6. Negotiating performance: the strategic responses of associations where people in poverty raise their voice

Peter Raeymaeckers and Pieter Cools

Over the past several decades there has been a proliferation of government policies and management strategies that aim to rearrange the provision of social services by non-profit organizations (Martinelli et al., 2017; Smith, 2018). One particularly important trend is the increasing pressure for non-profit organizations to provide evidence on their performance. In most cases this pressure is exercised through performance-based contractual relations between non-profit organizations (NPOs) and their subsidizing government (Van Slyke, 2006). These contracts specify the outputs and outcomes that subsidizing bodies expect from non-profit service providers. Subsidizing public agencies may tie at least a portion of a contractor's payment as well as any contract extension or renewal to the progress that is established according to the performance indicators (Martin, 2005; Lehtonen, 2015). In this chapter we analyze the strategies adopted by a local network of NPOs in a Belgian city through a negotiating process with their subsidizing local government to determine how their performance should be measured.

A core issue in the debate of NPO performance measurement concerns the kind of evidence that must be provided as "proof" (Barman, 2007). NPOs are particularly challenged when they are mandated to prove their performance in terms of standardized and measurable output and outcome indicators to show progress in very specific and often predetermined domains of interest (Martin, 2005). This predominantly output-focused approach to NPO performance is mainstreamed by the new public management (NPM) paradigm and builds on the conviction that the scientifically legitimate production and use of performance indicators will provide a more reliable, robust, and objective information base for rational decision-making (Lehtonen, 2015; Greenhalgh and Russell, 2009; Greiling and Stötzer, 2015).

The strong belief in "objective" and measurable indicators to quantify and compare NPO performance is, however, widely criticized (Crouch, 2016), resonating with criticisms on evidence-based medicine (Greenhalgh and

Russell, 2009; RVS, 2017). Such critiques include that standardized and quantified models are not normatively neutral or objective by definition, and that these models make abstraction of the context of NPOs where they are being subjected to the expectations of several stakeholders about desirable and successful performance (Desrosières, 2014; Marée and Mertens, 2012; Lehtonen, 2015; Greiling and Stötzer, 2015). Consequently, it is argued that discussions on the types of evidence for performance of NPOs must be seen as arenas in which power and control can be both exercised and negotiated (Arvidson and Lyon, 2014; Moynihan et al., 2011). We therefore argue that looking at the various strategies that are at play when negotiating the evidence of performance is crucial for understanding the changing dynamics between NPOs and their subsidizing constituent (Bowker and Star, 2000; Arvidson and Lyon, 2014; Lehtonen, 2015). We more specifically seek to better understand the controversies that arise when NPOs are confronted with pressure from their subsidizing government to measure their performance and the strategies they use during this negotiating process.

The analysis below shows how a local network of NPOs entitled as "associations where people in poverty raise their voice" in a Belgian city strategically responds to the demand of the local government to develop a tool to measure their performance. This happens in a context where the continuation of their subsidies is openly questioned and, at least in discourse, made dependent on (proving) their performance. We use data from interviews and focus groups with coordinators, social workers, people in poverty, and representatives from the local government. Our data shows a tension between conflicting perspectives and demands from the local government on the one hand, and social professional and participants in poverty on the other. The former stresses performance in terms of evidence about results at the level of individual "clients." The latter stresses the importance of assessing the process of their participatory practices with people in poverty revolving around their participatory-group methodology and policy advocacy role. Drawing from the framework of Oliver (1991) and more recent contributions on strategic responses to institutional pressure (Pache and Santos, 2010; Arvidson and Lyon, 2014), we show how and why the NPOs in our case (tactically) comply with demand to prove their effectiveness, while using a range of tactics to introduce their own approach for performance measurement. Our analysis is particularly relevant as studies show that in European countries as in the United States, NPOs are increasingly confronted with pressure to manage their performance (Greiling and Stötzer, 2015; Arvidson and Lyon, 2014; LeRoux and Wright, 2010; Moynihan et al., 2011). By focusing on how NPOs deal with this pressure and the strategies they develop in relation to their subsidizing agency, we are able to shed more light on how performance is constructed in the complex arena where several constituents exercise different claims, while highlighting the possibility of NPOs to engage strategically in this process.

THE POLICY CONTEXT: SOCIAL SERVICES IN THE POST-CORPORATIST WELFARE STATE

In this chapter we analyze how ELIO vzw[1] (pseudonym), a local network of "associations where people in poverty raise their voice" (APRVs) in Antwerp, deals with the demand of their subsidizing government to use a set of quantitative indicators to measure their outcomes and results. We first focus on the particular practice of APRVs and ELIO and then elaborate on the context of post-corporatist welfare states.

APRVs: Associations where People in Poverty Raise their Voice

APRVs are considered as non-profit organizations aiming to enable people in poverty to participate as peers to the rest of society (Boone et al., 2018a, 2018b; cf. LeRoux, 2014). While there are several differences amongst APRVs, many make a general distinction between foundational work and project work. Foundational work is about being "a low threshold place where people in poverty can just be, without being judged and where we can meet and talk to people in similar situations" (Senior Participant, APRV D). Project work consists of trajectories that can go on for a few months or up to two years, in which several participants engage to work around a specific theme such as housing, mental health, or administrative simplification. At the end of a project, the group tend to communicate their results through public events and/or reports that are distributed to relevant policymakers and public administrators. Besides this, different APRVs organize and engage in a broad range of activities, including daytrips for members and their children, workshops that raise awareness about poverty, providing access to affordable means of existence, projects to lower the thresholds to participate in cultural activities, lessons on computer competencies, co-organizing the International Day of Eradication of Poverty in their region, and much more.

ELIO operates as a local umbrella or federation in the sense that it plays an important role in embedding the initiatives of the Antwerp APRVs in the institutional and policy context, developing strategies for collaboration and in coordinating and legitimizing change (Greenwood et al., 2002). ELIO has six member associations with their own coordinator and staff. Each of these associations focuses on different target groups: first-generation migrant women from Morocco and the Middle East (APRV A), "generational poor" families with young children (APRV B), older people at risk of social isolation (APRV C), people who access low-threshold support services in a certain neighborhood (APRV D), young people (APRV E), and foreign-language newcomers (APRV F). All of these APRVs are involved in a range of activities with and for people in poverty. There is intensive collaboration and regular meetings between the ELIO coordinator and the coordinators of the member associations (the six APRVs) as well as regular meetings with the social workers of the APRVs. ELIO negotiates and coordinates the yearly contracts, called "covenants," with the local government administration for this network. As part of these covenants, it has been common practice for years that NPOs were asked to provide some basic information such as the number of activities and the number of participants.

