

Managing the unmeasurable: Developing a new performance management framework for the voluntary sector

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Managing the unmeasurable: Developing a new performance management framework for the voluntary sector

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IMPACT

The concept of management control 'as a package' is explored within the context of five voluntary hospices in the UK, using a comprehensive framework, Simons' levers of control. not applied widely in the voluntary sector. This article argues that, to enhance its practical application in this sector, this framework needs to be modified to include broader concepts of ethos, responsibility and judgement. This tool can be used in further research as well as providing a framework for discussions between voluntary organizations and their stakeholders about a balanced approach to managing and accounting for their organizational performance, not predominantly through measurement.

ABSTRACT

As demands for accountability increase within the voluntary sector, there is more focus on performance measurement. However, management control has been considered 'as a package', including more elements than just measuring performance. As this approach is yet to be considered within voluntary sector literature, this article seeks to apply the notion of control as a package in the context of UK voluntary hospices. It develops a comprehensive performance management framework, drawing on Simons' levers of control.

KEYWORDS

Hospices; levers of control; management control; performance management; performance measurement; voluntary sector

Introduction

There is a fast growing and multidisciplinary literature concerning the performance measurement of voluntary organizations but this is yet to be fully informed by the management accounting literature of management control. This research considers the role of performance measurement in the performance management of UK voluntary hospices. The voluntary sector has come under increasing pressure to account for its performance but it faces difficulties in how to measure this effectively, of which voluntary hospices are a good example. The mission of voluntary hospices is to ensure 'a good death'(Joy & Sandford, 2004; Weston, 2015): an intangible and complex outcome. This article investigates how voluntary hospices manage the unmeasurable by advocating that performance management should not be limited to performance measures but that it should incorporate broader notions of management control. By comparing the literature of voluntary sector performance measurement (Cordery & Sinclair, 2013; Moxham, 2014) to generic theories of management control from the management accounting literature (Chenhall, 2005; Ferreira & Otley, 2009; Kaplan & Norton, 2000; Simons, 1995), a gap is identified. Performance measurement has various characteristics including diverse performance measures, aligned performance measurement systems (PMS), integrated PMSs with causal relationships and qualitative assessment. However, recent debates consider management control 'as a package' (Bedford et al., 2016; Malmi & Brown, 2008; Merchant & Otley, 2020; Sandelin, 2008) in which performance measurement is just one element of a holistic control system. Van der Kolk (2019) has called for more

research into this approach within the public sector. While of course there are differences between the public and voluntary sectors, this approach is also appropriate within the voluntary sector and this article shows how this can operate in practice by carrying out cases studies of five UK independent hospices. This article makes a contribution to knowledge in two ways. First, it suggests that voluntary sector performance measurement literature should be broadened to include notions of management control as a package. Second, the article proposes modifications to an existing corporate management control framework, (1995) levers of control, to suit the voluntary sector.

Literature review

Voluntary sector organizations are increasingly called to account for their performance through measures (Hoque & Parker, 2015), presenting a challenge to those with intangible objectives. Nevertheless, effective performance management can be exercised through different types of control, of which performance measurement is only one element. To understand the role of performance measurement in the management control of voluntary organizations, two sets of literature have been compared. First, a review of the literature in the voluntary sector shows a growing interest in performance measurement. Second, a typology of management control, derived from management accounting literature, sets out the key characteristics of effective performance management. The later includes control 'as a package'(Malmi & Brown, 2008); an overall management control system made up of separate parts and different types of control (Otley, 2016). A comparison of these literatures identifies a gap in the

voluntary sector literature as there has been little consideration of performance measurement as one element of a more complex control system; it also suggests how research into the performance management of UK voluntary hospices might help to fill it.

