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Performance Management in Hybrid Organizations: A Study in Social Housing

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Abstract

The nature and role of social housing across the European States is growing more diverse every decade. From the wide range of social housing as a percentage of total housing stock, the many different housing options provided, to the vast array of housing allocation mechanisms and differing levels of equity delivered by such mechanisms, social housing across Europe presents an increasingly complex social challenge. As such a one-size-fits-all solution to these challenges is unlikely to present itself, and researchers are therefore forced to focus on the specifics of a region or state—this is the case with this study.

Within the UK, Housing Associations (HAs) have played a fundamental role within successive government social housing policies for at least three decades. However, through a succession of legislative changes, welfare reform and the deregulation of their non-profit social role, HAs have been fundamentally challenged, and are now exposed to competition from private registered providers.

This study poses the overarching research question; what role does performance management play in the transition to a competitive hybridised social housing sector? Exploring this question, the paper analyses the effect of this transition through institutional isomorphism and considers specifically how a sample of English HAs sense uncertainty within the social housing sector and respond to the coercive, normative, and mimetic isomorphic pressures at play.

This study finds the primary mechanism by which HAs appear to sense and respond to external changes within the sector is through their strategic performance measurement systems and metrics. Social, political, and competitive changes in the sector are 'sensed' as a misalignment within the existing strategic performance metrics, exerting isomorphic pressures on the organisational governance team to respond by realigning the performance metrics with the sensed changes. In this way, we posit that strategic performance measurement is linked to and plays a much more pivotal role, in the hybridisation of third-sector organisations than previously reported within the literature.

Examples of such realignment include the increased use of benchmarking performance as a normative practice, and the replication of perceived best practice from the private sector to remain competitive and sustainable. Such changes reflect on an increasingly hybridised position for HAs, which now focus on improving business-critical activities, rather than simply producing performance data as a means of demonstrating good governance and compliance to their regulatory body.

Keywords: Social Housing, performance management, hybridization, Third sector,

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1. Introduction

The social and economic changes over the last two decades have brought increasingly greater commercialisation of what were not-for-profit community-managed organisations. The coming together of several factors—the paring back of central funded public services, and the rebalancing of public service delivery to include the public, private and third sectors—has resulted in a blended or hybridised social sector. The resulting tensions of this changing position are all too clear and have led to improvements in operational capability, managerial upskilling, and a refocusing of governance to be on par with the rapidly developing sector. In this study, we focus on the role organisational performance management has played in this transition. Whilst performance in third-sector organisations has been a popular focus of academic research for some time (Moxham 2009; Micheli & Kennerly, 2005; Fletcher et al., 2003), the role of performance as a transformative mechanism, allowing non-profit organisations to adapt to a hybridised competitive environment, has not been presented.

Using examples from social housing, the relationship between the external pressures for change, viewed through the lens of institutional theory and the adoption of increasingly sophisticated performance measurement approaches as a response to these changes, is explored.

Housing associations (HAs) operate at the intersection of the private rental housing market and the public social housing sector, in what can be described as a ‘mixed public-private not-for-profit model’. Such mixed models of public service delivery by commissioned third-sector organisations have become increasingly popular within the UK economy (Billis, 2010; Van Bortel & Gruis, 2019; Laffin, 2019). Blessing (2012), notes the increasingly complex intuitional reality of HAs, describing this as a dualism of ‘state and market’. As a consequence of legislative and funding changes (Housing Regenerations Act, 2008), HAs now compete directly with private social housing landlords classed as Registered Providers (RPs) in a ‘market corrected by the state’s competitive model’ (Blessing, 2012)—yet HAs are still obliged to act as not-for-profit entities fulfilling a social mandate to provide housing for the vulnerable population. Under this new socio-economic climate, HAs clearly fall within the definition of hybridised organisations (Brandsen et al., 2005)—they span the state and market interface, must balance trade-offs between social responsibility and commercial goals and must manage their business to compete effectively with private sector landlords (Mullins et al., 2012). Billis articulates this as the ‘departure from the pure form of the voluntary association’ (Billis, 2010, p. 3).

Within the context of HAs, we suggest that the performance management approach adopted has a more fundamental role than just measuring and reporting key performance indicators (KPIs). We

argue that the performance management system is the primary mechanism by which HAs sense uncertainty within the sector, and hence the transition to a more hybridised competitive environment, brought about by successive and rapid legislative changes in the social housing sector as outlined below.

The first change was the Housing Regenerations Act (2008), which introduced new competition in the form of registered private social landlords (RPs) for social housing—RPs are different from the private sector landlords. The second legislative change was the Localism Act (2011), which devolved decision-making on social housing to local authorities and allowed them to set up flexible fixed term renewable tenancies. The third legislative change was the Welfare Reform Act (2012), which paved the way for welfare payment cuts for unoccupied bedrooms as well as integrating separate welfare payments under one payment known as Universal Credit. In addition to the legislative change, the regulatory body governing the institutional structures has been reformed and renamed three times since the Global Financial Crisis (GFC), beginning with the Tenants Services Authority in 2010, the Homes and Communities Agency in 2012 and Housing England in 2018. Each subsequent reform has resulted in an increasingly competitive environment from reporting performance for governance purposes to managing performance for future viability. Furthermore, considering performance management from this standpoint allows a contextual link to be established between the isomorphic pressures sensed by organisations through such change, and the consequential response of organisations through their performance management systems.

In presenting this argument we focus on three sources of supporting evidence: (1) the changing market and socio-economic pressures which influence the HAs choice of performance management systems and metrics, (2) the design, implementation and use of HAs performance management systems and metrics and, (3) the transformative effect of these performance measurement choices on how, and to whom, HA performance is now reported.

The paper now considers the emergence of hybridity in social housing from several perspectives—the relationship with organisational performance; public sector influences and the resulting changes within this sector; key differences with European approaches, and finally the role of isomorphism in offering an understanding of the forces at play with housing association governance. The research methodology adopted for this study is then outlined. The qualitative results and analysis are presented and the implications then considered in detail within the discussion. Finally, the paper concludes by considering the implications for theory, practice and limitations of this study.

2. The relationship between performance and hybridity in Social Housing

Using a theoretical lens of institutional theory, and the models of social and competitive isomorphism contained therein, DiMaggio and Powell (1983) identify three types of institutional isomorphism—coercive, emanating from political influence and issues of legitimacy with respect to compliance; normative, the mass adoption and professionalisation of practices across a sector, and mimetic, relating to the imitation of other organisations or structures, such as the private sector. Institutional theory has been extended by Ashworth et al. (2007) by introducing compliance and convergence. They define compliance as the extent to which organisations in the field are moving in the direction of the isomorphic pressures, while convergence relates to the degree that organisations are similar. A further study by Manville et al. (2016) found evidence of normative isomorphism, via the regulatory body at that time (the Tenants Services Authority) benchmarking HAs against KPIs. Further evidence of normative behaviours within the sector have emerged through Housemark which now provides the benchmarking service (Housemark, 2019). Housemark is the sector's largest membership organisation and is owned jointly by the Chartered Institute of Housing and the Housing Federation with a stated aim of improving business performance across the sector and sharing best practice (Ibid).