However, since 2017 the local government asked to develop measures indicating the impact and effects, meaning that it wanted information on how the anti-poverty organizations were able to improve the self-sufficiency and life conditions of individual people in poverty. This shift in focus to the measurement of impact and effects of interventions is considered as a significant evolution in management practice by both people within the administration and affected NPOs. While these contracts always included some performance indicators before, a representative of the administration stated, "these have generally not been very detailed and more geared towards proving effort than output and effects." This is now changing. According to various respondents, local scholars, and commentators, this recent change can be regarded as the next step in an ongoing evolution towards more NPM-inspired governance by the local government of our case study that has been set in motion by the previous legislation. The taken-for-granted partnership between NPOs and the local government are being replaced by a governance-by-performance approach where the local government increasingly emphasizes the importance of an NPO sector that executes public policy in a more professionalized and transparent manner (Janssen et al., 2011).

Performance Standards in Post-Corporatist Welfare States

In Belgium, the introduction of such practice is quite new, particularly in the field of social work, and it can be regarded as a growing trend that diverges from the corporatist tradition in which the relation between governments and NPOs was characterized by longstanding partnerships, continuous negotiation, and low levels of competition between service providers (Evers and Laville, 2004; Hemerijck, 2013). Greiling and Stötzer (2015) and De Corte and Verschuere (2014) show that trust relations between NPOs and the government are characteristic of the tradition of third sector regimes in European corporatist welfare states (Evers and Laville, 2004). In these countries, such as in Austria, Germany, and Belgium, governments consider NPOs as partners that are asked to fulfil certain types of public services, in exchange for the necessary public funding. In this context the high level of trust between the government and NPOs, and the fact that the government heavily relies on the NPOs' expertise and resources, helps to explain that the latter gain autonomy.

However, some authors observe in these countries the emergence of post-corporatist government–NPO relationships where market-oriented principles are introduced (Hustinx and De Waele, 2015; Hustinx et al., 2015). As a result, government–nonprofit relationships where emphasis lies on trust and mutual agreement are increasingly replaced by a model based on performance accountability, as public departments introduce new and more performance measures to increase managerial control over the behavior of the subsidized NPOs (Hustinx et al., 2015). In this sense, Hustinx et al. (2015) show that in contrast with the close and negotiated relationship between the state and NPOs in the classic corporatist welfare state, market- and performance-oriented modes of governance are based on a less negotiated and "governance by distance" approach (Hustinx et al., 2015). Performance measures are used as instruments to increase control of the subsidizing public actor over the behavior of the NPO. Still, in European post-corporatist welfare states this evolution is happening at different speeds in various sectors, and will vary depending on the local context (Pollitt and Bouckaert, 2017).

Most local governments and NPOs have little experience of and no real performance measurement culture, given that the implementation of such NPM instruments has been relatively scarce (Pollitt and Bouckaert, 2017). The local government of our case study is known for being a frontrunner in this regard. Therefore the experiences from our case could be indicative for other NPOs that will be subjected to this institutional pressure in a context of historical corporatist state–civil society relationships.

It is argued, however, that even when NPOs are subjected to extensive external pressure by their government, a variety of tactics and strategies can be used to deal with and possibly change or resist external institutional demands (Arvidson and Lyon, 2014). Following Arvidson and Lyon (2014), we regard performance measurement and evaluation tools not only as a form of control, but also as a possible space of resistance and for promoting the values and approach of a service-providing organization. Below we present a framework to analyze the strategies that are adopted by the NPOs of this study when negotiating performance measurement with their subsidizing local government.

Strategic Responses to Institutional Pressure

NPOs develop several strategic responses to counter and even change the demands of the subsidizing public agency, especially when they perceive that performance measures are used as a way to limit their autonomy and to control their actions (Arvidson and Lyon, 2014; Pache and Santos, 2010; Van Slyke, 2006). In this respect, Van Slyke (2006, p. 180) observed that public managers responsible for the monitoring of NPOs often know that the latter are sophisticated enough to ‘‘pull the wool over our eyes’’ and that NPOs can engage in different types of strategic behavior. In this chapter we draw from the work of Oliver (1991), as well as Pache and Santos (2010) and Arvidson and Lyon (2014), to identify the strategic responses NPOs can adopt in the face of governmental demands to provide evidence of their performance, particularly when they conflict with the expectations of other key constituents.

Strategies of acceptance and avoidance

Strategies of acceptance and avoidance are considered the most passive, as organizations will not openly criticize or aim to change institutional demands. Instead NPOs will comply with or avoid the demands without trying to counter them. Oliver (1991) distinguishes between strategies of acquiescence, compromise, and avoidance. Acquiescence refers to the organizations' adoption of arrangements required by external stakeholders, and can be seen as the most passive response strategy (Oliver, 1991; Pache and Santos, 2010). Compromise differs from acquiescence as it implies the attempt to balance, pacify, or bargain with external constituents about their expectations and organizational objectives (Oliver, 1991). Compromise-seeking organizations still act in the spirit of loyalty and confirmation to the dominant values, norms, and rules, yet they actively promote their self-interests and vision. Avoidance is similar to the strategy of defensive decoupling as defined by Arvidson and Lyon (2014). They argue that a defensive meaning of decoupling refers to those strategies of organizations that show compliance with norms and performance measurement systems, while at the same time also preventing full insight to protect professional autonomy. By doing so, NPOs control the flow of information to cope with unrealistic demands of public funders.

Strategies of (pro)active resistance

Strategies of (pro)active resistance refers to tactics aiming to change or to openly criticize institutional pressures. Strategies of manipulation are considered the most active amongst possible strategic responses. Manipulation is not a mere reaction to the power being exerted through institutional pressure; it is an attempt by the organizations on their part to exert power in order to influence expectations, change the content of institutional pressures, or to influence the very source of the institutional pressure. It is "the purposeful and opportunistic attempt to co-opt, influence or control institutional pressures and evaluations" (Oliver, 1991, p. 157). When manipulation is attempted in a way that is showing compliance with norms and procedures to an outside audience, while at the same time also preventing full insight to protect professional autonomy, Arvidson and Lyon speak of "proactive decoupling." In contrast with the aforementioned defensive decoupling, this strategy is used by NPOs that creatively try to induce changes by influencing the definition of norms (Arvidson and Lyon, 2014, p. 874; Pache and Santos, 2010). Another active strategy is defiance, which refers to the explicit rejection of at least one of the institutional demands.