The voluntary sector literature has focused on how best to measure, rather than manage, performance. Ebrahim and Rangan (2010, p. 33) comment on the 'explosion of methodologies and tools for assessing social performance and impact'. Broadly, performance measurement models can be put on a continuum from the purely quantitative, such as financial results, to the purely qualitative assessment of performance such as the opinion of experts (for example peer review) and beneficiaries (for example anecdotal stories). Nicholls (2009) uses a 'spectrum of disclosure logics' to position different performance measurement methods between positivist, quantitative and interpretive, qualitative ends. This is reflected in two typologies for voluntary sector performance measurement systems. Cordery and Sinclair (2013), taking an accounting perspective, recommend four categories: economic/financial, programme theories, strategic and participatory approaches. Moxham (2014), with an operational background, suggests two broad groups: multi-dimensional and reputational. Financial analysis is a purely quantitative technique, including ratio analysis, such as conversion ratios (administration costs as a percentage of total expenditure), fundraising efficiency and unit cost analysis (Connolly et al., 2013; Van der Heijden, 2013). Economic analyses assess organizational performance in monetary terms, such as cost benefit analysis and Social Return on Investment (Arvidson et al., 2010). Multi-dimensions models include programme theories, expressing performance as efficiency and effectiveness in numerical rather than monetary measures, such as the logic model comparisons of inputs, outputs, outcomes and impact (Ebrahim & Rangan, 2014; Kendall & Knapp, 2000; Lynch-Cerullo & Cooney, 2011). Strategic performance measurement systems (SPMSs) combine qualitative and quantitative approaches by aligning performance measures to strategic objectives, such as the balanced scorecard (BSC) (Manville & Broad, 2013; Sawhill & Williamson, 2001). Examples of purely qualitative approaches to assessing performance are participatory and reputational techniques, including peer review (Purcell & Hawtin, 2010), narrative reporting (Greatbanks et al., 2010), outcomes mapping and benchmarking (Conley Tyler, 2005).

There are similarities in the generic management accounting literature to performance measurement within the voluntary sector. Early definitions of management control include similar themes to voluntary sector performance measurement. Anthony in 1965 defined management control as 'the establishment of purpose, the pursuit of effectiveness and the struggle for efficiency' cited by Berry et al. (2005, p. 5). While financial information has always been at the core of management control, non-financial measures have proliferated with the diversity of metrics being seen as an important factor in organizational success (Franco-Santos et al., 2007; Ittner & Larcker, 2003). This underpins performance measurement frameworks such as the Performance Prism (Neely et al., 2001). However, effective performance measurement depends on more than reporting a wide range of financial and non-financial measures; measures should be aligned with organizational strategy

(Chenhall, 2005; Hall, 2008), also seen in the voluntary sector literature (Sawhill & Williamson, 2001). In addition to diverse performance measures and aligning such measures to strategic objectives, SPMSs offer integrated management control in which there are causal links. Strategy mapping was incorporated in to the later versions of the BSC with Kaplan and Norton (2000) linking their four perspectives of finance, customer, internal process; and learning and growth. These causal linkages, described as 'integrativeness' by Chenhall (2005), are considered one of its most innovative features. While its success has been predominantly in the private sector, Kaplan (2001) argued that the BSC could be adapted to meet the needs of nonprofit organizations by placing mission at the top and dividing customers into donors and beneficiaries. The logic model, by linking inputs to outputs to measure efficiency and inputs to outcomes as effectiveness, is a nonprofit example of an integrated performance measurement system.

Performance measurement systems play a key part of performance management but generic management control theory is now more comprehensive, including other types of control. Otley's (1999) original performance measurement system (PMS) focused on connecting strategic objectives to key performance measures, targets and rewards. It was redesigned as a performance management and control system (PMCS) (Ferreira & Otley, 2009), including contextual and cultural controls as well as performance measures. This draws on a typology proposed by Malmi and Brown (2008) with three layers of control: cultural control; planning and cybernetic (performance measurement) controls; and administrative controls, such as governance and policies. Cultural control incorporates concepts developed by Ouchi (1979) who contrasted clan control to outputs (often assessed by performance measures) and behaviour controls. Merchant and Van der Stede (2012) divided clan control into two further categories—personnel and cultural controls. Performance management is therefore a complex network of formal and informal controls systems of which performance measurement is only one element.

A typology in Table 1, setting out the characteristics of effective performance management, shows how there are examples of diverse, aligned, integrated and qualitative performance measurement systems within both the generic and voluntary sector literature.

However, the typology in Table 1 also suggests that performance management in the accounting literature has been extended to include the concept of management control as a package, a comprehensive approach to performance management. While such controls operate in the voluntary sector, there is little (if any) voluntary sector literature that recognizes performance measurement as just one part of a more complex, holistic management control system made up of many elements or types of control (see Figure 1). This comparison of the two sets of literature—management control and voluntary sector performance measurement—has therefore identified a research gap; the former includes control as a package, not evident in voluntary sector literature. This article considers how this might inform voluntary sector practice by researching how different types of control, as they co-exist, complement

Table 1. Voluntary performance measurement and management control.

