Individual responses to using management control practices for hybridizing public-sector organizations: evidence from an emerging country

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Individual responses to using management control practices for hybridizing public-sector organizations: evidence from an emerging country

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ABSTRACT
In this article, we aim to examine the responses of individual actors to the use of management controls during the hybridization of public-sector organizations. We draw on an institutional logics perspective and the literature regarding the role of management controls in hybridizing organizations to analyze findings derived from a single case study of a public university in Vietnam. We find that the partial hybridization of an organization is a factor that may explain individuals’ responses toward competing institutional logics. In the Vietnamese university we studied, the management controls in use were not contested, unlike their contents and formulae. Similarly, the compartmentalization strategy by the organizational leaders was uncontested due to traditional institutional logics being left mostly untouched. To the literature on hybrid organizations, we add the notion of “partial hybridization” and offer an emerging markets case, as evidence of the role management controls play in hybridizing emerging-market public-sector organizations has thus far been scant.

1. Introduction
Hybrid organizations have received an increasing amount of attention from researchers in recent years, particularly from public management, organization, and accounting scholars (Battilana and Dorado 2010; Grossi et al. 2020b). Such hybrid organizations combine elements from different institutional logics, including public-sector logics and private-sector logics (Grossi et al. 2017; Joldersma and Winter 2002; Lebelhuber and Greiling 2021; Pache and Santos 2013b). They are thus often exposed to contradictions related to performing, organizing, or learning (Smith, Gonin, and Besharov 2013). The process of moving an organization’s focus on one set of institutional logics (e.g., public-sector logics) to a simultaneous focus on multiple institutional logics can be termed hybridization (e.g., Wiesel and Modell 2014).

Although a large body of research has focused on the organizational level of analysis to study organizational responses to competing institutional pressures (e.g., Broadbent and Laughlin 2005; Broadbent, Laughlin, and Read 1991; Pache and Santos 2010; Powell, Gillett, and Doherty 2019), only a few studies have been concerned with the responses and potential resistance of individual actors within public-sector organizations to competing logics and hybridization (e.g., Dobija et al. 2019; Gebreiter and Hidayah 2019; Pache and Santos 2013a). Another stream of literature has focused on management control practices, which are often used by leaders of such public-sector
organizations for hybridization purposes (Grossi et al. 2017, 2020b). Combining these two streams, more research is necessary to better assess the viability of management control systems in guiding individual actors toward the simultaneous pursuit of multiple institutional logics (Grossi et al. 2017, 2020b).

With this article, we aim to address this void and illuminate how individual actors respond to the usage of management control practices that are used to drive the hybridization of public-sector organizations. While management controls encompass a large array of practices geared toward directing employee behavior (Malmi and Brown 2008), in our empirical section, we particularly focus on incentive payments and performance measurement systems – two control practices that are often at the core of an organization’s overall management control system (e.g., Lepori and Montauti 2020; Malmi and Brown 2008).

In addition, existing case-based evidence on the use of management control practices in hybridizing public-sector organizations has mostly been based on evidence from Australia (e.g., Christopher 2012; Parker 2011), Europe (e.g., Broadbent et al. 1991; Busco, Giovannoni, and Riccaboni 2017; Dobija et al. 2019; Gebreiter and Hidayah 2019; Grossi, Dobija, and Strzelczyk 2020a; Kastberg and Lagström 2019; Lepori and Montauti 2020; Powell et al. 2019), and North America (e.g., Roberts 2004). In turn, emerging-markets evidence on the use of management control practices in hybridizing organizations is largely missing (Grossi et al. 2020b). An analysis of the phenomenon in emerging markets is needed, in part because there are often different political and social structures at play in such countries, in comparison with more developed ones. Many societies in emerging countries are based on traditional norms and values (Damayanthi and Gooneratne 2017; Hopper et al. 2009), which may be at odds with market-based logics implemented in the hybridization of public-sector organizations in such countries. In line with this notion, there is evidence that introducing western, market-based management control logics into public-sector organizations in emerging countries may lead to significant political resistance (Hiebl 2018; Hopper et al. 2009; Ndemewah and Hiebl 2021), potentially making their hybridization a distinct and particularly challenging endeavor. Therefore, this article adds to the existing public-sector literature by shedding light on how individual actors responded to management controls during the hybridization of a public-sector organization within an emerging country.