Research also shows that the adoption of more active or passive strategies depends on several external factors related to the institutional environment of the respective NPO, as well as to the nature of the institutional pressure and how this is perceived by the NPO in relation to its resources and goals. An important first institutional characteristic that will determine the type of strategy refers to the diversity of multiple constituents (Oliver, 1991; Pache and Santos, 2010). When NPOs are subjected to the expectations and demands of a low diversity of constituents, few efforts are necessary to balance the low level of conflicting demands. Here, strategies such as compromising may be used to find a balance between the few stakeholders of the NPO. As a result, NPOs with multiple constituents—such as funders, the target population, and crucial partners—are more likely to develop more active strategies, especially when these demands are clearly in conflict with each other and when they touch on the essence of an organization's identity, such as its mission, goals, and core principles (Pache and Santos, 2010).

Not only do the number and diversity of constituents matter, but also the level of dependency on these constituents. Consistent with the resource dependency theory, studies have shown that when NPOs develop a high level of dependency on economic resources and/or social legitimacy from one actor, NPOs are more willing to comply to external norms and pressures, and are less inclined to develop confrontational and active strategies of resistance or manipulation because the stakes are too high (Mosley, 2012; Oliver, 1991). In this respect, a high level of control, exercised by a government that invests in several control and monitoring instruments, will enforce NPOs as agents to comply or to seek compromise rather than resistance (Greiling and Stötzer, 2015; Verschuere and De Corte, 2015; Mosley, 2012; Van Slyke, 2006).

Importantly, the use of active or passive strategies also depends on how groups within an organization perceive the pressure from the point of view of their own mission and goals (Pache and Santos, 2010). It is argued that when NPOs perceive a particular performance measurement system proposed or enforced by the government as disadvantageous for the organization in terms of social legitimacy or economic resources, they are more likely to develop active tactics of resistance by aiming to manipulate or openly criticize institutional pressures (Arvidsen and Lyon, 2014; Oliver, 1991). Earlier research shows that when performance measurement systems are introduced in the government–nonprofit relationship, NPOs often show a reaction of discomfort when questioning the norms underlying the performance systems, and when they feel that performance standards will decrease their professional autonomy (Arvidson and Lyon, 2014; Greiling and Stötzer, 2015; Hwang and Powell, 2009). As a result, NPOs will likely develop active strategies to defy, shirk, or manipulate external pressures, such as proactive decoupling or manipulation. In contrast, NPOs may be more willing to acquiesce to external pressures when the demands are compatible with their internal goals.

Table 6.1 Semi-structured interviews with professionals

Date	Respondents
07/03/2017	(1) Coordinator ELIO
07/12/2017	(1) Representative Flemish anti-poverty network
08/23/2018	(1) Coordinator APRV E
09/01/2017	(1) Coordinator APRV D
09/01/2017	(2) Coordinator and social worker APRV B
09/01/2017	(2) Coordinator and social worker APRV C
10/17/2017	(2) Coordinator and social worker APRV A
09/28/2017	(1) Representative of the municipal public administration
10/12/2018	(1) Representative of large local NPO that provides social services

The remainder of this chapter focuses on the strategies adopted by the aforementioned network of anti-poverty organizations called ELIO throughout an ongoing negotiating process with their subsidizing local government, to determine how their performance should be measured and which performance targets should be set.

DATA AND METHODOLOGICAL APPROACH

Our strategy for the selection and presentation of this case study is of the "information-oriented" kind (Flyvbjerg, 2006), as we were convinced that the particular case of ELIO holds relevance for theoretical and practical questions that might be of interest to the readers of this volume. More specifically, this case offers an opportunity to take an in-depth look to the introduction and negotiation of performance measurement registration and evaluation methods for NPOs in the Belgian context.

The interviews and focus groups focused firstly on the perception concerning the cities' demand for social impact measurement and the changing relationship between the local public administration and APRVs. Second, APRV coordinators (interviews), social workers and participants (focus groups) were also asked to describe how they perceived the link (causal mechanisms) between their interventions and results and what would constitute a fair evaluation of their practices.

Table 6.2 Focus groups with APRV participants and social workers

Date	APRV	Respondents
09/07/2017	B	Participants (5), Social workers (2)
09/12/2017	D	Participants (5), social workers (3)
09/14/2017	C	Participants (6), social workers (2)
10/24/2017	A	Pariticpants (9), social workers (1)

Between June 2017 and December 2018 the authors attended 11 meetings or events (Table 6.3) where they took notes with particular attention to strategic responses to the institutional pressure. These included meetings of ELIO APRV coordinators, the ELIO board of directors, meetings with social workers on the registration of their performance, and meetings between the ELIO coordinator and representatives of the local public administration. Events included an afternoon on performance measurement organized by a local NPO platform, and two events of the municipal learning network on social impact. Importantly ELIO also organized two internal events, in December 2017 (35 participants) and November 2018 (28 participants), to present and discuss the intermediary results of the self-definition and performance registration exercises with coordinators, social workers, and people in poverty.

Using an interpretive approach to content analysis (Silverman, 2013) this data was analysed through the lenses of the literature on changing relations between state bureaucracies and NPOs, the typologies of strategic responses to institutional pressure, and the different factors influencing these responses. Below we will refer to interview data as (I: professional position of the respondent). The focus group data we will refer as (FG: description social worker or participant, APRV #) and to data from meetings as (ME: date of meeting); if needed we specify the nature of the meeting and the actor, by making a remark in the full text.

The following analysis section is structured in two main subsections. The first describes the controversies of performance measurement as perceived by the APRVs. The second part narrates the strategies used by coordinators of ELIOs throughout the ongoing negotiation with the local government about performance measurement up until December 2018.