Theme	Generic management control systems	Cordery and Sinclair (2013)	Moxham (2014)	Voluntary sector examples
Financial, monetary	Financial reporting; management accounting systems, for example budgets, costing	Financial/economic Social return on investment, ratio analysis		(Arvidson et al., 2010) (Connolly et al., 2013) (Van der Heijden, 2013)
Diverse, non-financial	KPIs BSC as a dashboard of non-financial measures		Multi-dimensional Programme evaluation; outcome monitoring	(Fine et al., 2000) (Gurd & Gao, 2007) (Greiling, 2010) (Bagnoli & Megali, 2011) (MacIndoe & Barman, 2013) (Miller-Stevens et al., 2021)
Aligned, strategic	BSC linking strategy/objectives	Strategic BSC	Multi-dimensional BSC	(Sawhill & Williamson, 2001) (Manville & Broad, 2013)
Integrated, causal	BSC strategy map	Programme theory Logic model Theory of change		(Kendall & Knapp, 2000) (Lynch-Cerullo & Cooney, 2011) (Ebrahim & Rangan, 2014) (Arena et al., 2015) (Martinez & Cooper, 2020)
Qualitative		Participatory Outcome mapping Narrative	Reputational Benchmarking Peer review	(Conley Tyler, 2005) (Greatbanks et al., 2010) (Purcell & Hawtin, 2010) (Luke et al., 2013) (Tello-Rozas et al., 2020)

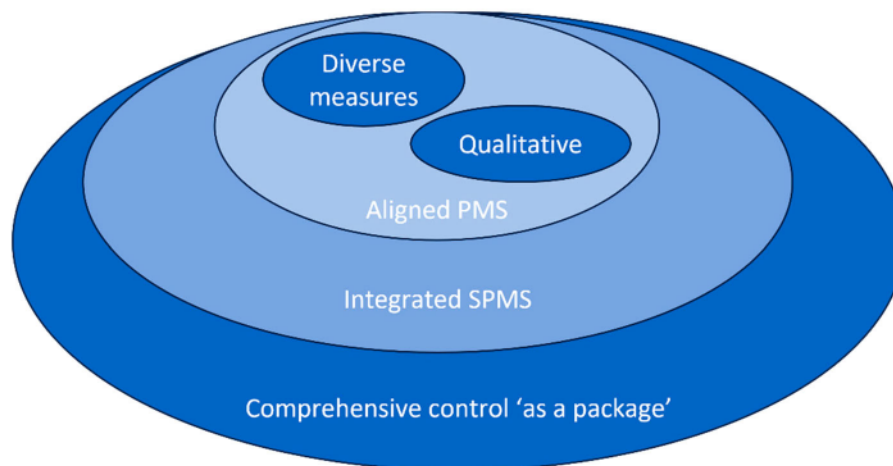


Figure 1. Performance measurement and management control.

or substitute for each other, interplay in practice within voluntary sector organizations.

Van der Kolk (2019, p. 518) has argued that, although this approach is rare in the public sector, 'it has the potential to make significant contributions to ongoing debates in public sector management'. While there are differences between the public and voluntary sectors, their similarities endorse this research approach. The origins, funding, governance and accountability of public sector organizations as government institutions contrast with voluntary sector organizations which are often set up by individuals with narrower remits, dependent on donor funding and answerable to trustees (Lee & Wilkins, 2011; Moore, 2000).

However, they share motivations being value driven, not profit driven; secure revenue from those not benefiting directly from their services; are influenced by multiple stakeholders with purposes that are difficult to measure; and increasingly participate in complicated inter-organizational relationships as the distinctions between the sectors become blurred (Lee & Wilkins, 2011; Miller-Stevens et al., 2015; Moore, 2000). These voluntary sector characteristics—purpose-driven motivations, intangible missions that are hard to measure and accountabilities to multiple stakeholders—endorse an approach that considers management control in a more holistic way than simply performance measurement.

