the organisation through the actions of actors therein. In this way, we have attempted to understand (and to contribute to the debate on) the impact of multiple institutional logics and the role of social identities and agency in the institutional analysis of both IORs and ex-ante IOMCs. We have enhanced our understanding of the formation of mixed-type IORs and the use of ex-ante IOMCs by studying them in an institutionally complex environment and, thereby, we go beyond the existing and rather static explanations of IORs and ex-ante IOMCs (see e.g. Dekker, 2008; Ding et al., 2013; Neumann, 2010) by showing that IOMCs can be the outcome of interactions between multiple institutional logics.

Focusing on a country in Sub-Saharan Africa, we have explored how the complex institutional environments in such countries can shape the formation of IORs and the enactment of ex-ante IOMCs. In particular, we observed how the historically contingent and culturally situated societal-level logics in these countries, which continue to shape the embedded agency of organisational actors, can influence the way in which neo-liberal reforms, promoted by international donors, such as the World Bank and the International Monetary Fund, are enacted (and potentially even subverted). As such, we show how the institutional environments of countries in Sub-Saharan Africa can impede the implementation of NPM practices, such as ex-ante IOMCs (cf. Ashraf & Uddin, 2011; Hopper et al., 2012). In addition, our findings suggest that the problems encountered in mixed-typed IORs in Sub-Saharan Africa are just as likely to be due to their institutional environments, as to the lack of appropriate ex-ante IOMCs, especially in the partner selection process, which have been found to be particularly important for successful IORs in developed countries (cf. Dekker, 2008; Ding et al., 2013; Neumann, 2010).

Despite the development of a private sector logic in PenFund, elements of the societal-level logics, such as kinship and political connections, underpin the social identities of the organisational actors and shape their institutionally embedded agency. Consequently, they can influence the formation of mixed-type IORs and the enactment of ex-ante IOMCs. This is because, in part at least, formal management practices in SSAC, as in other developing countries, are not well developed and the behaviour of organisational actors continues to be dominated by *informal* (culturally situated) practices (Helmke & Levitsky, 2004). Therefore, in IORs, the economically 'best' potential partner may not be selected, despite the implementation of formal ex-ante IOMCs. This is consistent with the argument in the literature that the informal nature of institutional environments in developing countries can be problematic (Everett, 2012; Uddin & Tsamenyi, 2005). Furthermore, we show that problems with mixed-type IORs in Sub-Saharan Africa are not necessarily caused by inappropriate or ineffective IOMCs, but by the way in which they are enacted by organisational actors. As such, we reinforce Hopper et al. (2009) claim that many problems in developing countries, such as those in Sub-Saharan Africa, are socio-economic and political, not technical. Thus, the introduction, through neo-liberal reforms, of what are perceived to be the private sector 'best practices' in developed countries are (and are likely to remain) problematic in developing countries, such as those in Sub-Saharan Africa, due to the historically contingent and culturally situated 'informal practices' which shape the behaviour of organisational actors in these countries.

Our findings raise questions about the policies of international donors which seek to impose (or at least encourage) the implementation in developing countries (in Africa and elsewhere) of what are perceived as private sector 'best practices' in developed countries. A functionalist interpretation of our findings might be to suggest that there is a need to find ways in which the formal practices of developed countries can be institutionalised in developing countries, and the informal, but taken-for-granted, practices in those countries deinstitutionalised. However, that would be to miss the important point that these informal practices are deeply embedded and their origins are in the often colonial history, experiences and culture of these countries. Certainly, the nature and effects of these practices needs to be recognised and not just taken for granted. However, trying to replace them with the formal practices which have emerged in developed countries may be far too simplistic. An alternative view of the implications of our findings would be that international donors need to assist developing countries, such as those in Sub-Saharan Africa: (1) to recognise and question the institutional logics which underpin their existing practices; possibly by comparing them with the formal and the informal practices in other countries—both developed and developing countries; and (2) to seek ways to build on and adapt the societal-level institutional logics and practices in ways which will assist processes of economic development. In this way *African solutions* may be found; solutions which could be more effective than current attempts to transfer the practices of developed countries to Africa. For instance, further research could seek to locate innovative ways in which IORs can be used to promote economic development in this way.

In conclusion, we would argue that both the formation of mixed-type IORs and the use of ex-ante IOMCs are shaped by the complexities of the institutional environment and the institutionally embedded agency of organisational actors who enact societal-level logics at the individual level. While the existing literature tends to focus on the societal and field levels (see e.g. Reay & Hinings, 2009; Saz-Carranza & Longo, 2012), in this paper we have added the organisational and individual levels, and shown that they are equally important in understanding how mixed-type IORs are formed and ex-ante IOMCs are used in the institutionally complex environments of a country in Sub-Saharan Africa. In this way, we avoid the criticism that institutional analysis overemphasises isomorphism (Lawrence, Leca, & Zilber, 2013; Lounsbury, 2008) and that the agency perspective reduces social reality to the subjectivity of individual actors (Armstrong, 2008). Although the subjectivity of individual actors is important, we have to recognise that the agency of organisational actors is institutionally embedded. Contrary to some previous studies (Amans et al., 2015; Dai et al., 2017), the current study shows that the way institutional logics travel through organisations is not an 'orderly process' (cf. Quattrone, 2015), and the way in which institutional logics are enacted within organisations depends on the purposeful actions of



organisational actors. Therefore, understanding the formation of mixed-type IORs in Sub-Saharan Africa requires in-depth study of both their complex institutional environments and the agency of institutionally embedded actors. Furthermore, it raises questions concerning current attempts in developing countries, such as those in Sub-Saharan Africa, to implement the private sector practices of developed countries.