Di Maggio and Powell, (1983) argue that mimetic, coercive and normative pressures exerted are sensed by the organisation, and lead to an internal managerial response, often in the form of reframing the strategic measures of performance to better align with the sensed external pressures. This study examines how such changes in organisational performance measures are linked to the mimetic, coercive and normative pressures, and the managerial response to these pressures.

Despite the increasing popularity of performance management systems in public organisations, there are notable issues related to their rationale and design, implementation and application, and the delivery of dysfunctional outcomes at odds with those intended (Gerrish, 2016). Such criticism implies the role of performance management—at least in a rapidly changing public sector context—is not yet fully understood (Arnaboldi, et al., 2015), and may be influenced by subtle and as yet not fully described factors. Furthermore, whilst hybridity is often cited as an outcome of the structural changes taking place between the market and the state (Blessing (2012), the performance management system requirements of such hybrid organisations are also not yet defined or understood. Social housing is a typical example of such hybridity, and in this paper is used as a vehicle to explore the requirements, drivers, and opportunities that arise from developing and introducing new systems and approaches to organisational performance.

2.1 Public sector hybridity

The definition of hybridity in public service delivery relates to organisations or institutions where there is a combination of private, public and third sector (civil society) engagement in public service provision (Billis, 2010). Private sector principles have been adopted in the public sector since the early 1990s under the topic of New Public Management (Hood, 1995), and the Post-New Public Management era of the late 2000s onwards (Laffin, 2019). This began with public and private hybridity in the UK with competitive tendering, outsourcing and other market mechanisms (Mullins, 2010). Competitive tendering often led to privatisation via out-sourcing and hybrid delivery models were a way of public services being retained by the local authority (Pawson, 2006).

Hybridity continued to develop in civil society but was primarily the resulting outcome of structural changes in the public and third sectors, initiated by the compact agreements which gave the third sector a greater opportunity in public service delivery. The compact agreements made little reference to private sector participation (Kendal, 2000). Prior to the GFC of 2008, the most radical hybridisation was the evolution of arms-length management organisations (ALMOs)—entities owned by the local authorities but with autonomous control and incorporated as a limited company. According to Pawson (2006) they offer compromise for concerns of tenants of a stock transfer to either the private sector or to third-sector housing associations. Although ALMOs are a type of hybrid organisation, they are limited to trade only with their own local authority. Another form of hybrid organisation that provides more commercial freedom is the local authority trading company (LATCo), which is able to trade with other local authorities and to a lesser extent take on private contracts (Gov.Uk 2019b). Several factors contributed to a renewed settlement with respect to public service provision—the 2008 GFC and the ensuing government cuts in public service provision (HM Treasury, 2015) led to the rebalancing of the public sector under Cameron’s (2010-2016) Conservative Coalition government’s ‘Big Society’ initiative. Although the Big Society concept has fallen out of favour in recent years, the reforms resulted in a more commercialised third sector with correspondingly greater exposure to market competition and risk (Milbourne and Cushman, 2013).

One of the most adopted private sector service improvement philosophies by the public sector is the implementation of lean thinking which has enjoyed a resurgence following the GFC. Mimetic improvement using the lean philosophy is particularly well-suited for the austere conditions of a ‘Great Recession’ recovery on account of its ‘do more with less’ approach (van Dun, Hicks & Wilderum, 2017, p174). In a service context, the aim of lean is to improve service performance; two comprehensive global literature studies have recently been conducted to evaluate its adoption in public service (Rogers and Antony, 2019; Lukrafka, Silva and Echeveste, 2020). The Rodgers and Antony study reviewed 120 peer reviewed studies on lean published in CABS-ranked journals in the field of lean and six sigma. The Lukrafka, Silva and Echeveste study reviewed 73 case study papers covering 100 examples of lean implementation in the public sector. Both studies conducted a

comprehensive review of the literature by geographic region and concluded that Europe was the most studied area, and the United Kingdom was the most researched country by a considerable margin with the USA trailing in second place. The study revealed a lacuna of research in the European countries, which mainly focused on the Scandinavian countries of Denmark, Finland and Sweden each having four studies (Lufiraka, Silva and Echeveste, 2020).

2.2 Changing Hybridity within Social Housing

HAs traditionally exist to provide housing for low income and vulnerable members of society at below market rates, and historically have been not-for-profit organisations that include charities and ALMOs. During the twenty years before the GFC, the asset base of HAs grew significantly as a result of large scale transfer of public sector (council) housing stock to HAs (Mullins, 2010). HAs offer a service across a wide group of tenants with differing needs; some focus on vulnerable tenants, and others cater to tenants of pensionable age by providing sheltered accommodation . HAs although ostensibly not-for-profit organisations, have been referred to as a ‘distant uncle’ of the third sector (civil society) (Mullins, 2010, p25); their hybridity includes an ability to generate an operating surplus (profit that is reinvested back into the organisation) (Mullins, 2010). Because of their inherent commercial nature, HAs have not suffered the leadership deficit when dealing with externally imposed restructuring, which Fryer et al (2009) argued was prevalent in the public sector.

Notwithstanding, the GFC stimulated even greater levels of hybridity within public service provision in the UK, especially within the already highly commercialised social housing sector. A special issue of Hybridity in Social Housing was commissioned by the UK Third Sector Research Centre, edited by Mullins et al. (2012). Several international studies on hybridisation in social housing have defined a number of characteristics of hybridity within the sector. In Australia, five typologies were identified, which ranged from traditional not-for-profit organisations to privately sponsored special purpose not-for-profits, and uncertainty was cast on the financial viability of some models (Gilmour and Milligan, 2012). Another study identified several interpretations of hybridity from a comparative study in Australia and the Netherlands. The interpretations ranged from the ‘magical’ to the ‘monstrous’. The ‘magical’ interpretation viewed hybridised social and market value housing, whereas the latter cross subsidised the former. The ‘monstrous’ interpretation was viewed as a transgression from the binary opposition of state and market provision (Blessing, 2012). A study of social housing in the United States of America also revealed cross subsidisation of market value and social housing (Nguyen et al. 2012). In England, Mullins et al., (2012) discussed various examples of hybridity within social housing including mixed private and state financing, hybridised governance and hybridised products and services. A later study by Mullins and Acheson (2014) within Northern Ireland identified business challenges within HAs such as pressure to service loans, generate rental income and maintain occupancy levels. A summary of key findings of recent studies of hybridisation within social housing are shown in Table 1.

Insert Table 1 and Title Here:

2.3 Social Housing in Europe

The Netherlands, highlighted in the study by Blessing (2012), have the largest provision of social housing stock. Western European countries—Austria, Denmark, Sweden, the UK, the Czech Republic, France and Finland—have traditionally had a significantly higher percentage of their housing stock comprised of social housing (Housing Europe Review, 2012 & 2019) as summarised in Table 2. The diverse spread of social housing (as a percentage of total housing) across Europe indicates a growing difficulty in treating social housing as a homogenous sector across this region (Laffin, 2019; Housing Europe, 2019).