Research design

This research has adopted a qualitative, interpretivist research design for three reasons:

- First, as there has been very little research into management control systems within the voluntary sector, an exploratory approach is needed to gain depth of insight.
- Second, Parker (2012, p. 55) has argued that a qualitative approach is appropriate where ‘what is important cannot always be counted’, particularly relevant to understanding the limitations of performance measurement in the voluntary sector where missions and objectives are difficult to measure.
- Third, while quantitative methods have dominated management control research this has been criticised for its piecemeal approach, too heavily focused on contingency research with a limited numbers of variables (Chenhall, 2003). Otley (2016) has called into question its relevance to a understanding performance management as a holistic control system.

Given the lack of prior research into comprehensive control within voluntary organizations, ‘qualitative analysis of data allows for more exploration, nuance and detail and seems to do justice to complex MC [management control] packages’ (Van der Kolk, 2019, p. 517). Case studies were chosen to explore voluntary sector performance measures and management as a highly suitable means for building rich empirical descriptions derived from a variety of data sources (Eisenhardt & Graebner, 2007). Both Broadbent and Laughlin (1997) and Otley (2016) have recommend the use of case studies for understanding management control and Van der Kolk (2019) specifically supports their use for the study of control packages. Using multiple cases, evidence can also be more compelling, offering across-case as well as within-case comparison (Yin, 2009). Moreover, there have been specific calls for more case research in the voluntary sector: ‘detailed case studies focusing on the impact in specific contexts would aid understanding and have potential to support charities in delivering their core mission’ (Connolly et al., 2015, p. 176).

Research framework

Van der Kolk (2019) has suggested a number of research approaches appropriate for the study of management control packages. He recommends Simons’ levers of control (1995) for the investigation of the *use* of control systems as a package, in contrast to the *design* of a control system. Simons (1995, p. 3) proposed his levers of control framework to provide ‘a new comprehensive theory for controlling business strategy’. The framework is particularly useful for understanding how different parts of a control system interact. Performance measurement is only one of four levers through which an organization can manage its performance—described as ‘diagnostic control’. Central to Simons’ framework is the balancing of dynamic tensions between four strategic variables: core values; risks to be avoided; critical performance variables; and strategic uncertainty. Each variable needs to be controlled by a lever: belief; boundary; diagnostic; and interactive. Thus, the focus

moves away from purely diagnostic measurement systems to a more comprehensive set of management tools.

Simons designed his framework with a specific purpose for senior managers implementing corporate strategy, proposing a definition of management control systems as ‘formal, information-based routines and procedures managers use to maintain or alter patterns in organizational activities’ (Simons, 1995, p. 5) (see Figure 2). However, Tessier and Otley (2012) have argued that this framework can be applied more widely, at different levels of the organization, and for different types of control. By balancing performance measurement (diagnostic control) with belief control systems, it appears highly relevant to the value-centric context of voluntary organizations. By including boundary controls, focus is given to the more complex governance systems and multiple stakeholder interests within this sector. This article looks at its applicability to the voluntary sector and considers how it might need to be adapted to suit these different characteristics.

Research setting

Given the diversity of organizations within the voluntary sector, hospices were chosen as a suitable sub-sector to consider the difficulties of performance measurement in voluntary organizations. As mission-driven organizations, the values held by trustees and employees are considered important to their performance management, yet their intangible mission is difficult to measure. Often part of complex packages of palliative care provision, their performance cannot be directly attributed to one organization. They therefore provide a fertile research context in which to understand how management control is exercised where diagnostic metrics provide limited information. These issues of amorphous missions, complicated patterns of service delivery, outcomes shared with other providers and multiple stakeholders are faced by many voluntary sector organizations. Although voluntary hospices represent only a small part of the charitable sector with £1.5 billion received in revenue in 2019 (Hospice, 2021), they are a clearly defined group within the UK