We draw on a longitudinal case study of a public Vietnamese university called VNUni in this paper and offer four main contributions. First, we introduce the notion of “partial hybridization,” which reflects the phenomenon that in a large public organization such as VNUni, not all units may be equally moved toward hybridity. That is, some units may already be more hybridized, while others are less hybridized, which renders the entire public organization partially hybridized. Importantly, our case suggests that such partial hybridization can be a prime reason for individual actors’ resistance toward the hybridization of their public organization. At VNUni, partial hybridization could be observed as not all faculties were equally moved toward hybridity, which resulted in feelings of unfair treatment and thus resistance toward hybridization. Second, unlike much prior research on management control in public organizations in emerging countries (e.g., Damayanthi and Gooneratne 2017; Hopper et al. 2009), our case study indicates that the management controls and compartmentalization strategy per se were not contested, but rather the content of these controls and the formulae used to calculate incentive payments and the internal allocation of funds in VNUni. Our case study also adds to existing evidence on compartmentalization strategies as a response to competing institutional logics (Kastberg and Lagström 2019; Schäffer, Strauss, and Zecher 2015). Unlike prior studies, our evidence suggests that such compartmentalization remained uncontested, as the measurement and control of traditional academic performance remained mostly untouched. Third, we highlight the role of organizational leaders as advocates (Pache and Santos 2013a) of hybridization. Our analysis adds to the hybridization literature that the skills and courses of actions of such advocates may very much shape the response of other actors to using management controls for hybridization, which has so far
been an underexplored phenomenon. Finally, in comparison to the hybridization of universities elsewhere, our case from Vietnam represents a more extreme case of hybridization in terms of an attempt significantly to change the “business model” of the university in question. That is, our evidence adds to the literature a case in which lecturers were pushed toward offering on the open market services that were not related to teaching, but more like consulting services.

The remainder of this article is structured as follows. Section 2 details the theoretical background which primarily draws on the institutional logics perspective and the framework by Pache and Santos (2013a). In Section 3, we provide a brief review of the related literature, especially studies on the potential roles of management control in realizing or resisting institutional change and in hybridization processes. The research methods, including data collection and data analysis, are introduced in Section 4. In Section 5, we detail our findings and the final section discusses these findings, presents our conclusions, and acknowledges the limitations of this study.

2. Competing institutional logics and individual responses

Institutional logics are defined as “a set of material practices and symbolic construction” that guide institutional and social meaning (Friedland and Alford 1991:248). Although an organization can be dominated by a given logic, researchers have suggested that multiple logics may co-exist within an organization – which renders such organizations as hybrid (e.g., Battilana and Dorado 2010; Grossi et al. 2020a; Joldersma and Winter 2002; Lebelhuber and Greiling 2021; Powell et al. 2019; Reay and Hinings 2005). Organizations that aim for increasingly employing multiple logics face many challenges during the process of hybridization, especially when those logics are not compatible with each other (Broadbent and Laughlin 2005). In particular, incompatible logics may result in conflicts between the different groups of interest and power within an organization who may favor one logic over the other(s) (Purdy and Gray 2009; Reay and Hinings 2009).

In this article, we adopt the framework by Pache and Santos (2013a) to understand better why actors in our case study welcomed or resisted new institutional logics leading to hybridization (see Table 1 for a summary of their framework). In particular, Pache and Santos underline that important drivers of individuals’ responses are their degree of adherence to each of the institutional logics with which the individuals may be a novice, familiar, or identified. An individual who is a novice with a given logic has no or very little knowledge and information about that logic. Thus, that person is very unlikely to change his or her behavior to meet the demands

<table>
<thead>
<tr>
<th>Logic A</th>
<th>Logic B</th>
</tr>
</thead>
<tbody>
<tr>
<td>Novice</td>
<td>Ignored A and B</td>
</tr>
<tr>
<td>Familiar</td>
<td>Comply with logic A and ignore logic B</td>
</tr>
<tr>
<td>Identified</td>
<td>Comply with logic A and defy logic B</td>
</tr>
<tr>
<td>Role: Ingenuous member</td>
<td>Role: Follower</td>
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<tr>
<td>Role: Outlier</td>
<td>Role: Defender</td>
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<tr>
<td>Role: Outsider</td>
<td>Role: Challenger</td>
</tr>
<tr>
<td>Role: Challenger</td>
<td>Role: Hybridizer</td>
</tr>
</tbody>
</table>