Table 6.3 *Observation during meetings and events*

Date	Type of meeting	Attending
08/24/2017	Coordinator meeting to discuss the social impact measurement exercise and approach	Coordinators APRV B, C, D Coordinator ELIO
09/28/2017	Meeting with APRV A to introduce the social impact measurement exercise and CAIMeR approach	Coordinators and two social workers APRV A, Coordinator ELIO
11/08/2017	Board of directors discussing the progress on the performance measurement exercise	8 members of the board of directors + ELIO coordinator
12/04/2017	Project progress and feedback afternoon for all respondents and board of directors	35 participants: 9 people in poverty, 14 social workers, 5 APRV coordinators, 5 members of the board of directors, ELIO coordinator and staff member
12/18/2017	Network day for local social service providing NPOs on social impact measurement with presentations and discussions	30 representatives of different local NPOs
03/19/2018	ELIO board of directors discussing the progress on the performance measurement exercise	5 members of the board of directors + ELIO coordinator
04/18/2018	Meeting with representatives of the city administration	3 representatives of the city administration + ELIO coordinator
09/03/2018	Meeting with ELIO APRV coordinators	5 APRV coordinators + ELIO coordinator
10/23/2018	Meeting with social workers of the different APRVs and the designers of the registration application to discuss the first version and how it would fit in their daily work	12 social workers, 2 designers of the application
11/16/2018	Session to present the progress of the impact measurement exercise to social workers and participants in poverty	15 people in poverty, 7 social workers, 3 APRV coordinators, ELIO coordinator
11/19/2018	Meeting with the city administration to present the progress on the new registration application	3 representatives of the city administration + ELIO coordinator

Note: CAIMeR = context, actors, interventions, mechanisms, results (Blom and Morén, 2010).

STUDY RESULTS AND NEW INSIGHTS

Controversies Regarding the Pressure to Measure Performance

In the 2017 covenants between local anti-poverty NPOs (including ELIO) and the local government the latter stipulated the demand to develop a "model or instrument for social impact measurement." At that point, this demand was not further specified. When confronted with this lack of clarity during a meeting with the ELIO coordinator, the responsible department's director responded that: "We are in favour of a self-confident, entrepreneurial civil society. If you are capable providers you are best placed to do this exercise yourself. If you do it rationally, I am sure we will agree on most, with the exception perhaps of some minor differences in vision" (ME: 04/18/2018)

This quote shows that the director portrays performance measurement as a rational exercise that matches an entrepreneurial attitude. However, our interviews and focus groups with representatives of ELIO reveal three types of suspicions or objections towards the expectations of the local government.

Firstly, several APRV coordinators and social workers argue that the local government is following an international management trend without a clear vision or the necessary expertise. This sentiment is echoed by one of our respondents, stating "what 'the government' expects depends very much on who you talk to at what point" (I: representative large NPO). There is no agreement on how local NPOs must develop their tools for performance measurement. Similar voices are heard during the interviews and meetings with the professionals and participants of ELIO member organizations. Among the ELIO professionals and participants many react reluctantly or even combatively when the ELIO coordinator insists that "the city says it is not clear to them what we do and what our results are" and "we have to become better in telling what we do, why and to what effect" (ME: 12/04/2017):

> I agree that we can improve how we tell our story, but on the other hand we have written dozens of reports and even handbooks over the years. They don't look at it. If they still say it is unclear what we are doing, I wonder if they really try to understand. (ME: 12/23/2018 Social Worker APRV B)

The second set of concerns relates to the perceived limits of quantitative performance registration tools. While the local government has not yet specified the method for performance measurement, the general idea is that they look for numerical indicators that would allow them to compare the performance of different service providers (I: Coordinator ELIO). Our respondents regularly emphasize that "one cannot measure everything" and that important aspects of their practice, such as participation, increasing the self-confidence of participants, and the indirect, long-term effects of their projects on policymaking, are often hard to quantify. They are wary of reducing their practice to quantitative indicators because the efforts invested in and effects of such interventions very much depend on the specific life circumstances of participants:

> When they look at our numbers some say we are not supporting enough people and that the support takes too long, but many of our participants have a very difficult background and have isolated themselves for a long time. Several other services could not help them before. For some people it can take a lot of time. (I: Social Worker APRV B)

A third often-heard suspicion is that the local government is trying to increase its control over the associations or legitimize substantial budget cuts. While never formally stated in any covenant, both the coordinators of ELIO and its members organizations and a representative of the administration are convinced that non-compliance to this demand is likely to have a negative effect on funding, while compliance will probably have effects on the goals and benchmarks of performance. During the various meetings and focus groups, several social workers expressed the fear that the local government wants to impose some indicators that do not reflect the practices and goals of the associations. Put differently, they are afraid that they will be managed "through measurement" instead of "meaning" (Norman, 2002). For example, many of our respondents are convinced that the government expects the associations to determine the performance measures in terms of labor market participation, self-sufficiency, or access to quality housing. While our respondents consider these outcomes as important to improve the situation of people in poverty, they do not agree that these outcomes can be used to assess the performance of the associations of ELIO, as they are focused primarily on advocacy and organizing very low threshold activities. Clearly the institutional demand for impact measurement is perceived as touching upon the ideological level of goal-setting, and in conflict with a view on poverty reduction that is strongly represented within the network. In this regard, we confirm Pache and Santos (2010) emphasizing that the nature of the institutional pressure in terms of targeting the functional level (means) or ideological level (goals) makes a difference. Means are generally considered to be more flexible and negotiable, while goals "are expressions of the core system of values and references of organizational constituencies and are, as such, not easily challenged or negotiable" (ibid., p. 460). Institutional demands that involve conflict at the goal level, including conflict over NPOs' autonomy to determine and pursue their own goals, are hence more likely to trigger active responses and resistance.

APRV coordinators explain the current institutional pressure within a broader evolution in the relationship with local policymakers and their administration:

> We used to be able to meet the alderman to present our proposals after a project. That does not happen anymore. They no longer want social workers and people in poverty to criticize their policy, they want silent service providers that get people off benefits as soon as possible out of poverty. This stance was already initiated by the previous, progressive coalition and has been continued by the present conservative one. (I: Coordinator APRV D)

Looking at these discussions through the lens of the typology developed by Norman (2002, p. 619), the local government generally appears as the "true believer" that encourages an increased focus "on measurement of performance." It therefore demands that effort should be put "into creating clearer, more observable measures that emphasise outcomes." Some of the coordinators, social workers, and participants of ELIO member associations, on the other hand, emerge as "active doubters" who "believe that too much emphasis on measurement gets in the way of the 'real work' of developing relationship-based work in a political environment," and they emphasize the importance of meaning over measurement. Other APRV coordinators and particularly the coordinator of ELIO take on the role of "pragmatic skeptics" by accepting that performance management becomes part of the game, and take it as a starting point to discuss the best way to do it and make sure that it also benefits its member organizations and their participants. The following subsection looks at the different strategies employed to realize this.