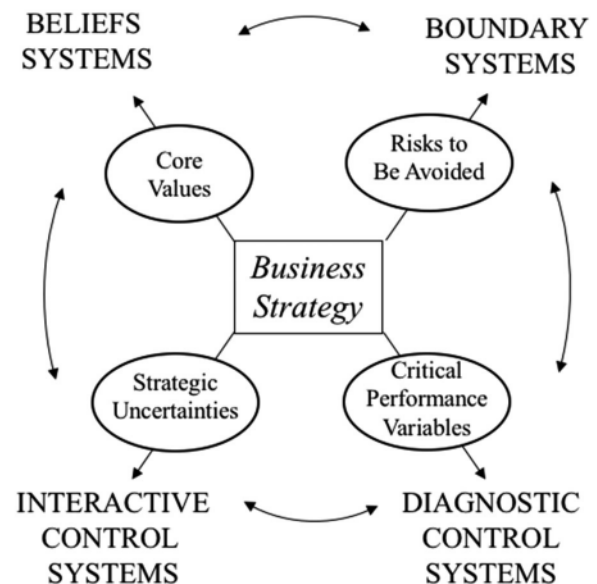


Figure 2. Simons’ Levers of Control (Simons, 1995, p. 7).

Table 2. Case selection.

Hospice cases	'Barton'	'Cavell'	'Guinness'	'Nightingale'	'Seacole'
Total revenue	£5 to 7.5 million	£5 to 7.5 million	Over £10 million	£5 to 7.5 million	£7.5 to 10 million
Approximate percentage of statutory income (NHS)	30%	20%	15%	40%	40%
Net assets	Over £10 million	£5-7.5 million	Over £10 million	£5 to 7.5 million	£7.5 to 10 million
Surplus	Over £1 million		£0.5 to 1 million	£0.5 to 1 million	
Unrestricted funds	£7.5 to 10 million	£5 to 7.5 million	£7.5 to 10 million	£5 to 7.5 million	Under £5 million
Numbers of employees	Over 150	Over 100	Over 300	Over 150	Over 100
Approximate numbers of volunteers	1000	600	2,500	400	400

Case selection source: Charity Commission financial statements dates.

voluntary sector and share many characteristics of the sector as a whole. There is a range of organizational size (by income); a third of hospices account for nearly two thirds of the total expenditure (Hospice, 2021). Funding is fragmented with declining reserves in the top 35 English hospices (Haslam et al., 2018). Government funding is a significant part of its revenue, providing 31% of funding for adult hospices in 2020 but they remain dependent on public donations and on trading activities (Hospice, 2021).

Five hospices were selected by purposive sampling, called after famous nurses (Barton, Cavell, Guinness, Nightingale and Seacole) to preserve their anonymity (see Table 2). Three hospices were approached and two cases responded to a request made via the Charity Financial Directors' Group to their members. In order to generate similarities and differences across the cases, it was ensured that they had a range of characteristics, albeit from one sub-sector of the voluntary organizations such as range of size (measured by revenue, number of employees and volunteers) and different proportions of sources of funding (from statutory income, donations and trading revenue).

Research methods and analysis

Research methods employed within the case studies include interviews and documentary analysis. Semi-structured interviews were chosen as the most effective form of interviews, steering 'between the free spontaneity of a non-method approach to interviewing and the rigid structures of an all-method approach' (Kvale & Brinkmann, 2008, p. 16). Interview questions were guided by the literatures of performance management and voluntary sector performance measurement. In particular, the interview protocol was loosely designed around Ferreira and Otley's PMCS (2009). Twenty-five interviews were carried out with at least one trustee, the CEO and other senior managers from all five hospices. Interviews were recorded, transcribed and then analysed by thematic coding using NVivo. Thematic analysis drew upon, but was not limited to, the frameworks of Ferreira and Otley (2009) (PMCS) and Simons' levers of control (1995), as well as voluntary sector performance measurement models.

A wide range of documents was analysed for each hospice, including internal and external reports. External documents reviewed included statutory returns to the Charity Commission, such as trustees' annual reports and financial statements, as well as those requested by funders, in particular clinical reports for the clinical commissioning groups. The case hospices had also chosen to make their performance information public—for example impact reports and annual reviews, as well as general information on their websites including Care Quality Commission (CQC) inspection reports. Internal documents were wide ranging, including strategies, operational plans, financial and operational reporting. Other documents revealed how performance was being managed, such as organization charts and strategic plans. A comparison of external and internal documents generated insights into how a hospice chose to present its performance to different audiences.