*aOnly in contexts with low hybridity (i.e., where logic A dominates logic B).*

*bOnly in contexts with high hybridity (i.e., where logic A and B are of comparable strength).*

Source: Adapted from Pache and Santos (2013a:28).
imposed by the new logic. An individual is seen as familiar with a given logic when the knowledge and information about that logic are only moderately accessible to that person. Therefore, he or she is likely to understand and comply with the demands imposed by the logic to gain legitimacy, but the compliance with that logic does not follow his or her taken-for-granted beliefs. On the contrary, an individual is identified with a given logic when the knowledge and information of that logic are highly accessible to that person, so he or she is likely to be emotionally and ideologically committed to it because that logic is not only taken-for-granted but also part of his or her identity. Pache and Santos (2013a) state that these categories should be viewed as continuous rather than as clearly distinct steps. Specifically, a novice individual who is exposed to a given logic for a period of time is likely to become familiar with it and a person who is familiar with a given logic may become increasingly attached to that logic and identified with it.

Furthermore, Pache and Santos (2013a) develop a repertoire of individuals’ five potential responses to competing institutional logics: ignorance, compliance, defiance, compartmentalization, and combination. Ignorance refers to an individual’s lack of awareness about the impact of a given logic instead of deliberate resistance. Compliance refers to the response of an individual who fully obeys the values, assumptions, taken-for-granted beliefs, and practices prescribed by a given logic. In contrast, defiance refers to an individual’s opposition and desire to eliminate the values, assumptions, taken-for-granted beliefs, and practices prescribed by a given logic. Unlike ignorance, defiance is a conscious response that involves not only the refusal to obey a given logic but also the act of attacking and trying to eliminate it. Compartmentalization refers to the response of an individual who tries to comply with all competing logics but deliberately keeps them separated to secure legitimacy, even if these competing logics are not compatible with each other. This response, however, comes with the potential outcome that hybridization will not succeed and de-hybridization may occur (Kastberg and Lagström 2019). At the same time, it has been found that skillful organizational leaders may successfully deal with compartmentalization and secure an organization’s further viability (Schäffer et al. 2015). Finally, combination refers to an individual’s attempt to reconcile competing logics in some form (Pache and Santos 2013a).

While these principal five responses of individuals to competing institutional logics found support in empirical research, recent evidence suggests that several more fine-grained variations of these responses exist (Gebreiter and Hidayah 2019). In addition, Gebreiter and Hidayah (2019) have shown that many individuals do not choose their response strategically, but often do so ad hoc or coincidentally. Similarly, a recent case study on a European university by Lepori and Montauti (2020) suggests that managers of hybridizing organizations do not necessarily adhere to a “heroic” model of organizational leaders, but rather try to create structural hybrid conditions which avoid conflicts and are perceived by the involved actors as “tractable.”

3. Institutional logics, management control, and hybrid organizations

Drawing on an institutional logics perspective, management control studies have so far mostly focused on the impact of societal and field-level factors on management control practices, influence of institutional logics on performance measurement systems, and the impact of competing logics on budgeting practices in organizations (Damayanthi and Gooneratne 2017). For instance, Ahrens and Khalifa (2015) examine the impact of regulation on management control practices and how the functioning of compliance is used as a strategic response to the institutional logics of new management controls in the studied universities.

It has also been shown that management controls could serve as a medium to eliminate or reduce the tension between multiple institutional logics (e.g., Schäffer et al. 2015; Järvenen 2016; Busco et al. 2017). For instance, Schäffer et al. (2015) show that management control practices play a crucial role in handling institutional complexity, indicating that the restructuring of a firm’s management control system not only allows an actor situated between two institutional
logics to engage in some form of selective coupling of colliding logics, but also allows another actor (who is shaped by opposing logics) to compartmentalize the extant logics and protect the survival of the organization. Similarly, Busco et al. (2017) show that management controls act as “boundary objects” that sustain the conflicting nature of hybrid organizations by attracting multiple interests and expectations and establishing complex interconnections with them.