Insert Table 2 and Title Here:

The geographical spread of studies regarding social housing follows a similar pattern to the studies regarding lean implementation in public service (Rogers and Antony, 2019; Lukrafka, Silva and Echeveste, 2020) in that the UK and Scandinavian countries are the most researched. The majority of the literature and empirical studies in social housing have been focused on UK social housing (Walker and Jeanes, 2001; Mullins, 2002; Malpas and Victory, 2010; Pawson, 2006; Manochin et al, 2011, Manville and Broad, 2013) with some limited studies in The Netherlands (Priemus and Gruis, 2011; Neiboer and Gruis, 2012; Blessing, 2012; Blessing, 2015, Aalbers, et al., 2017; and Van Bortel & Gruis, 2019), and one key author focusing on the Austrian social housing sector (Matznetter, 2002). None of those studies have really focused on service improvement and performance measurement; instead discussions were on how social housing is operating on a more commercial footing.

The Netherlands studies discussed neoliberal changes occurring, which were relatively modest when compared with the UK. The extent of reforms to social housing in the Schengen area of mainland Europe are generally very limited—making the UK an exception on account of its post-GFC neoliberal approach of reducing public spending whilst simultaneously introducing further commercial reforms to both HAs and their service users (Sameni, et al., 2015).

2.4 Changes in UK Social Housing Legislation

Scott (2008) argues that institutions provide structure and stability and the UK social housing sector enjoyed a long period of stability. His research defines institutions as:

Institutions are social structures that have attained a high degree of resilience [and are] composed of cultural-cognitive, normative, and regulative elements that, together with associated activities and resources, provide stability and meaning to social life. (Scott, 2008, p. 48)

Within these structures, HAs experienced a degree of hybridisation similar to experiences of mainland Europe. The hybridity within social housing had emerged within a climate of regulatory sustainability, which had a single regulatory body, the Housing Corporation, in place for the previous thirty years. However, the experience of HAs changed radically following the GFC and the resulting crisis of legitimation (Habermas, 1976) of the institutional structures in place. Within the UK austerity was used as a remedy for facing up to the global crisis and steering media (Habermas, 1987) in the form of regulatory and legislative change—changes in power and financial reforms were induced into the sector.

Austerity measures sought innovative means of doing more with less and the Conservative and Liberal coalition government of 2010 sought to achieve this by the rebalancing of public services away from state provision into a more mixed service delivery of private, public and third sector as an ideological goal. The flagship policy was the ‘Big Society’ (Manville and Broad, 2013), which argued for active citizenship along the principles argued by Bovaird et al (2015), but the term was viewed with suspicion and concern about a diminished state sector (Jacobs and Manzi, 2013) and was ultimately dropped by the government.

These reforms promoted a more commercial hybridity in social housing than on mainland Europe (Laffin, 2019), and the changes brought on through the steering media (Habermas, 1987) were documented in the study by Manville et al. (2016). With respect to power, the introduction of the Housing Regenerations Act (2008) in the UK, which heralded ‘for-profit’ regulated social housing RPs (Registered Providers, 2016). Private RPs are not the same as private sector rental market in that RPs have to comply with the latest regulatory body for social housing (Homes England, 2019). Since 2010, there have been more than 45 new for-profit RPs that compete alongside public and third sector social housing providers (Gov.UK, 2019a).

As a result the traditional business model, which generated a surplus for reinvestment, now faced direct competition from for-profit RPs. This created tension in HAs as they wrestled with the trilogy of commercialisation involving competing against private sector RPs, competitive tendering with other HAs and associated service providers, whilst obligated to maintain their not-for-profit mission (Manville et al, 2016). The loss or gain of contracts to or from other RPs also has had regulatory implications for the transfer of terms and conditions of employment, which could include pension, holiday entitlement and payroll—known as the transfer of undertakings for the protection of

employment or Transfer of Undertakings (Protection of Employment) (TUPE) (Mullins & Acheson, 2014). Further examples of hybridity were highlighted by earlier research (Manville & Broad, 2013), which revealed that HAs were reaching out to external partners such as global investment banks and recruiting senior managers with experience, and a track record in related parts of the private sector (Aalbers, et al., 2017). In recent years, this has resulted in further hybridity as HAs have turned to bond markets for long-term fixed interest capital (Van Bortel & Gruis, 2019)—such initiatives are subject to external credit ratings and require the kind of financial expertise more akin to the Financial City of London than a not-for-profit organisation (Wainwright & Manville, 2017).

2.5 Greater Risks of Hybridised Social Housing

Recent studies of social housing (Mullins et al, 2012; Manville *et al*, 2016; Wainwright & Manville, 2017) identify increased risk through several hybridised practices including: (1) hybrid financial dependencies—the increasing practice of mixing state and market funding through bond issuances, (2) hybridised governance structures—representing the mix of both charitable and commercial stakeholder perspectives and (3) hybrid products and services—combining the activities of social housing and neighbourhood support services (Mullins et. al, 2012).

Within England, other extrinsic examples of HA risk include the impact of government cuts in the form of legislative changes to welfare benefit reform (Welfare Reform Act, 2012), which directly affects rental income, i.e. housing benefit is now paid directly to the tenant instead of the HA. Whilst arguably more appropriate, such a change in policy has exposed HAs to the potential risk of greater tenant arrears—another commercial aspect of social housing that HAs now have to manage. Finally, the loss of benefits for working age poor who have excess bedrooms (bedroom tax) is affecting occupancy for HAs as tenants struggle to live in their current accommodation within the constraints of their reduced benefit payments (Manville et al., 2016). Moreover, the emergence of additional RPs are providing further mimetic and coercive isomorphism pressures (Registered Providers, 2016).

2.6 Isomorphism in Social Housing

Using the work of DiMaggio and Powell (1983) and Scott (2008), this study defines institutional isomorphism as the degree of homogeneity or similarity of one organisation to another and can manifest itself as either structural, cultural or output-related factors within a sector.

Successive deregulations of institutional structures, referred to as the ‘bonfire of the quangos’ (Mullins, 2010, p11) have been an important driver of hybridisation within HAs. For instance, the current regulatory body, Homes England (Homes England, 2019) has changed names three times since 2008; each time the regulation has been progressively lighter in touch (Manville et al., 2016).

The weakening of such institutional structures has resulted in increasing levels of competitive isomorphism, which drives change and forces organisations to become more effective (Tuttle & Dillard, 2007; Manville et al., 2016). In the context of social housing, examples include regulatory guidance (coercive), professionalisation of new practices adopted by the sector (normative) and copying best practice from outside of the sector (mimetic). The greater prevalence of normative and mimetic isomorphism has effectively provided opportunities for HAs to develop their performance measurement systems and metrics. Traditionally HAs merely reported compliance and good governance practice, but in the light of the regulatory and policy changes outlined above, HAs now require a more strategic performance mechanism, more akin to the for-profit RPs with which they now compete. We now consider how HAs have employed performance measurement in the context of a response to greater levels of hybridisation now resident within the social housing sector.