Findings from five hospice case studies

Performance measurement: diagnostic control

Characteristics of effective performance management have been identified in the literature, including diverse, aligned, integrated measurement and qualitative assessment. There are examples of these performance measures or diagnostic control with the case hospices identifying their critical performance variables (see Table 3). All of the case hospices produced board reports with a diverse range of both financial and non-financial measures. Inputs were predominantly financial measures or costs controlled through management accounting systems, while outputs were activity measures—the majority relating to the clinical service provision. Barton's dashboard of key performance indicators (KPIs) is an example of a performance measurement system that is clearly diverse, with the majority of KPIs being clinical activity measures. While these were not explicitly aligned nor integrated into the organization's strategy, three further case hospices tried to align performance measures to their strategy. Cavell identified critical success factors, linked to their strategic themes which they measured in a variety of ways. This combines quantitative targets, such as occupancy, increased numbers

Table 3. Diagnostic control within the case hospices.

Diagnostic control: performance measurement	Financial	Diverse	Aligned	Integrated	Qualitative
Hospice	All	All	Cavell Nightingale Guinness	Guinness	All
Examples	Management & financial accounts	KPIs dashboard	BSC critical success factors	Logic model	Narrative accounts Action plans

of referrals, with action plans such as the recruitment of staff in targeted services. Nightingale used a BSC format designed to promote strategic alignment by KPIs aligned to detailed departmental operating plans but without causal links. One hospice, Guinness, set out to achieve all three characteristics with a diverse, aligned and integrated management control system. By including inputs, outputs, outcomes and measures, causal links are at least implied by using the logic model format. All case hospices included qualitative data, such as patient stories, in their reporting.

Developing the concept of comprehensive management control as a package

This research sought to understand how comprehensive management control, or control as a package, operates in practice within the five case hospices. As the management control literature suggests, performance measurement or diagnostic control, is only part of effective performance management. Voluntary sector literature has been dominated by understanding performance measurement, rather than wider notions of performance management. Yet, many voluntary organizations have intangible missions which are difficult to measure. They are contrasted with the 'single bottom line' of the private sector (Speckbacher, 2003), which makes complementary types of control more relevant to this sector. Comprehensive control includes different types of control as a package, such as social, cultural and administrative controls (Malmi & Brown, 2008). These were all evident, but not explicit, in each hospice. Simons' levers of control framework has been used to analyse the semi-structured interviews, revealing how the concept of management control as a package can be fruitfully applied in a voluntary sector context, including the levers of belief (cultural) and boundary (administrative) controls.

Performance management: belief controls

A determining characteristic of voluntary sector organizations is their mission-driven purpose and values; the latter being one of the critical performance variables identified by Simons (1995). This makes the belief systems described by Simons (1995), which are included within Malmi and Brown (2008) cultural control package, highly relevant to this sector. Indeed, there was comprehensive evidence in all the case hospices of formal belief systems operating as Simons envisages. The hospices' mission statements were value-laden, inspirational and broad but not sufficiently detailed to determine performance measures. Their charitable purposes, from which their strategies are derived, were set out in Charity Commission returns, in external reporting to donors and on their websites. Four of the five hospices had formally documented their values, using them alongside their mission and vision. As Simons (1995) envisages, formal mission statements were being used internally for three purposes, communication, motivation and determining priorities; and were evident in all the case hospices. While belief controls were evidently operating in the case hospices, there was also ample evidence to show that spirit of the mission was fostered by far more than Simons' formal statement of purpose. The ethos within the case hospices was intangible, but undeniable, with a philosophy promoting a holistic

approach to psychological and spiritual needs, as well as physical care of the terminally ill. When asked about how the mission and vision statement actually affected individual members of staff, interviewees suggested that formal documents only had a part to play. Staff motivation was not extrinsic through reward, but intrinsic:

So it'll no longer be the traditional vision statement on the wall as you walk into the building; so actually this is about how this organization operates, behaves, represents itself. And that for me, when I think about a vision and how to create a vision and how I think it's successful, that would be the approach (Business, Cavell).

It can be argued that formal mission statements are the products, not the drivers of motivation: 'This is your vision, not my vision' (CEO, Nightingale). Interviewees commented on how staff were willing to participate in fundraising events because they are so dedicated to the mission. The strength of conviction was evident among the volunteers:

If I go back to my volunteers—the little old ladies in the shops—they're there because they want to give something back and they want to volunteer. It's a good thing to do (Trustee, Cavell).