Strategic Responses to the Demand for Performance Measurement

We now elaborate on the strategies that are being adopted by the network of NPOs throughout the negotiating process with the local government. This process is stretched out over a relatively long period (mid 2017–end 2018). Using the framework of Oliver (1991) we identify three strategies that are being developed: acquiescence, compromise, and manipulation. Before elaborating on our results, we emphasize that the analysis below reflects a continuous struggle of ELIO with reconciling competing institutional demands. This means that the strategies below are often used next to each other and are often subject to trial and error.

To acquiesce with the demands of the local government

In first instance, the coordinators of our case study comply with the demands of the city government to develop a set of measurement indicators, for two main reasons. The first is that the financial dependency of ELIO on the local government is very high and the average member organization also receives about 70 percent of its income from covenants with the local government via ELIO. Confirming Oliver's (1991) assumption that high levels of financial dependency lead towards passive strategies of acquiescence, coordinators explain that there were no alternatives to compliance with the demand of the city government; or as the ELIO coordinator puts it during the interview, "if we do not act on this now, we will be on the chopping block." Secondly, while the coordinators generally agree with the concerns described above, most of them also recognize the need and opportunity to be more reflective and able to communicate clearly about their performance (Arvidson and Lyon, 2014). This need is particularly tangible in this case because people within the city administration often complain that APRV social workers "do nothing more than drinking coffee and talking with the same people in poverty for years" (I: Coordinator ELIO). Several professionals and members of the board of directors therefore recognize the need to become better in explaining the value and performance of their practice (ME: 11/08/2017; 12/04/2017; 10/23/2018).

Seeking a compromise within the network and in relation to the local government

Situated between conflicting expectations from the active doubters amongst its professionals and people in poverty, and the apparent true believers in the city administration, the ELIO coordinator presents himself as a pragmatic skeptic (Norman, 2002) seeking to satisfy both sides. We learn from the literature, however, that a compromise is difficult when faced with conflicting demands about goals, especially when actors within the organization have a stake in the discussion (Pache and Santos, 2010).

Interestingly, the choice of ELIO to organize an internal participative process around performance measurement appears crucial to enable a compromise both within the network and in relation to the local government. On several occasions, coordinators, social workers, and participants were invited by ELIO to explain what they were doing, which practices they developed, why, and which effects this should have under particular circumstances. It also organized a workshop where these actors were asked to formulate indicators and methods for data collection that can be used to measure their performance (ME: 12/04/2017). We observed that this participatory approach enabled stakeholders within the organization to clearly formulate the essence of what they are doing. This enhanced the willingness of the "active doubters" to find a way to better capture and communicate their performance, which is a key aspect of the city department's demand (I: Representative City Department).

The internal exercise resulted in a shared stance of the ELIO network on performance measurement, which the coordinator uses and defends in negotiations with the local government and in discussion with other partners (ME: 12/18/2017; 04/18/2018). More specifically, the participative process with social workers, people in poverty and coordinators of ELIO resulted in a perspective on performance assessment where focus lies not only on the measurement of results and outcomes, but also on identifying and explaining the difficult process of reaching, engaging, and working with people in poverty. As already stated, the social workers of the APRVs of ELIO were very much concerned that a narrow approach to performance measurement, only focusing on outputs, would fail to reward the many efforts they conduct to organize low-threshold activities and to build a trusting relationship with people in poverty. Social workers and people in poverty thus argued that any effort to assess performance should also provide explanations on how the practices of the associations lead to these results. More specifically, two recommendations were formulated to measure the performance of their practices. First, the respondents of ELIO emphasized that any assessment of their performance should include all voices of all relevant constituencies, especially the voice and perspective of people in poverty. Second, they also stated that the success of their practices and activities is very much dependent on the context of their target group, defined as the life circumstances and the problems people in poverty face in different life domains such as housing, financial well-being, education, and childcare. These respondents often refer to the "complex web of problems" people in poverty are confronted with. Subsequently, the respondents of ELIO argued that an assessment of performance should take these contextual factors into account.

Based on these recommendations the ELIO coordinators started to build their own vision of performance assessment. To this end they used insights from scientific and academic work, putting forward a broad perspective emphasizing the importance of a shift from a narrow perspective on performance measurement where focus only lies on using output indicators, towards a broader perspective on evidence-based practice where focus lies on "what works, for whom and under which circumstances" (Blom and Morén, 2010; Boost et al., 2017). The importance of the question of "for whom" is argued by using studies putting forward a democratic approach where the assessment of performance is constructed in a dialogue between all relevant stakeholders (Vandenbroeck et al., 2012). They also used insights from studies such as Blom and Morén (2010) and Boost et al. (2017) emphasizing the importance of looking at the particular context that could explain the success of specific interventions. This contextual and democratic approach to assessing NPO performance could, according to the coordinators, lead to better answers that are able explain the impact of practices of NPOs working with very vulnerable target groups such as people in poverty. This view is captured by the following quote that became a kind of mantra of the ELIO coordinator: "We received the question 'what works', from the City. Ok that is fair enough, but in return we posed another question: what works for whom, under which circumstances?" (ELIO coordinator).

In relation to the local government it appears that ELIO's active and visible engagement to develop its own performance measurement tool increases its weight to negotiate its own approach on the measurement of performance (ME: 11/19/2018). For instance, the 2018 covenant states that ELIO has to track the trajectories of 40 of its participants in the context of the performance measurement exercise. The network was not willing to track people's individual trajectories. Instead it argued that throughout its participatory exercise on performance measurement, it involved more than 40 people in poverty in multiple focus groups and brainstorm sessions, which it considers as subsequent moments, "trajectories" of data collection. The city department accepted this interpretation as it was convinced that the ELIO network is able to develop its own measurement system. By gaining recognition for its participative approach, ELIO arguably improved its position to influence the definition of norms on which its impact will be measured and assessed. Next, we analyse how the coordinators used this opportunity to change the expectations of the government by using tactics of manipulation.