2.7 Hybridisation and Performance

Performance indicators within public services serve an array of stakeholders for the continued function and reform of welfare states (Johnsen, 2005). Performance can take many forms such as competitive performance monitoring through league tables (Jackson, 2011), which has stimulated an interest in benchmarking best practices amongst HAs (Manville et al., 2016). The rationale of competitive benchmarking is to promote innovation and improvement. However, an unintended consequence of comparing performance with competitors is that it may simply promote isomorphism, i.e. the tendency for homogeneity, to be similar to other organisations. Tillema (2010) states that benchmarking can serve three purposes: (1) to act as a management tool for improvement, (2) to create or reinforce institutional pressure and (3) as an economic factor to influence choice. Benchmarking has been employed in social housing under the sponsorship of the regulator from 2000 and latterly by Housemark, a joint venture between the National Housing Federation and the Chartered Institute of Housing (Walker and Jeanes, 2001; Jones and Kaluarachchi, 2008; Manville et al., 2016).

Internal performance monitoring within HAs has historically been of a coercive isomorphic nature, primarily to demonstrate legitimacy to either the regulatory body or their private lenders (Walker and Jeanes, 2001). Despite being highly regulated for over thirty years by Homes England's predecessor, the Housing Corporation, there have been many examples of hybridised mimetic practice within social housing from the application of Total Quality Management (TQM) principles to optimise organisational effectiveness, business process re-engineering to redesign business processes and benchmarking to compare performance with other HAs (Walker and Jeanes, 2001). More examples of hybridisation include the adoption of quality management systems such as ISO 9001 for continuous improvement (Balzarova et al, 2004) and outsourcing of noncore peripheral services (Mullins, 2002).

These are examples of performance improvement approaches developed from the private sector and applied within a HA context with the aim of improving key operational processes.

Other studies (Arnaboldi, et al., 2015) report the evidence of balanced scorecard (BSC) implementation (Kaplan and Norton, 1996), motivated to improve performance (mimetic isomorphism) as opposed to coercive isomorphism (Manville, 2007; Manochin et al., 2008). A later study by Manochin et al. (2011) identified the use of nonfinancial and qualitative traffic light performance indicators, used to demonstrate good governance to the regulatory body. According to Marr and Schiuma (2003), the BSC is the most academically cited performance measurement framework. From a practitioner's perspective, the Harvard Business Review has credited it as the most important business tool in the last seventy-five years (Bourne et al., 2005). However, there have also been critics of the BSC who question its subjectivity and its lack of cause and effect linkage (Norreklit, 2000; Ittner et al., 2002). Nevertheless, some HAs have considered copying private sector best practice (mimetic isomorphism) by either adopting the BSC (Manville, 2007) or discussing the possible implementation (Manochin et al., 2008). Other examples of mimetic performance management are HAs' considering adopting the EFQM Excellence model and citing private sector organisations of best practice, such as BMW and JCB (Manville et al., 2016).

3. Research Method

A qualitative analytical approach was chosen because it can reveal new insights to a problem through the rich data that qualitative research provides (Easterby-Smith et al., 2015). Qualitative research does not necessarily follow a standard approach. Cassell (2016) acknowledges the diversity of qualitative research, particularly in European literature, which encompasses many philosophical lenses such as Bourdieu (1985), Foucault (2002) and Habermas (1987). This study observes the changing institutional theory through a Habermasian lens, which conceptualises lifeworlds being colonised by steering media of law and money (Habermas, 1987). In this study, we posit that the UK social housing sector is being colonised into a more competitive landscape (resulting in increased hybridity) than mainland Europe through the steering media of the changing political narrative following the GFC and deregulation.

From the above literature review, an overarching research question emerges: what role does performance measurement play in the transition to a competitive hybridised social housing sector?

This study was exploratory in nature, so a qualitative research perspective was adopted. Through posing this research question, we focus on three contributions: (1) the changing market and socio-economic pressures, which influence HAs choice of performance management systems and metrics,

(2) the consequential design, implementation and use of performance measurement systems and metrics and (3) the transformative effect of these performance measurement choices on how and to whom HA performance is now reported.

To further explore the use of performance management in social housing, a multiple case study analysis of the application and benefits of performance management was undertaken. A multiple case study approach was chosen for primary data collection because it is considered suitable for theory building and is empirically valid (Eisenhardt, 1989). A multi-method approach was adopted using several sources of data: (1) the annual reports of nine representative English HAs over a three-year period from each case organisation, (2) policy and performance documents were obtained from each case and (3) a series of semi-structured interviews with managers from case organisations. The interviews were conducted using an interview framework with nine prompting questions around topic areas of strategic challenges, motivations for performance measurement and performance improvement. Lincoln and Guba (1985, p. 235) recommend that ‘a dozen or so interviews, if properly selected, will exhaust most available information; to include as many as twenty will surely reach well beyond the point of redundancy’. However, to safeguard validity and capture rich data from nine case studies, a total of 38 semi-structured interviews were carried out with senior managers across nine organisations. An interview framework was developed to facilitate consistency between the interviews whilst providing flexibility to capture rich data (see Table 3 below). The interviews lasted between 45 and 95 min.

Insert Table 3 and Title Here:

The selection of case HAs was facilitated by a snowballing method (Lincoln and Guba, 1985) recommended by the interviewees. This provided a representative sample of HAs (see Table 4 below), which served a broad constituency of tenants ranging from working age tenants on low incomes, to vulnerable members of society and the elderly. The interviews were digitally recorded, transcribed, and were subsequently summarised on separate contact summary sheets as a form of data reduction to prevent getting ‘lost in a welter of detail’ (Miles and Huberman, 1994, p51). This facilitated manual thematic coding to elicit themes within findings. Hennink et al. (2011) recommend that further inductive codes can be added after reading approximately 30% of verbatim transcriptions. The coding began with descriptive coding, followed by pattern coding to yield a smaller number of emergent themes. A coding list that defined the codes and related them to research questions was devised for this study. The coding process followed the quality assurance guidelines identified by Hennink et al. (2011, pp 229-230).

Insert Table 4 and Title Here:

As well as the semi-structured interviews, organisational documents such as quarterly performance reports, minutes of meetings, reports to tenants and periodic reports to the regulators were utilised within this research. In addition, the study also used external benchmarked performance data from a third party provider called Housemark, which offers a benchmarking service to all RPs of social housing. Each subscribing HA receives access to a benchmarked report against KPIs specified by the regulatory bodies. In addition, the benchmark data also include KPIs that are critical success factors (Johnson et al., 2011), which the tenants value and/or provide competitive advantage. KPIs are benchmarked against the sector using a combined traffic light and quartile benchmark tracked against the performance of participating social housing participants. The report suite also provides a historic benchmarking performance against HA's own performance in the previous year. The combined data sources employed in this data-gathering exercise facilitated triangulation (Denzin and Lincoln, 2011), which aims to guarantee validity and reliability.

4. Results

In an increasingly hybridised competitive environment, this study found that HAs needed to measure and manage their performance to remain financially viable. Annual reports from websites of nine HAs were collected and analysed over a three-year period for this study, to ascertain their financial performance and profitability (expressed as a surplus). The sizes of the HAs were small to mid-size with turnovers ranging from £3M to over £100M (Gov.uk, 2019c). During a three-year period from 2011/12 to 2013/14, the majority of HAs generated surpluses ranging from 3 to 5 percent of turnover. Making a surplus may be viewed by some researchers as the evidence of hybridity, however, surpluses have been the norm within the social housing sector for many years prior to the GFC.