Some additional work on hybridization and management control has been done in relation to universities – the type of organization on which our empirical material focuses. Gebreiter and Hidayah (2019) case study focuses on the hybridization of an English business school and analyzes how individuals respond to a changing view of students that repositions them from “learners” to “customers.” As indicated above, their study finds that a broad variety of individual business school members’ responses to this development could be observed, many of which were not formed deliberately or strategically, but rather were improvised, ad hoc or coincidentally. However, it seems fair to summarize that their study did not particularly investigate the role of specific management control instruments in this process, which leaves room for our study to complement their work. Research more closely looking into the role of management control practices includes the multiple case study by Dobija et al. (2019), which looked at four Polish universities and sheds light on the role of performance measurement systems on hybridization. Here, the performance measurement systems were mostly used to track and report academic performance – internally and externally – in line with international expectations, for instance, from accreditation agencies. In keeping with the compartmentalization response suggested by Pache and Santos (2013a), market and academic logics co-existed in their cases. Zooming in on one of these Polish universities, Grossi et al. (2020a) present evidence regarding how a private business school started with relatively clear business logics due to its need to finance via teaching, while in recent years it has prioritized integrating a higher degree of hybridity due to an increased focus on research excellence. Their study documents how such hybridization is reflected in and reinforced by the universities’ performance measurement system.

In summary, it can be seen that while most of the management control literature generally underpins the notion that management control practices may be important devices in handling competing logics and thus hybridization (e.g., Busco et al. 2017; Dobija et al. 2019; Grossi et al. 2020a; Järvinen 2016), research specifically studying individual responses to competing logics is less concerned with the role of management controls (e.g. Pache and Santos 2013a; Gebreiter and Hidayah 2019). This leaves room for our study to analyze different actors’ responses to the mobilization of management control practices in hybridization processes – in particular, there is little evidence on how such developments play out in an emerging-country setting.

4. Research methods

4.1. Data collection

This article adopts a longitudinal case study approach and is focused on VNUUni, a public Vietnamese university. Our selection of this case was driven by our principal research interest to study the hybridization of a public-sector organization in emerging countries, but also by access to this case due to one author’s professional contacts. Access to in-depth case studies in emerging markets is reported to be often difficult (Reddy 2015). Our experience supports this notion, and consequently, we tried to get access to as much information from VNUUni as possible, while at the same time trying to not stretch the university’s willingness to participate in our study too much.

In effect, we were granted access to multiple sources including internal documents from our case site and semi-structured interviews. In this vein, we were able to collect all internal and external documents related to the financial autonomy of VNUUni and its colleges over a period of seven years, from 2013 to 2019. The start year was when VNUUni established its first college,
which represents an important stepping-stone in our case, as will be detailed below. The collected material included VNUni’s internal spending regulations, VNUni’s annual financial reports, the schemes of establishing colleges, annual financial reports of each college, internal spending regulations of each college, and official decisions and announcements of the Board of Rectors.

In addition, a total of 23 semi-structured interviews were conducted between November 2017 and August 2020. The time span of these interviews and the selection of interviewees results from the university granting us access to interviewing individual actors in this time frame. Each interview lasted between 30 and 120 minutes, with an average duration of 64 minutes (see Table A1 for a list of interviews and interviewees’ positions). A total of 20 out of the 23 interviews were recorded via audiotaping, while the remaining three interviews were not recorded, as the respondents wished to guarantee their anonymity. For these three interviews, we took extensive notes, which were further processed on the same day as the interviews. Key informants such as Vice President No 1 of VNUni, the manager of the finance and accounting department, and the managers of the colleges were interviewed more than once and at different points in time.

All interviews were lead in the Vietnamese language. Our interview quotations below are presented in English, which necessitated the translation of the original Vietnamese quotations. Such translations involve the risk that the transfer of the original meaning cannot be preserved (Feldermann and Hiebl 2020). We tried to circumvent this risk as far as possible: first, one of the authors of this article is fluent in both Vietnamese and English and provided the first draft of the translations. These translations were then scrutinized by the second author. The second author is not fluent in Vietnamese, but the meaning of the quotations was challenged by this author and discussed with the first author. This procedure led to several amendments of the original translations of quotations. While we cannot rule out the possibility that some meaning of the original translations could not be successfully transferred to English, our awareness of this risk (Feldermann and Hiebl 2020) and our procedures to avoid this risk from materializing leave us confident that the below quotations adequately transport the interviewees’ intended meaning. Apart from formal interviews, we also had informal conversations via electronic mail or informal meetings in order to gather more information as well as clarify the information obtained from the formal interviews.