Manipulation as influencing indicators and evaluation criteria

In the context of strategic organizational responses, manipulation is to be understood as "the purposeful and opportunistic attempt to co-opt, influence or control institutional pressures and evaluations" (Oliver, 1991, p. 157). In our case, ELIO's strategy is not about aiming to control the opposition through domination or co-opting opponents. Its tactics are about influencing the values, definitions, and criteria of desirable performance that will underpin the registration and evaluation of its practices in the future.

The efforts to manipulate the expectations and demand of the government are observed when analyzing the discussion between the local government and the ELIO network concerning the use of the self-sufficiency matrix. This matrix aims to scale the self-sufficiency of "clients" of public health care and social services. Developed in the United States, it reached Belgium via the Netherlands, where it is promoted by consultancy agencies and implemented in some services of the larger Dutch cities. At several meetings, the public department's director proposed ELIO to implement the so-called "self-sufficiency matrix" in order to grasp its effectiveness of poverty reduction in terms of increasing people's ability to take care of their own. As time progressed, government representatives who closely follow up ELIO's efforts increasingly emphasized this matrix as the preferred tool. However, we have already mentioned above that the network contested the relevance of the measurement of self-sufficiency, as this output measure does not take into account the many efforts to organize low-threshold activities and efforts to build a trust relation with the vulnerable target group. As an alternative, the ELIO coordinators put forward their own broader approach on performance and evidence, which is more sensitive to their goals and process by focusing more on the group and structural dynamics of poverty reduction over individual ones.

Several tactics were used to convince government representatives of their approach on performance measurement. One of these strategies concerns the writing and distributing of elaborate reports where the coordinators draw from insights from academic publications and experts to formulate their own approach to the measurement of performance. Above, we have already elaborated on the scientific expertise the coordinators use to broaden the approach to performance measurement by emphasizing the question of "what works, for whom and under which circumstances" (Blom and Morén, 2010). Furthermore, ELIO started the implementation of a mobile application to register its practice at the level of its foundational work and project work. Simultaneously, an internal working group has been initiated to discuss possible ways to register data about individual trajectories without damaging trust or weakening the focus of the APRVs on advocacy and group activities. In its present version the registration focuses on the participation of people in poverty on the group level, and structural poverty reduction as defined by the network.

By adopting these strategies the ELIO coordinators claim their own expertise. They mobilize external scientific expertise and programmers of mobile applications trying to take the driver's seat for determining the indicators and criteria of their performance. As such, they raise the bar for the local government if it was to impose another registration tool or dispute their approach, making it harder for government representatives to impose their values and definitions of key concepts. We emphasize that these tactics cannot be defined as "avoidance" or decoupling (Arvidson and Lyon, 2014) because the ELIO coordinators are not obfuscating what they are actually doing. On the contrary, a high level of transparency, while being watched closely by the public department, is important to maintain their legitimacy. Rather than keeping government officials in the dark, one could argue that ELIO tries to actively shape the implementation of performance measurement and perhaps even overwhelm the officials with its expertise and clear vision.

The success of this strategy can be explained by the fact that ELIO was able to capitalize upon a lack of knowledge and expertise in the local government's demand, which allowed it to creatively reinterpret expectations and terms such as participation, trajectories, and empowerment. For now, there has not been any significant reduction in local public subsidies, nor has the network been assigned to perform tasks that are perceived to be in conflict with its goals and mission.

Our study provides several new and relevant insights for NPOs in European countries and the United States. It also shows that NPOs are struggling with the challenge to provide evidence on their performance for their multiple constituencies (Smith, 2018). This chapter develops the case study of ELIO to shed light on how a local network of anti-poverty organizations strategically responds to the institutional demand for performance measurement in the country of Belgium where such management tools are relatively new, particularly in the field of social services. The ELIO network provides public value by building trust relations with people in poverty and constructing safe spaces where people in poverty meet, connect, and gain the opportunity to discuss with policymakers the needs they face on several life domains.

More specifically this case highlights how the network deals with conflicting institutional demands from the local government, and from professionals and participants inside its own organization, who can be designated as true believers and active doubters of performance measurement, respectively (Norman, 2002). Interestingly, our chapter shows that while ELIO coordinators initially accept the government's demand to provide proof of their results and outcomes, we observe that, in the subsequent dialogue with government representatives, the coordinators of ELIO attempt to shape and influence the terms and conditions used to measure their performance by using active strategies of manipulation. This finding differs from the evidence put forward by other studies showing that when NPOs are enforced to prove their evidence using performance indicators, they engage in strategies of "deflection" (Blom and Morén, 2010), "decoupling" (Arvidsen and Lyon, 2014), or "tactical mimicry" (Dey and Teasdale, 2016). These strategies imply that organizations say one thing to their subsidizing constituent and act in a very different way in everyday practice. In contrast, we found that the compliance of ELIO to the governments' demand is not disingenuous: it is negotiated, and made dependent on whether the performance tool can serve its organizational goal without losing autonomy. Our results confirm the importance of the negotiating process that precedes the implementation of a performance system, and suggest that NPOs can influence this process by proactively strategically engaging in this process by claiming their expertise and suggesting performance measurement tools that fit their practice. NPOs should therefore invest in capacity-building on how performance can be measured. We showed that when NPOs increase their knowledge on expertise by using scientific expertise on performance measurement they can actively increase their agency in the negotiating process with their subsidizing agent. The coordinators of our case, for example, contested the narrow output-focused approach of the government by using scientific studies, while arguing that any attempt to measure performance should elaborate on key questions such as the question of "what works, for whom and under which circumstances" (Blom and Morén, 2010; White, 2009; Boost et al., 2017). The fact that ELIO actively tried to change the institutional expectations also contradicts the assumption made by Oliver (1991) that in a context where NPOs are highly dependent on the subsidizing actor who develops a high level of control, NPOs will stick to passive strategies of resistance such as acquiescence. In contrast, the coordinators heavily relied on the perspective of their internal constituents. They defended a stance on performance measurement that was based on the perspective of social workers who were afraid that a narrow approach focusing on outputs would conceal the many efforts they conduct to build a trust relationship with people in poverty. This result resonates with findings of Pache and Santos (2010) who argue that when understanding the behavior of NPOs faced with conflicting institutional demands, one also has to take into account that the extent to which one or more sides of the conflict are represented within the organization will determine the nature of the response.