4.1 Regulatory Reform within Social Housing

The reforms to regulation within the sector have witnessed several name changes to the body from the Housing Corporation, The Tenants Services Authority, Homes and Community Agency and since 2018 Homes England (Manville et al., 2016; Homes England, 2019). The coercive isomorphism has evolved to progressively lighter levels of regulation and less prescriptive reporting requirements. This has meant that HAs have developed performance measures, which aligned with their more competitive environment. However, unlike unregulated private sector landlords, RPs still need to report on a whole swathe of KPIs that are normatively benchmarked by Housemark.

4.2 Financial Reforms and Increasing Competition

Additionally, changes in the tenant's responsibility to pay rent as a result of welfare reform, which switched payment from the HA to the tenant, meant HAs needed to closely monitor rental income and protect against rental arrears caused by non-payment. This has been achieved by working collaboratively with the tenants to help manage their finances through financial education schemes. As part of their governance structure, there is usually a tenant serving on the board of a Housing Association to represent the interests of the tenants. Although the sector may not have been supportive of changes in welfare reform, HAs have accepted and recognised that they must adapt to remain competitive in this new socio-economic landscape, and in some cases take on greater risk.

One CEO referred to his HA as a social business and was unequivocal that HAs should demonstrate self-efficacy and that they are different to the state.

Well, we need to make a profit, you know, or a surplus, as we call it in the third sector, same difference. Because we need to be reinvesting that money; and also, if we don't make a profit, we go out of business, 'cos there's no one there waiting to give us loads of money, you know.
(HA1 CEO)

Another HA CEO described the relationship between her organisation and local authorities and who takes the greater risk.

I think we are a deliverer of public sector contracts, and Local Authorities strongly govern and influence what we do. But we take a lot of the risk. So in the sense of risk management and needing to be commercially minded, we're much more like the private sector than the public sector I think. So we sit right in the middle there with a lot of the accountability requirements, which is different to the private sector.

(HA2 CEO)

Another HA was established following an asset transfer from the public sector to a separate third-sector entity with the employees joining the organisation through TUPE. The director believed that this hybrid form of delivery led to a more responsive service to tenants.

It's all really about flexibilities. We were restrained in terms of decision taking by the Council process and the reporting process prior to getting it up to the Committee or to the Cabinet. It could take 8 to 9 weeks to get a simple report that's been produced through, so you could actually implement it. So that the forward planning was very significant in terms of if you wanted a particular date, you knew where you had to go. But the timeframe now within (our organisation) has been reduced down, in some instances, to a day, depending on the delegations given to Head of Services (which I am), or to the Executive Directors, which we have three, and a Chief Exec.

(HA5 Dir)

4.3 Housing Associations are not a Homogenous Group

Some HAs were affected by welfare reforms more than others. In the 2013-2014 tranche of annual reports, there were a couple of outlying surplus figures ranging from 1% (HA4/14 – servicing high-risk vulnerable tenants) to 10% (HA7/14 – servicing old age pensioner tenants exempt from welfare reforms). When asked their opinion as to why pensioners were not subjected to housing benefit reforms, one of their Directors responded ‘*in a nutshell, they are more likely to vote [in government elections] ...*’ (HA4 Dir1). Such thinking is potential evidence of the coercive isomorphism present within HA senior management. Another larger HA (HA3 Dir1) made it clear that they would not focus on vulnerable tenants requiring a package of supported living, and added that the maximum benefit cap on tenants may affect their decision to operate in high rental value areas. HA2 voiced their concerns for both tenants and the housing association relating to changes to welfare reform in the form of Universal Credit and the so-called Bedroom Tax.

So all the changes to Benefits, and that's going to take two or three years to work its way through the system. And that's going to take money out of individuals' pockets, but it's also going to affect their rights to housing and the whole raft of things, and it's going to mean real financial risks for us as well.

(HA2 CEO)

HAs provide housing and in some cases supported living for low income and vulnerable service users (tenants). Neither HAs nor tenants are homogenous groups as they cover a broad spectrum. For example, tenants may be in receipt of state support (welfare) and/or require supported living, whereas other tenants may be working in stable jobs but are on low incomes. Both tenant groups qualify for social housing, and HA3 have increased their focus on the latter group as it still technically satisfies their mission. The rationale for HA3 making this choice in high rental areas was because of an increased risk for rental arrears, particularly in high rental geographic regions, which could have a financial impact on the HA. Working tenants or non-working tenants living in areas where rents are comfortably within the maximum welfare limit, offer a more stable income stream for HA3. On the other hand, a tenant in receipt of welfare payments requiring supported living is a more challenging service user and HA2 has highlighted the risk to both the tenant and HA in the context of benefit reform being paid direct to the tenant rather than the landlord (HA).

4.5 Measuring and Managing Performance

All the case HAs developed and worked to their own commercial business plans, which included financial and non-financial reporting including quarterly internal accounts, reviewed by their internal committees. The quarterly accounts also included targets and actual figures along with variance analysis to manage by exception; a common practice in the private sector. Some reports also included

traffic light metrics, which were generated on Excel from imported management information systems data. One of the HAs had implemented a sophisticated cascading traffic light BSC, adapted from private sector best practice (mimetic isomorphism), providing a line of sight from their strategic plan to operational levels of the organisation. A summary of their business plan was visible to their stakeholders through their website. The motivation for implementing the BSC was expressed by a Director.

To have an integrated system, we were focused on detail rather than business-critical stuff. Another reason (is that) we have not been good at target setting and we lacked consistency. Hopefully the balanced scorecard will address this. (HA1 Dir2)

Another HA had an equally robust means of performance measurement but was less visual but equally effective. HA3 explained in more granular detail of how their scorecard was used.

Yes, we have performance indicators that start at the top of the organisation, so the board receive overview indicators across all aspects of business on the basis of a scorecard arrangement. And that then is drilled down through the committee structures, so you have a more detailed set of indicators going to the services and performance committee, and that will be around a range of indicators, around both the quality of the service and the speed of the service that we are providing; how quickly we are letting homes, the levels of residents satisfaction, with a range of the services that we deliver, turnover within both tenancies and staffing, the number of new homes that we've got on site, a whole range of indicators.

(HA3 Dir 2)

In another example, HA1 used visual performance as part of their overarching business strategy by purchasing and customising proprietary BSC software tailored to their industry and the scale of the organisation. Their motivation for selecting the BSC was to ensure they focused their effort on critical success factors of their business. The scorecard displays a traffic light system of metrics across perspectives of the scorecard, which include financial and non-financial metrics. An example of the BSC is shown in Figure 1. The business-critical areas included 'rental arrears', which were highlighted as an area of focus because of the potential impact of benefit reform. HA1 also conducted scenario planning of the effect of rental arrears on their bottom line. Additionally, they worked in partnership with credit unions to improve the financial literacy of tenants including basic budgeting and 'jam jar' saving. Another business-critical area was the issue of 'voids'—untenanted properties with no rental revenue stream. HAs envisaged the 'bedroom tax' would have an impact on tenant affordability, particularly where children had grown up and left the tenant's home. HAs also collectively worked together as a network to provide a matching and exchange service for tenants who required more space and tenants that had spare rooms. Further evidence of hybridisation was identified in performance measures—HA1 monitoring the amount of 'new business won' with an annual target of £250,000 (see Figure 1).