4.2. Data analysis

Sensitized by our theory and literature background, we went through VNUni’s internal documents, interview transcripts and further material several times and coded all instances which related to the central themes of this article such as hybridization, management controls and individual actors’ responses. In this coding exercise, we followed Thomas’s (2006) general inductive approach. We then grouped our codings into three larger topics that build the main structure of the below findings Section 5. While these topics emerged inductively from our reading of the empirical material, our focus resulted from our overall research objectives. That is, our analytical procedures were neither purely inductive, nor purely deductive, but a combination of the two, which renders our approach as abductive (Lukka and Modell 2010).

5. Findings

5.1. The rise of competing logics at VNUni

VNUni has been established as a leading public university for education and training at both undergraduate and postgraduate levels. Like many other Vietnamese public universities, VNUni had to set up a roadmap for financial autonomy after the Vietnamese government decided in 2010 to reduce gradually its subsidy for public universities. In addition, there was a change in the
policy of entrance examinations for admission into higher education institutions in Vietnam, as well as a significant decrease in labor demand for the industry sector to which VNU has primarily catered. Consequently, the number of students entering VNU has decreased significantly in recent years. This decline also reduced the revenue from tuition fees. Therefore, VNU stated that it would need to strengthen other sources of revenue besides traditional revenues from the government’s budget and tuition fees. One of the sources that VNU decided to promote was the provision of science and technology services to outside organizations ranging from private companies to government organizations. VNU thus increasingly directed its faculty members toward financial autonomy by upgrading its faculties to colleges, and enabling these units to operate on the market like private enterprises.

Another reason why the Board of Rectors decided to upgrade the faculties to colleges was that they wanted to improve the faculties’ volume and quality of scientific research. In the Board of Rectors’ view, VNU had too few scientific papers per lecturer, and those published were of generally low academic quality. VNU’s senior managers and lower-level managers, as well as the media and many politicians, believed that the regime and policies of the Vietnamese government for tenured public university employees were to blame for such poor research performance. Such tenured public employees – known as nhân viên biên chế in Vietnamese – are those who work in long-term indefinite service positions in state agencies and units such as public hospitals and public universities and are entitled to stable salary and allowance regimes until retirement age. However, due to their indefinite nature and lack of incentives for high performance, tenured public positions are sometimes viewed in the Vietnamese public discourse as one of the main reasons for the poor performance of public organizations and state agencies. Similarly, the Board of Rectors of VNU believed that because the majority of VNU’s workforce were tenured public employees who were paid the same regardless of their performance, large parts of its workforce were lacking motivation, drive, and creativity in doing scientific research. VNU’s senior managers expected that the introduction of the colleges model and the cessation in hiring tenured public employees would eliminate the policy of an “all equal” approach to salary payment, because in the new model the lecturer’s income would depend on the results of their work. For instance, Vice-President No 2 of VNU explained:

As they [the lecturers] are currently working under the state mechanism, everyone is paid the same. Therefore, it does not stimulate people and units to develop scientific research and technology, so we need a new institution that is appropriate for their role. (Interview, Vice-President No 2 of VNU 2017)

From 2013 to August 2019, four faculties were “upgraded” (in the view of VNU’s Board of Rectors at least) to colleges, including Techno College, Timber College, Design College, and Resources Management College. Although VNU’s Board of Rectors envisioned that all faculties would eventually become colleges, five faculties remained at the time of our investigations. Some managers of these faculties, such as the head of the Faculty of Economics, argued that they were not eligible to be upgraded because they hardly had any science and technology service activities and had heavy teaching loads, which would prevent them from offering services on the free market. Other heads of non-transformed faculties such as the head of the Faculty of Environment argued that they would have been more open to being transferred to the college model. However, his faculty still had relatively high teaching loads, which is why the Board of Rectors preferred these faculties to not be transformed into colleges for the time being.

In addition, Vice-President No. 1 explained to us it was VNU’s first experience with the college model and it only wanted to experiment with approximately half of faculties. This vice-president also mentioned that the four faculties to be transformed had relatively more research activities and lower student numbers than the other faculties. The Board of Rectors expected that the idle teaching hours could be used for consultancy and technology transfer activities.