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### Appendix 1. Interviews conducted between July and September 2014.

Person	Sector	Position*
<b>Public Pension Investment Fund</b>		
Former Trustee <sup>a</sup>	Public	Senior
Trustee <sup>b</sup>	Public	Senior
Former Director General 1 (DG 1)	Public	Senior
Former Director General 2 (DG 2)	Public	Senior
General Manager of the Legal Division	Public	Senior
General Manager of the Investment & Development Division	Public	Senior
Chief Actuary	Public	Senior
Departmental Manager: Equities	Public	Semi-senior
Departmental Manager: Project Development	Public	Semi-senior
Departmental Manager: Properties <sup>c</sup>	Public	Semi-senior
Departmental Manager: Portfolio Performance Measurement and Monitoring	Public	Semi-senior
Departmental Manager: Corporate Law	Public	Semi-senior
Accountant <sup>d</sup>	Public	Supervisor
Investment Analyst 1	Public	Supervisor
Investment Analyst 2	Public	Supervisor
Investment Analyst 3 <sup>e</sup>	Public	Supervisor
Investment Analyst 4	Public	Supervisor
Investment Analyst 5	Public	Supervisor
Investment Analyst 6	Public	Supervisor
<b>The Joint Venture</b>		
Chairman of the Board of Directors <sup>b</sup>	Public	Senior
Director: CEO of Partner Organisation 1 <sup>f</sup>	Private	Senior
Director: Managing Director of Partner Organisation 2 <sup>g</sup>	Private	Senior
Director: PenFund's Representative <sup>c</sup>	Public	Senior
Managing Director	Private	Senior
Financial Controller <sup>d</sup>	Private	Semi-senior
Financial Accountant	Private	Supervisor
Marketing Officer	Private	Supervisor
Case Officer from PenFund <sup>e</sup>	Public	Supervisor
Employers' Representative	Private	Semi-senior
<b>Partner Organisation 1</b>		
Chief Executive Officer (CEO) <sup>f</sup>	Private	Senior
Chief Operating Officer	Private	Senior
Legal and Admin Manager	Private	Semi-senior
Projects Manager	Private	Semi-senior
Subsidiary Accountant	Private	Supervisor
Accounts and Finance Manager	Private	Semi-senior
Architect Manager (Subsidiary)	Private	Senior

(continued on next page)

**Appendix 1** (continued)

Person	Sector	Position*
<b>Partner Organisation 2</b>		
Managing Director <sup>g</sup>	Private	Senior
<b>Government</b>		
Government Member <sup>a</sup>	Public	Senior
PPP Officer	Public	Senior

a, b, c, d, e, f, g Indicate the people who were interviewed in different capacities.

\*Positions in the organisation are classified at the following three levels: senior: director/top-level manager/trustee; semi-senior: middle-level manager, e.g. departmental; supervisor: supervisor and non-managerial support roles.

**Appendix 2. Extract of the coding scheme.**

<i>Category 2: Institutional Logics</i>	
Public Sector Logic	IL-Pub
Key Values	IL-Pub-KV
Forms of Ownership	IL-Pub-FoO
Organisation Form	IL-Pub-OF
Logic of Investment	IL-Pub-LoI
Basis of Strategy	IL-Pub-BoS
Basis of Norms	IL-Pub-BoN
Formal Control Mechanism	IL-Pub-FCM
Informal Control Mechanism	IL-Pub-IFCM
Source of Authority	IL-Pub-SoA
Source of Legitimacy	IL-Pub-SoL
Source of Identity	IL-Pub-SoI
Basis of Mission	IL-Pub-BoM
Private Sector Logics	IL-Priv
Key Values	IL-Priv-KV
Forms of Ownership	IL-Priv-FoO
Organisation Form	IL-Priv-OF
Logic of Investment	IL-Priv-LoI
Basis of Strategy	IL-Priv-BoS
Basis of Norms	IL-Priv-BoN
Formal Control Mechanism	IL-Priv-FCM
Informal Control Mechanism	IL-Priv-IFCM
Source of Authority	IL-Priv-SoA
Source of Legitimacy	IL-Priv-SoL
Source of Identity	IL-Priv-SoI
Basis of Mission	IL-Priv-BoM

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