IMPLICATIONS AND LESSONS LEARNED

An important key lesson that explains ELIOs provisional success to influence the expectations on how to measure performance was the lack of clear vision and expertise among representatives of the government. Building on their participative process with internal constituents, and drawing on academic literature on performance measurement and social impact, the ELIO coordinator was capable to provide convincing answers about which approach to performance measurement was best suited for their practice and goals. To explain this finding, we need to look at the particular context of post-corporatist welfare states where NPO–government relations are gradually and slowly moving away from the corporatist tradition in which local governments tended to invest in trust relationships and sustainable relationships with NPOs (Hustinx et al., 2015). Because the implementation of performance-based management is still relatively new in these countries, organizations such as ELIO seem to have opportunities to shape the development of these practices.

When governments are still looking for the best ways to implement such management practices locally, NPOs can claim and mobilize expertise and present themselves as a pragmatic and sceptic actor to influence these debates and instruments to their advantage. We confirm research emphasizing that the process of determining indicators and benchmarks is an important sociopolitical arena. Indicators and measurement tools are performative in the sense that they materialize the NPO–government relationship and shape future practice (Bowker and Star, 2000; Arvidson and Lyon, 2014; Lehtonen, 2015). From this perspective, our case study might indicate a window of opportunity for service-providing NPOs and for practitioners to be actively engaged in shaping how performance measurement will be done in the near future.

We follow Ebrahim (2019), who argues that decisions about how to conduct impact evaluation should be based on a careful analysis of the local context and the organization's specific practices and goals. More specifically, in our case, coordinators preferred a broad perspective on impact evaluation by adopting a realist evaluation approach (Boost et al., 2020). Such an evaluation approach allows organizational members to build a program theory where interventions are carefully described, workable principles are analyzed that explain how and to what extent interventions are able to reach results, and short-term and long-term outcomes are identified (Boost et al., 2020). This analysis can be used to improve organizational learning on how to improve interventions and practices to realize rights of vulnerable target groups, but also to find ways to measure outcomes in the long term.

It has to be recognized that our research holds limits beyond the difficulty to generalize our findings from this highly contextualized case study. By focusing on the demand for performance measurement, we have not paid attention to other evolutions in the field of service provision in this Belgian city or its broader region (Smith, 2018). The evolution towards performance measurement does not happen in a vacuum, and a focus on related trends might have deepened our understanding of the conflicting institutional demands challenging ELIO and similar service providers. Also, by focusing predominantly on how the institutional pressure was perceived by those active within ELIO, we might have presented a somewhat one-sided picture of the local government's institutional demand and the intentions behind it.

We encourage future research to study not only the implementation but also the negotiation of performance measurement instruments as a way to analyze changing governance relationships. In order to understand how the provision of services is evolving, we propose that particular attention is paid to the agency of NPOs to shape these performance measurement instruments throughout a strategic process of balancing conflicting expectations from their multiple constituents. From this perspective, our study indicates a window of opportunity for service-providing NPOs in both European welfare states and the United States that are being challenged by their subsidizing constituency to be actively engaged in shaping how performance measurement will be done in the near future. In conclusion we emphasize that NPOs need to invest in developing a process- and context-oriented approach on evidence-based practice, to make visible the impact of their interventions by answering key questions such as what works, why, and under which circumstances (Blom and Morén, 2010).

NOTE

1. "VZW" is short for *Vereniging Zonder Winstoogmerk*, a Dutch title that refers to the network organization's juridical status as a non-profit organization. Henceforth we will refer to this organization as ELIO.

REFERENCES

Arvidson, M., and Lyon, F. (2014). Social impact measurement and non-profit organisations: compliance, resistance, and promotion. *Voluntas*, 25, 869–886. https://doi.org/10.1007/s11266-013-9373-6.

Barman, E. (2007). What is the bottom line for nonprofit organizations? A history of measurement in the British voluntary sector. *Voluntas*, 18(2), 101–115.

Blom, B., and Morén, S. (2010). Explaining social work practice—the CAIMeR theory. *Journal of Social Work*, 10(1), 98–119. https://doi.org/10.1177/1468017309350661.

Boone, K., Roets, G., and Roose, R. (2018a). Social work, poverty and anti-poverty strategies: creating cultural forums. *British Journal of Social Work*. http://hdl.handle.net/1854/LU-8552380.

Boone, K., Roets, G., and Roose, R. (2018b). Social work, participation, and poverty. *Journal of Social Work*. http://hdl.handle.net/1854/LU-8552379.

Boost, D., Cools, P., and Raeymaeckers, P. (2017). Handvatten voor de ontwikkeling en evaluatie van lokaal sociaal beleid: het CAIMeR-model. In: Raeymaeckers, P., Charlotte Noël, Didier Boost, Caroline Vermeiren, Jill Coene and Sylvie Van Dam (eds), *Tijd voor sociaal beleid. Armoedebestrijding op lokaal niveau* (pp. 153–167), Leuven: ACCO.

Boost, D., Raeymaeckers, P., Hermans, K., and Elloukmani, S. (2020). Overcoming non-take-up of rights: a realist evaluation of integrated rights-practices. *Journal of Social Work*. https://doi.org/10.1177/1468017320948332.

Bowker, G.C., and Star, S.L. (2000). *Sorting Things Out: Classification and Its Consequences*. Cambridge, MA: MIT Press.

Cools, P., and Raeymaeckers, P. (2017). *Sociale impactmeting bij Verenigingen Waar Armen het Woord Nemen: Een toepassing op basis van het CAIMeR model. Rapport van Fase 1*. Antwerpen: Universiteit Antwerpen Faculteit Sociale Wetenschappen.

Crouch, C. (2016). *The Knowledge Corrupters: Hidden Consequences of the Financial Takeover of Public Life*. Cambridge: Polity Press.

De Corte, J., and Verschuere, B. (2014). A typology for the relationship between local governments and NPOs in welfare state regimes: the Belgian case revisited. *Public Managment Review,* 16(7), 1011–1029.