That is, while the faculties usually had only two main tasks (i.e., teaching and conducting research), the colleges were to have three main tasks: teaching, research, and providing science
and technology services, such as consultancy and technology transfer. The main difference between the faculties and colleges was that the former had no legal status to be able to sign contracts on the provision of science and technology services with outside partners. If a faculty wanted to sign such contracts, it needed approval from the VNUni central administration, which then signed the contracts with external partners on behalf of the faculties. In contrast, each college had its own legal status and could sign contracts with external partners without central permission. VNUni’s Board of Rectors expected that the colleges would be able to earn more income due to having eliminated complex internal procedures and paperwork associated with communication between the faculties and VNUni’s central administration. Our interviewees also reported that in rare cases, non-transformed faculties turned to colleges to sign contracts with business partners on their behalf. Beyond such forms of collaboration, the more general impression from our interviews was that no animosity developed among faculties and colleges despite their being treated differently by the Board of Rectors (in terms of being transformed to the college model or not). As detailed below, the lecturers at the faculties and colleges rather blamed VNUni’s central management for their unequal salaries.

To summarize, due to the re-organization of some of the faculties into colleges, VNUni can be viewed as a hybrid organization combining two separate kinds of institutional logics: the academic logics focusing on education and research, and business logics focusing on science and technology services for external customers. However, the novel combination of the academic logics and business logics created tensions between the different VNUni actors, which will be detailed next.

5.2. Different groups of actors and individuals’ responses to competing logics at VNUni

This section will focus on analyzing the responses of the three core groups of actors, all of whom had a significant impact on policy and institutional changes: (i) the Board of Rectors, (ii) the college managers, and (iii) the lecturers. In particular, the Board of Rectors and the college managers were important actors in changing institutions, as they had significant power in making decisions, setting priorities, and mediating the potential tensions exerted by different demands. At the same time, the lecturers also had a significant influence on institutional changes at VNUni through formal meetings with their senior managers, which were held every year. At such occasions, lecturers and their representatives could present their opinions to the senior management on the new policies and generally on institutional changes. Since VNUni began to exercise the model of financial autonomy, our findings suggest that the senior managers of VNUni had only recently become familiar (but not well experienced) with business logics, when the Vietnamese government instigated in 2010 the requirement of all public universities to develop a roadmap for financial autonomy. Hence, the Board of Rectors of VNUni tried to get familiar with the business logics through learning from the business and financial autonomy models of other universities in Vietnam and beyond:

[We] relied on advice from domestic and foreign experts on the model of financial autonomy. This model is internationally known as “college.” For example, The Hanoi University of Science and Technology or the National University of Civil Engineering also have colleges, a research center or community. (Interview, Vice-President No 1 of VNUni 2017)

In addition, VNUni’s central administration applied the financial autonomy model to its two subordinate units, a manufacturing company and a research institute that only performed scientific research and technology transfer without carrying out the tasks of education and training. The adoption of the financial autonomy model to these lower-level units achieved positive results, as explained by the Vice-President No 1 of VNUni:
VNUni has two units that achieve 90% financial autonomy. VNUni only subsidizes salaries for two important positions of those units which are the director and chief accountant. Meanwhile, those units are capable of paying full salaries to their employees. That is financial autonomy. (Interview, Vice-President No 1 of VNUni 2017)

Notably, the senior managers and the managers of the colleges also acknowledged that VNUni built a financial autonomy roadmap because of the demand and pressure from the Vietnamese government. In other words, they incorporated the business model into their organization to achieve legitimacy before more powerful political actors and organizations. The Deputy Director of Timber College remarked:

In fact, VNUni followed the orders of the Ministry. When the Ministry forced them to exercise financial autonomy, VNUni had just started studying the model of one university or another to know what they would need to do. (Interview, Deputy Director of Timber College 2019)

Besides these new business logics, the senior managers of VNUni had long identified with academic logics, as they had enjoyed many years of experience in their academic careers at VNUni. According to Vice President No 1:

The senior managers of VNUni also started from the position of lecturers to move up to management positions. So we have more experience in educational operations than business operations. (Interview, Vice-President No 1 of VNUni 2019)

As predicted by Pache and Santos (2013a), the senior leaders of the university who identified with academic logics but who were now also familiar with business logics were likely to compartmentalize both logics. The senior managers at VNUni were likely to become “advocates” in the organization, in which a compartmentalization strategy allowed individuals to display compliance with the new and minority business logics when necessary. This enabled them to gain legitimacy while remaining loyal to the existing and dominant academic logics at a high level, thus avoiding identity threats.