Insert Figure 1 Here

HA1 also recognised its public mission was to satisfy a broad constituency of stakeholders including their tenants. It was important to communicate its performance to its tenants in plain English language in a format, which is easily assimilated by a non-business audience. An adaptation of the scorecard, expressed in clear language without technical jargon, was sent to tenants of HA1 as part of a quarterly newsletter and identified KPIs relevant to tenants using the traffic light approach as shown in Figure 2.

Insert Figure 2 Here

4.6 Normative Benchmarking

This study found empirical evidence of scorecards used throughout the social housing sector by HAs subscribing to the Housemark service (normative isomorphism), which benchmarks subscribing HA performance across the sector and relate their respective historical performance. Sector-wide benchmarking was conducted anonymously among participating HAs and produced a tailored report on a number of metrics to participating organisations—such metrics are measures that have become the norm (normative isomorphism) as they were originally collated by the more tightly controlled regulatory body (coercive isomorphism). A sample of an anonymous adapted customised Housemark scorecard for HA1 is shown in Figure 3. Housemark monitors social landlords including HAs and private social landlords, producing a report on a number of agreed areas recommended by the regulator, the Homes and Communities Agency. The performance report is a visual representation of how the respective HA is performing against its peers, expressed through a benchmarked quartile position, and provides traffic light indicator identifying if the target is being met. A Business Performance Manager commented:

...we carry out bench mark exercises either internally or through Housemark, I upload data on a quarterly basis and on an annual basis to Housemark. So really, they do influence our choice of key performance indicators in the organization. (HA1 Mgr)

Insert Figure 3 Here

5. Discussion

Performance improvement within public services requires organisations to do more with less and a lean philosophy is a means of achieving this ambition (van Dun, Hicks & Wilderum, 2017). The literature review acknowledged the extensive literature surveys carried out in the field (Rogers &

Antony, 2019; Lukrafka, Silva & Echeveste, 2020), which concluded that the overwhelming majority of studies were conducted in the UK. A potential explanation for this is that following the GFC, the reform of the UK institutional structures have accelerated an existing hybridised public service, and thus justified the focus on UK social housing and its implications for Europe. The primary research question of this study is—what role does performance measurement play in the transition to a competitive hybridised social housing sector? This overarching question essentially examines the transition of HAs to a more competitive social housing environment, and can be broken down into three specific areas: (1) the changing market and socio-economic pressures, which influence the HAs choice of performance management systems and metrics; (2) the design, implementation and use of HAs performance management systems and metrics and (3) the transformative effect of these performance measurement choices on how, and to whom, HA performance is now reported. These areas are now discussed in greater depth.

5.1. The market and socio-economic pressures, which influence the choice of performance metrics

The empirical findings revealed that in addition to HAs having a social business model that generates a surplus for reinvestment, they manage their performance using a suite of KPIs, which are strategically aligned through a process of institutional isomorphism (DiMaggio & Powell, 1983). Through this approach organisations start on a transitional path, which effectively resolves isomorphic tensions and allows the organisation to reposition itself to operate as a hybrid organisation. Thus, we argue that the performance management and measurement approaches adopted by the transitioning organisation become central to understanding the isomorphism models at play at the sector level. In the case of social housing, central to this repositioning is an organisational response to the greater uncertainty posed by having to compete with for-profit social entities. Once a HA understands the new rules of competition, they will start to focus to achieve, and report on, their ability to remain financially viable through operating more like the organisations they compete with. The first step of this transition process appears to be initiated through developing the strategic performance metrics, which align with the external pressures acting on the HA—in this case the governance board adopting more of a for-profit mentality.

HAs were historically motivated to monitor performance for matters of compliance to the housing regulator—an example of coercive isomorphism. The European literature on social housing does not provide any evidence of how European social housing providers' relatively modest commercial activity affects or impacts on their performance. Mainland Europe has more stable institutional structures relating to social housing than the UK, which has experienced substantial change during the last ten years. European social housing has yet to be subjected to this level of reform, and it is unclear

whether this will change. Whilst this compliance focus is still prevalent in mainland Europe, in recent years following deregulation and within a much more competitive landscape, UK HAs have had to change their strategic performance measurement focus to remain competitive. For instance, the greater use of sector-wide benchmarking has become the norm (normative isomorphism), which allows HAs to comparatively assess their performance across the sector.

From a more practical perspective, HAs appear to be responding to the increased uncertainty and competitive stance of this sector, by developing more business-like approaches to measuring their performance. Specifically, HAs appear to augment their suite of strategic measures to sense, or rather make sense, of the structural shifts, which have taken place in the social housing sector. We therefore posit that isomorphic pressures in this sector will manifest themselves at the organisational level initially through the development of new, and more aligned, strategic performance measures, which provide the organisation with an indicator of their position in relation to the perceived changes within that sector.

5.2 The design, implementation and use of HAs performance management systems and metrics

The transition to a more competitive environment also appears to have affected the design and implementation of specific KPIs. Defining business-critical KPIs, such as rental arrears, voids and new business won were considered important to safeguard a HA's surplus given the substantial changes affecting benefit reform. External changes to welfare payments, such as benefit paid directly to tenants, meant HAs needed to provide more support to vulnerable tenants to help them to budget and prioritise their rent payments. The performance monitoring helped to identify the specific cases of rental arrears and enabled HAs to work in partnership with tenants and external organisations such as credit unions. The so called 'bedroom tax' has meant some working age tenants could also go into arrears and possibly face eviction. HAs have networked to offer a matching service to ensure tenants remain in affordable homes whilst simultaneously mitigating the issue of void loss where no rent is collected. Taking such action means HAs can rise to the business challenge in social housing without compromising their mission.

The increased use of BSC approaches have also become popular, (Manville, 2007; Manochin et al., 2008) in an attempt to emulate perceived private sector best practice (mimetic isomorphism) of how UK HAs are using balanced scorecards (Kaplan and Norton, 1996; Manville, 2007) to improve organisational performance as well as their service improvement to their tenants. It must also be borne in mind that UK HAs are third-sector organisations and have a social purpose to help vulnerable and low income tenants. The challenges facing tenants with respect to indebtedness and rental arrears

poses a dilemma for HAs as rental arrears and voids are KPIs, which have to be managed. The tensions of managing a social business on a commercial footing, with the commitment to serving the needs of tenants could potentially lead to some difficult decisions, which could result in mission drift (Morris, 2012).

In addition to the greater use of KPIs and BSCs, there was an observable change of behaviour in how the performance data are being used within HAs. Senior managers appear to have changed their requirements of performance data from the older compliance and governance reporting, to one of a more competition focus—requiring such information as rental arrears, voids, and defining the critical success factors needed to compete with RPs. The use of ‘new business won’ targets also provides evidence of a more commercial perspective and can be considered a further example of mimetic isomorphism. Finally, the use of benchmarking data to understand and identify high performing providers (be they HAs or RPs) is symptomatic of the search for competitive advantage—a perspective not considered in the traditional days of the Housing Corporation.