Desrosières, A. (2014). Statistics and social critique. *Partecipazione e Conflitto: The Open Journal of Sociopolitical Studies*, 7(2), 348–359

Dey, P., and Teasdale, S. (2016). The tactical mimicry of social enterprise strategies: acting "as if" in the everyday life of third sector organizations. *Organization,* 23(4), 485–504.

Ebrahim, A. (2019). *Measuring Social Change: Performance and Accountability in a Complex World*. Stanford, CA: Stanford University Press.

Evers, A., and Laville, J.L. (eds) (2004). *The Third Sector in Europe*. Cheltenham, UK and Northampton, MA, USA: Edward Elgar Publishing.

Flyvbjerg, B. (2006). Five misunderstandings about case-study research. *Qualitative Inquiry,* 12(2), 219–245.

Greenhalgh T., and Russell J. (2009). Evidence-based policymaking: a critique. *Perspectives in Biology and Medicine*, 52(2), pp. 304–318. doi: 10.1353/pbm.0.0085.

Greenwood, R., Suddaby, R., and Hinings, C.R. (2002). Theorizing change: the role of professional associations in the transformation of institutionalized fields. *Academy of Management*, 45(1), 58–80. https://www.jstor.org/stable/3069285.

Greiling, D., and Stötzer, S., (2015). Performance accountability as a driver for changes in nonprofit–government relationships: an empirical insight from Austria. *Voluntas*, 26(5), 1690–1717. 10.1007/s11266-015-9609-8.
Hemerijck, A. (2013), *Changing Welfare States*. Oxford: Oxford University Press.
Hustinx, L., and De Waele, E. (2015). Managing hybridity in a changing welfare mix: everyday practices in an entrepreneurial nonprofit in Belgium. *Voluntas,* 26(5), 1666–1689.
Hustinx, L., De Waele, E., and Delcour, C. (2015). Hybridization in a corporatist third sector regime: paradoxes of "responsibilized autonomy." *Voluntary Sector Review,* 6(1), 115–134.
Hwang, H., and Powell, W.W. (2009). The rationalization of charity: the influences of professionalism in the nonprofit sector. *Administrative Science Quarterly*, 54(2), 268–298. https://doi.org/10.2189/asqu.2009.54.2.268.
Janssen, P. Cantillon, B., and Vandenbroucke, F. (2011). *Voor wat hoort wat: Naar een nieuw sociaal contract*. Antwerpen: De Bezige Bij.
Lehtonen, M. (2015). Indicators: tools for informing, monitoring or controlling? In: Jordan, Andrew J. and Turnpenny, John R. (eds), *The Tools of Policy Formulation: Actors, Capacities, Venues and Effects. New Horizons in Public Policy* (pp. 76–99). Cheltenham, UK and Northampton, MA, USA: Edward Elgar Publishing.
LeRoux, K. (2014). Social justice and the role of nonprofit human service organizations in amplifying client voice. In Austin, J.M. (ed.), *Social Justice and Social Work: Rediscovering a Core Value of the Profession* (pp. 325–338). Los Angeles, CA: SAGE.
LeRoux, K., and Wright, N. (2010). Does performance measurement improve strategic decision-making? Findings from a national survey of nonprofit social service agencies. *Nonprofit and Voluntary Sector Quarterly*, 39(4), 571–587.
Marée, M., and Mertens, S. (2012). The limits of economic value in measuring the performance of social innovation. In: Nicholls A., and Murdock, A. (eds), *Social Innovation* (pp. 116–134). London: Palgrave Macmillan.
Martin, L.L. (2005). Performance-based contracting for human services. *Administration in Social Work*, 29(1), 63–77. DOI: 10.1300/J147v29n01_05.
Martinelli, F., Anttonnen, A., and Mätzke, M. (2017) *Social Services Disrupted: Changes, Challenges and Policy Implications for Europe in Times of Austerity*. Cheltenham, UK and Northampton, MA, USA: Edward Elgar Publishing.
Mosley, J.E. (2012). Keeping the lights on: how government funding concerns drive the advocacy agendas of nonprofit homeless service providers. *Journal of Public Administration Research and Theory*, 22(4), 841–866.
Moynihan, D.P., Fernandez, S., Kim, S., LeRoux, K.M., Piotrowski, S.J., Wright, B.E., and Yang, K. (2011). Performance regimes amidst governance complexity. *Journal of Public Administration Research and Theory*, 21, 141–155.
Norman, R. (2002). Managing through measurement or meaning? Lessons from experience with New Zealand's public sector performance management systems. *International Review of Administrative Sciences*, 68(4), 619–628.
Oliver, C. (1991). Strategic responses to institutional processes. *Academy of Management Review*, 16(1), 145–179.
Pache, A.-C., and Santos., F. (2010), When worlds collide: the internal dynamics of organizational responses to conflicting institutional demands. *Academy of Management Review*, 35(3), 455–476. doi:10.5465/AMR.2010.51142368.
Pollitt C., and Bouckaert G. (2017), *Public Management Reform. A Comparative Analysis—Into the Age of Austerity* (4th edn). Oxford: Oxford University Press.

RVS (2017). Zonder context geen bewijs: Over de illusie van evidence-based practice in de zorg. Raad voor Volksgezondheid en Samenleving. https://www.raadrvs.nl/documenten/publicaties/2017/06/19/zonder-context-geen-bewijs (accessed September 1, 2019).

Silverman, D. (2013). *Doing Qualitative Research: A Practical Handbook*. London: SAGE.

Smith, S.R. (2018). The future of nonprofit human services. *Nonprofit Policy Forum*, 8(4), 369–389.

Van Slyke, D.M. (2006). Agents or stewards: using theory to understand the government–nonprofit social service contracting relationship. *Journal of Public Administration Research and Theory*, 17(2), 157–187.

Vandenbroeck, M., Roets, G., and Roose, R. (2012). Why the evidence-based paradigm in early childhood education and care is anything but evident. *European Early Childhood Education Research Journal*, 20(4), 537–552.

Verschuere, B., and De Corte, J. (2015). Nonprofit advocacy under a third-party government regime: cooperation or conflict? *Voluntas*, 26(1), 222–241.

White, H. (2009). Theory-based impact evaluation: principles and practice. *Journal of Development Effectiveness*, 1(3), 271–284. doi:10.1080/19439340903114628