Performance management: boundary controls

Voluntary sector organizations have different governance structures to both the private and public sectors, with senior management teams being accountable to trustees and whole organizations being accountable to a wide range of stakeholders from beneficiaries to donors, from volunteers to staff and the public. Managing risks within the voluntary sector, another critical performance variable identified by Simons (1995), is therefore multi-faceted. His boundary lever combines formal strategic planning processes with external regulation and internal policies to control an organization's risks. Malmi and Brown (2008) include cybernetic and planning controls in the second layer of their management control package; while governance and organization structures, as well as policies and procedures, make up a third layer. Tessier and Otley (2012) extend Simon's levers of control extending it to both strategic and operational controls within the boundary lever. As with belief systems, there was ample evidence of the boundary structures and processes within the hospices. All the case hospices were engaging in strategic planning, albeit from top-level communication of strategic narrative objectives with action plans to fully-costed detailed five year plans. All five case hospices prepared annual budgets with monthly reporting against cost centres, although most acknowledged that there could be improvements in effective budgetary control. There were clear governance structures in all hospices, with organization charts, defined reporting lines, programmes of board and committee meetings, internal and external reporting requirements and publication of policies and procedures. Yet, in addition to the formally-imposed constraints that Simons (1995) envisages, hospices demonstrated a wider sense of self-imposed responsibility. They were not merely accountable through reporting structures but had a 'felt-responsibility' (Ebrahim, 2003). While there were clearly constraints on CEOs, notably through strong boards of trustees, all CEOs spoke of their self-restraint. Moral responsibility influenced staff attitudes to spending money, with similar examples being cited by three of the five hospices, for example:

I mean we do consistently keep saying that that was someone running a half marathon, if someone's wasted some money that someone's endured 13 point whatever miles for... that £60 that could've been dealt with better (Finance, Nightingale).

Some external stakeholders may set some formal constraints on how funding is spent. Other stakeholders exert influence, setting informal boundaries on what a hospice does. Reliance on the community as the main source of funds, brings a strong sense of moral responsibility:

Social responsibility to the community ... it's what we do here and the fundraising community brings in most of our income and they expect us to support those families (Business, Guinness).

Discussion: Management control as a package

The growing literature in the voluntary sector has been dominated by the difficulties of measuring its performance, as pressures have increased on them to demonstrate their accountability. However, this literature has so far not focused on understanding broader concepts of performance management within management accounting literature. Generic management control literature, including wider concepts of control as a package, has been primarily concerned with performance management within the private sector, making only the occasional reference to its relevance to other sectors. A comparison of these two literatures suggests that there is a gap in the voluntary sector literature with the absence of the concept of management control as a package (Malmi & Brown, 2008). This complements Van der Kolk's (2019) conclusion that such an approach is not only appropriate within the public sector but has yet to be widely applied. Comprehensive control, with additional controls that can complement and enhance performance measurement, is highly relevant to the voluntary sector which is characterised by intangible missions that are difficult to measure; values driven by purpose, not money; and complicated governance structures with multiple accountabilities to a range of stakeholders.

Case studies were carried out in five UK voluntary hospices, including 25 semi-structured interviews of senior managers and trustees along with the analysis of documents. The case hospices provided ample evidence of diagnostic control being exercised through performance measurement. This ranged from dashboards of diverse measures to performance measurement systems that aligned measures to strategy and integrated reporting identifying causal effects between measures. Formal diagnostic control was complemented by more subtle methods of assessment and analysis, such as a CEO's 'sixth sense' of how the hospice was performing internally and its external reputation in the community. 'Judgement' is a more appropriate term to describe how the trustees, CEOs and senior management were evaluating the performance of the hospices. However, the case hospices revealed how performance management encompasses broader notions of management control, including social, cultural and administrative controls. The research illustrated how the concept of control packages (Malmi & Brown, 2008) can be usefully applied in a voluntary sector context. Simons (1995) describes how mission statements are used, within his belief lever, as the primary means to motivate and inspire employees. The case hospices were using mission