5.3 The transformative effect of these performance measurement choices on how, and to whom, HA performance is now reported

There is evidence that performance measurement has played an important part in managing the transition to a hybridised social housing sector. First, performance measures are now focused on competitive factors, to remain financially viable rather than simply for compliance. Second, we see the development and implementation of approaches such as the BSC, as a means for driving the change to a more commercially focused organisation. Third, there is evidence that the availability of such data has an effect on the behaviour of senior management, allowing a more competitive stance to be adopted. From these findings, it therefore appears that the development of more improvement-focused performance measures is one of the prominent ways in which a not-for-profit organisation can stimulate the transition from a traditionally positioned not-for-profit, to a more commercially aware hybrid organisation.

We suggest that performance management and measurement has a pivotal role when organisations transition to greater levels of hybridity, and as such the design, implementation and use of performance management systems and improvement metrics are a valuable and observable indicator of the increased competitive pressures mounting within a hybridised sector. Furthermore, we posit that through performance management systems and metrics an organisation can begin to balance inherent tensions, which arise from accommodating a change in mission, values, revenue generation and operating processes, as found with HAs. Another form of performance measurement change, which arises through increased levels of hybridised state is the rationale for performance measures

themselves. For instance, a not-for-profit organisation will see the value of reporting performance measurement very differently from an organisation, which must make a profit (or surplus) to compete.

6. Conclusion

UK Social Housing has become increasingly commercialised, driven by legislative changes and continually hybridised competition. Within this context, the study sought to answer the research question: what role does performance measurement play in a competitive hybridised social housing sector?

We suggest that the performance management approach adopted has a more fundamental role than just measuring and reporting KPIs and argue that the performance management system is the primary sensing mechanism by which HAs have transitioned to a more hybridised competitive environment, brought about by successive and rapid legislative changes in the social housing sector. Furthermore, considering performance management from this standpoint allows a contextual link to be established between the isomorphic pressures exerted on organisations through such change, and the consequential response of organisations through their performance management systems.

From a theoretical perspective, we see three important signals emerge from this study. The first signal indicates that HAs in this sample have transitioned into more competitive hybridised organisations. This transition requires a change in mindset from the organisational governance body before an operational response can be considered. Whilst the change to a more competitive stance is not necessarily surprising, the mechanisms by which this change has taken place, and mindset of governance bodies in making this change, is worthy of further research.

The second emerging signal is that competition is intensifying as a response to an ever lightening state regulation (from coercive isomorphism to competitive isomorphism through the establishment of private sector RPs). HAs are therefore having to compete on business-critical KPIs with RPs, which are not weighed down with the social mission imperatives traditionally held by HAs. In responding to this shift in expectations and greater uncertainty, HAs have developed different measures of internal performance to provide a sense-making mechanism of the external change and uncertainty experienced within the sector. We argue this greater uncertainty sensed within the sector is a driver for an internal organisational response, which initially presents as a change in the strategic performance measures used within the organisation. This relationship appears to be of a proportional nature—as the levels of perceived uncertainty sensed within the sector (by a governance board) increase, so the isomorphic pressures—coercive, normative and mimetic—increase driving change

through the management of different sense-making KPIs. It also follows therefore that as perceived uncertainty reduces, a more stable and balanced position develops towards some state of equilibrium. Whilst this study has not tested this relationship specifically, it would certainly be worthy of further research.

A third signal, resulting from the progressive lightening of regulation, has provided more latitude for HAs to employ and use private sector best practice (mimetic isomorphism) and benchmarking (normative isomorphism) to make commercial decisions as an appropriate response to increasingly greater uncertainty, and exposure to market risk and competition. This increased hybridisation enables HAs to be more responsive to environmental and competitive pressures to mitigate risk.

From the perspective of the supporting literature, there are several research studies conducted in European social housing, and within some of the countries that have a significant percentage of social housing stock. When comparing the English social housing reform, we note all European cases appear to have much higher levels of regulation—a situation arising from the deregulation of English social housing and consequent legislative reforms. We also note that none of the European research explicitly considers the role of performance management in social housing providers beyond compliance (coercive isomorphism) —likely a direct consequence of higher regulation in Europe. However, it does illuminate the interesting relationship between levels of regulation and the use of more commercial-oriented performance management approaches. We see this as a potentially valuable further work in this area.

This paper has several implications for practice. First it provides empirical evidence of hybridisation in the form of sophisticated financial and non-financial performance metrics designed, developed and used in HAs. The second contribution is that it provides evidence of how, by using the data, HAs are working in partnership with their tenants and as part of a wider network of HAs to manage the challenges of delivering public services in a climate of increased competition and cuts to welfare payments.

While we have presented our case that there are limited studies in Europe on performance improvement, the legislative and regulatory response in the UK following the GFC has put UK HAs on a more commercial footing than most in the entire third sector. Nevertheless, this study has three limitations. First the study was undertaken in the UK through English Housing Associations. Whilst this research serves to illustrate growing differences between English social housing and its European counterparts, particularly from a policy perspective, it is UK centric. Second, the data drawn from English Housing Associations, which participated in this study represents a small geographically limited sample of the social housing sector. As such further research is considered necessary

regarding the generalisation of these results. The final limitation was that despite all social housing organisations reporting on a suite of KPIs with normative reporting through internal management reporting and benchmarking through Housemark, there was only one example of a housing association adopting mimetic behaviour of utilising the BSC within the research sample.

Finally, this research has practical implications for public service provision. Housing Associations, referred to as the 'benevolent uncle' (Mullins, 2010) of the third sector, can serve as a transitional model for other third-sector organisations, which are facing increased levels of competition in a hybridised environment.

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Table 1: Key Findings from Hybridity Studies in Social Housing since the GFC

	Country				
	Australia	Netherlands	United States of America	England	Northern Ireland
Examples of Hybridity	Traditional entrepreneurial not-for-profit providers	Hybridity as a State of Transformation – entrepreneurs in the face of cut backs	Need to develop skill sets similar to private real estate developers	Hybrid financial dependencies (mixing state and market funding)	Pressure to service bank loans
	Entrepreneurial traditional welfare agencies, which have extended their service offering around independent living and associated care	Hybrids as Links Between Cultures – senior managers from careers in the private sector	Assisting tenants with upward social mobility through job training, job preparedness and day care	Hybrid governance structures (reflecting stakeholder mix or separating charitable and commercial activities)	Maximising Rental Income
	State sponsored not-for-profit HAs	Hybrid Vigour (Magical) – private organizations as registered providers rather than simply private landlords, cross subsidy of private to social housing	Partnering with other private and non-profit housing providers	Hybrid products and services (combining housing with social and neighbourhood support services).	Ensuring properties are occupied
	Privately sponsored special purpose not-for-profit vehicles	Hybridity as a Transgression (Monstrous) – monstrous, wild boar and tame pig – incompatible pairing of organizations and deregulation –	Market rate housing units to cross subsidized social housing stock	Mullins et al (2012)	Trading criteria Application of the TUPE regulations in relation to staff terms and conditions, pensions, etc. in the event of a transfer of contract between state and HA
	Not-for-profit sector sponsored special purpose vehicles			Private sector social landlords regulated by the Housing and Communities Agency	Public and Third-Sector Hybridity
	Gilmour & Milligan (2012)		Nguyen et al. (2012)	HAs turning to bond markets for finance.	Agents of public service delivery, loss of independence
	Blessing (2012)		Manville et al., (2016)	(Mullins and Acheson, 2014)	

Table 2: Social housing as a percentage of total housing stock by Country

Country	Social Housing as a Percentage of Total Housing Stock
Netherlands	32%
Austria	23%
Denmark	19%
United Kingdom	18%
Sweden	18%
France	17%
Czech Republic	17%
Finland	16%

Source: (Housing Europe Review, 2012)

Table 3: Interview Framework

Interview Framework
The questions serve as prompts to facilitate a discussion and promote open dialogue. Where appropriate additional probing questions were asked to gain a deeper insight
Strategy
Can you tell me about your organisation?
Can you explain strategic challenges to your business?
Who is involved in strategic policymaking?
Performance Measurement
Why do you think performance measurement is necessary?
Do you have any historical quality management systems in place?
Do external stakeholders influence your choice of key performance indicators?
Performance Improvement
How important is continuous improvement for your organisation?
How does your sector differ from a private sector context?
What improvements do you anticipate in the future?

Table 4: Summary of Housing Associations

Housing Association	Turnover (£M)	Surplus
HA1	15-25M	750K
HA2	5-10M	500K
HA3	60-70M	12.8M
HA4	5-10M	115K
HA5	30-40M	4.5M
HA6	5-10M	300K
HA7	20-30M	4.42M
HA8	15 -25M	1.5M
HA9	20-30M	900K

Efficiency Summary for Organisation HA1						
Business Activity	Cost KPI	Cost KPI Quartile		Quality KPI	Quality KPI Quartile	
		Organisation HA1 (2010/2011)	Organisation HA1 (2009/2010)		Organisation HA1 (2010/2011)	Organisation HA1 (2009/2010)
Overheads	Overhead costs as % adjusted turnover	↑	↑	Overhead costs as % direct revenue costs	↑↑	↑↑
Major Works & Cyclical Maintenance	Total CPP of Major Works & Cyclical Maintenance	↑↑	↑↑	Percentage of tenants satisfied with overall quality of home (GN)	→	→
				Percentage of dwellings failing to meet the Decent Homes Standard	↑↑	↓
Responsive Repairs & Void Works	Total CPP of Responsive Repairs & Void Works	↑	↓	Percentage of tenants satisfied with the repairs and maintenance service (GN)	→↓	→↓
				Percentage of all repairs completed on time	↑↑	↑↑
				Average time in days to re-let empty properties	↑↑	→↓
Housing Management	Total CPP of Housing Management	↓	↓	Percentage of tenants satisfied with the overall services provided (GN)	↑↑	↑↑
				Percentage of tenants satisfied that views are being taken into account (GN)	↑↑	↑↑
				Current tenant rent arrears net of unpaid HB as % of rent due	↑	↓
Development	Staff involved in standard units developed per 100 units	●	●	Percentage of residents satisfied with overall quality of new home	●	●
				Standards units developed as % of current stock	●	↑↑
Estate Services	Total CPP of Estate Services	↑↑	↑↑	Percentage of tenants satisfied with their neighbourhood as a place to live (GN)	→↓	→↓

Quartile Key							
	Upper Quartile	Middle Upper	Median	Middle Lower	Lower Quartile	N/A	No Data
Valid dataset	↑↑	↑	→	→↓	↓	○	●
Small dataset	↑↑	↑	⇒	⇒↓	↓	○	●

Figure 3: A Sample of Normative Benchmarking of Social Housing

	Reference	Performance Indicator	F	Month Target	Actual Performance	Month Status	YTD Target	YTD Actual		YTD Status
Internal Business	IB-001	Average re-let time	M	11 days	17.9 days	✘	11 days	15 days	<=	✘
	IB-002	% Jobs Completed Right First Time	M	92%	96.80%	✓	92%	97.20%	>=	✓
	IB-003	Staff Turnover	M	1.67%	1.98%	○	5.00%	5.75%	<=	○
	IB-004	% Working Days Lost to Sickness	M	3%	1.80%	✓	3%	2.4%	<=	✓
Finance	F-001	Rent Collected	M	98%	81.10%	✘	98%	95.70%	>=	○
	F-002	% Rent Arrears (Active)	M	4%	5%	✘	4%	5%	<=	✘
	F-003	% Former Arrears on re-payment plan	M	30%	24.20%	✘	30%	24.20%	>=	✘
	F-004	% Former Arrears value recovered against payment plans	M	30%	30.30%	✓	30%	30.30%	>=	✓
	F-005	Rent written off	M	2.5%	0%	✓	2.5%	0.30%	<=	✓
	F-006	Void Loss	M	4%	5.50%	✘	4%	5.00%	<=	✘
	F-007	Achievement of Target Surplus	M	£ 1,47,034	£ 1,78,396	✓	£ 1,20,495	£ 1,10,577	>=	○
	F-008	% Income Variance	M	100%	98.50%	○	100%	98.80%	>=	○
Innovation & Learning	IL-001	Amount of new business won	M	£ 83,888	£ 2,11,568	✓	£ 2,50,000	£ 2,28,568	>=	○
Customer Satisfaction	CS-001	% Complaints responded to within timescale	M	98%	91.70%	○	98%	90.40%	>=	○
	CS-002	Complaint handling satisfaction	M	75%	--	--	75%	100%	>=	✓
	CS-003	Service User satisfaction	M	92%	94.40%	✓	92%	96%	>=	✓
	CS-004	% Service Users satisfied with last maintenance job	M	95%	94.20%	○	95%	94.10%	>=	✓
Regulatory Compliance	RC-001	% Attendance at Board and Committee Meetings	M	75%	62.50%	✘	75%	68.30%	>=	○
	RC-002	Dwellings vacant and available to let	M	3%	5.40%	✘	3%	5.40%	<=	✘

Figure 1: Cascading Scorecard Used for Improving Business Performance

How we're doing?

We constantly aim to provide high levels of service.
Here's how we did from April to June 2012.

Performance Indicator	Target	Level achieved	Target being met?	Benchmarking upper quartile performance
How we are performing on repairs				
Repairs carried out on time	95%	99.3%	GREEN	97%
Jobs completed right first time	92%	97.2%	GREEN	96.30%
Service users satisfied with repair job	95%	94.1%	AMBER	N/A
Attendance on time	100%	98.9%	AMBER	N/A
Quality of service	95%	94.3%	AMBER	N/A
Quality of work	95%	96.8%	GREEN	N/A
Gas servicing works completed on time	100%	99.2%	AMBER	N/A
How we are performing on rent arrears and re-lets				
Average re-let time	11 days	15 days	RED	14.8 days
Rent arrears	4%	5%	AMBER	3.20%
How satisfied resident and service users are with BCHA				
Number of complaints received	-	72		N/A
Complaints responded to within timescale	98%	90.4%	AMBER	98.20%
Number of compliments received	-	75		N/A
Service user satisfaction	92%	96%	GREEN	89.10%
Resident and service users' qualification achievements				
Number of AQA accreditations achieved by residents and service users	-	202		N/A

Key

Target being met

GREEN

Performance close to target

AMBER

Target not met: action required

RED

* Benchmarking data is taken by comparing BCHA with similar sized organisations, the figure represents

the top 25% performance across the group being compared.

Figure 2: A Performance Dashboard Issued to Tenants in their Quarterly Newsletter

Journal Pre-proof