and vision statements in the way in which he envisaged. Communicated throughout the organization and beyond, they were operating in a similar ways to that seen in other studies using Simons' belief lever of control, such as soapbox meetings and business magazines (Bruining et al., 2004) and values charts and internal conferences (Arjaliès & Mundy, 2013). However, Malmi and Brown (2008) use a broader definition of cultural control in top layer of their package, including clan, values and symbols. This incorporates the concepts developed by Ouchi (1979) and Merchant and Van der Stede (2012) which do not limit belief systems to formal information-based controls. Chenhall et al. (2017) have shown performance measurement systems can have an expressive role with mission statements shaping values within a third sector organization. The case hospices endorsed the inclusion of informal values and commitment to mission within any performance management framework. There is a strong and distinct hospice ethos, with a philosophy committed to the holistic care of the terminally ill. It is more than the provision of buildings, beds and physical care. Hospices fiercely protect their independence as charities to provide social and psychological care. This research therefore suggests that 'ethos' is a more appropriate description of the belief lever of control within the voluntary hospices with the mission statement being a product of intrinsic motivation rather than a driver of extrinsic motivation.

Boundaries were operating in the case hospices in ways anticipated by the levers of control, akin to the planning and administrative systems in Malmi and Brown's (2008) package of controls. They are subject to regulations and professional codes of conduct and they choose to extend these through policies and procedures across all aspects of their operations. Simons (1995) also emphasises the need for strategic boundaries to be set through the planning processes. These were clearly evident in all case hospices with strategic and operating plans, annual budgets and appraisals. Boundary controls are evident in prior research using the levers of control but this is predominantly within the private sector (Arjaliès & Mundy, 2013; Bruining et al., 2004; Plesner Rossing, 2013).

This research shows there is a more complex set of interactions controls imposing limits on the case hospices. In the responses from the interviewees, it can also be seen how limits were being set not only through externally-imposed constraints, such as funders, but also through self-imposed boundaries, or the 'felt-responsibility' (Ebrahim, 2003) of senior managers and staff. This implies that a broader notion of 'responsibility' should be used to describe the complex mix of formal and informal controls setting boundaries in voluntary sector organizations.

While the levers of control has a fourth lever, interactive control, there is no equivalent in Malmi and Brown's (2008) package of controls. This research endorses the latter approach, concluding that Simons' fourth interactive control underpins the three other levers. It is designated here as 'relationships' and is not a separate lever in itself. Simons (1995, p. 180) himself acknowledges his interactive lever as the use of a control, or attention pattern and not an attribute like the other levers. This research also illustrates the complexity of interactions between Simons' different levers. In a private sector context, the belief control is considered to be the 'yang' or enabling force in

balanced approach to managing and accounting for their organizational performance, not predominantly through performance measurement. Moreover, this research provides a practical tool which can be employed in future studies of performance management within the voluntary and nonprofit sector. The inclusion of the informal, as well as formal controls, within the new framework suggests that its application is not limited to nonprofit organizations but has relevance to the private sector where values (such as corporate social responsibility) or knowledge (human capital) has become increasingly important.

Conclusions

Many voluntary sector organizations face difficulties in how measure their performance, despite increasing pressures to account for their performance through measurement. The management control literature, however, suggests that performance measurement is only one part of performance management. Concepts of management control as a package demonstrate how cultural, planning and administrative controls complement the cybernetic or diagnostic control of performance measurement. While this has been debated within the management accounting literature, the voluntary sector literature has been focused on performance measurement, not management. This article enhances the voluntary sector literature by examining how management control as a package is exercised in voluntary organizations. Case studies of UK voluntary hospices were carried out and analysed by using a framework, Simons' levers of control (1995) which incorporates wider concepts of management control. UK hospices, with an unmeasurable mission of ensuring 'a good death', highlight how a 'package of controls' ensures effective performance management. There is evidence of each of Simons' four levers of control (belief, boundary, diagnostic and interactive) operating within the case hospices.

However, this article presents a new performance management framework, broadening Simons' definition of control from formal information systems to include the informal, social and cultural controls, set out in Malmi and Brown's (2008) package of controls. The complexity of the interactions between the different patterns of control are explored and a new framework is proposed with three control patterns: ethos, responsibility and judgement. The new framework offers insight into how the performance of voluntary sector organizations is managed in practice. It can be used in discussions with funders enabling voluntary organizations to set their performance measurement in the context of their values and purpose, strong governance and their relationships both within and outside the organization. Within hospices specifically, it can enrich the commissioners' understanding of a charity's performance, facilitating broader discussions of what hospices can offer beyond short term service provision at a certain cost. It can also provide a tool for future research across all sectors, understanding the complex interactions between these different levers of control.

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