Similarly, the managers of the colleges had identified with academic logics, since VNUni required new managers of a college or a faculty to have had many years of teaching experience, significant scientific research achievements, and generally high academic qualifications (usually a doctorate or above). In addition, the senior managers of VNUni continued to emphasize that the main tasks of the college managers and lecturers were teaching and researching, as one of VNUni’s senior managers remarked:

VNUni’s top mission, which has been regulated by the Vietnamese government and the Ministries, is to provide education and training and carry out scientific research. Therefore, these two tasks must be prioritized for completion first, then the business tasks. (Interview, Vice-President No 1 of VNUni 2019)

Surprisingly, with the exception of the former Director of Design College, most of the college managers were familiar with business logics as they had already owned their own companies. However, their private business activities were different from the business activities required by VNUni. To prevent the managers and lecturers from completely diverting to business activities, which may have affected the tasks of education and scientific research negatively, VNUni stated that the colleges were not allowed to conduct business by simply buying and reselling goods but rather were required to use their scientific research knowledge to conduct consultancy and technology transfer. For instance, the former Director of Design College explained:

For example, if you plant trees for sale, this is not allowed because it is merely a buying and reselling operation. However, if I import trees from abroad and study their genetic improvement, so the tree can live well in Vietnam’s environment, I can sell those trees. That is the difference between the business of merely buying and reselling and the business of technology transfer. (Interview, former Director of Design College 2017)

There were a number of managers at the colleges who carried out consultancy and technology transfer projects, but these activities were still spontaneous and uncommon. In addition, the
leaders of the colleges were more interested in business logics than their lecturers because the former were under pressure to achieve the business tasks imposed by VNUni. If they failed to meet these business tasks, their leadership positions would be reviewed and reconsidered. However, despite such pressure, the college managers did not develop a strong connection with business logics when they began to apply such logics into their units. Nevertheless, they could still be viewed as “advocates” of hybridization, as they were familiar with business logics and also identified with academic logics.

In contrast, most of the lecturers were novices when it came to business logics, but identified with academic logics. For example, lecturers had a high level of job security and a stable salary regime from the task of teaching, which was regulated by the Vietnamese government. As such, it was very difficult for their managers to assign business tasks to them since failure to perform such tasks did not significantly affect their job position. According to the Head of the Central Office of Design College:

> Old thinking has been deeply ingrained into lecturers’ minds. State-owned companies have operated very inefficiently, but after being privatized, those companies have risen immediately. For private companies, if their employees don’t do a good job, they will be fired immediately. It creates great motivation for them to work well […] The outsiders who work in private companies have more trade-offs than those at the colleges if they don’t work well. (Interview, Head of Central Office of Design College 2018)

So thanks to their tenured positions, the economic pressure on the lecturers was low. They mostly felt that it was not necessary to work more or harder, including potential work related to consultancy and technology transfer. Furthermore, because they were paid the same for the tasks of teaching and research regardless of their performance, their motivation and performance in research were not very high either. The non-existent pressures or incentives to expand their research skills also made the lecturers hesitant to participate in business activities due to the lack of marketable skills.

Finally, many of our interviewees suggested that most of the lecturers worked for VNUni in order to enjoy leisurely jobs and to be able to devote more time to other things, such as looking after their families. Therefore, there was a tendency to avoid engaging in technology transfer and consultancy activities that would require them to study and work harder. For example, one of the informants explained:

> The college’s science and technology service projects are few because the lecturers in my college are not motivated to do business. I do not fear that my employees will starve to death. They can still live without doing the projects on the outside because they have been paid by the state budget for teaching and training […] Doing business on the outside requires more work pressure and requires higher levels of expertise than their current expertise. Thus, it requires them to study more and to work harder. Because doing business on the outside would cause their life to be more strenuous, they hesitate to join in such work. (Interview, the former Director of Design College 2017)

As a result, the majority of lecturers at VNUni adhered to the “protector” role as defined by Pache and Santos (2013a), and thus complied only with academic logics and rejected business logics. Among the more than 500 lecturers, there were some individuals who would fall into other categories rather than “protector.” However, their number was small, and they were scattered throughout departments, faculties, and colleges. They could thus hardly form a minority coalition in favor of business logics to argue against a majority lecturer coalition trying to protect long-standing academic logics. For example, we spoke to a newly hired lecturer who was a novice with academic logics but identified with business logics. Although he was likely to act as an “outsider” who tended to ignore academic logics and comply with business logics, he had no significant influence on his fellow lecturers and thus on institutional change at VNUni more generally.

Thus, in our subsequent analysis, we will not detail the role of the lecturers who did not adhere to the “protector” category. Likewise, the views expressed by the actors within the other
two core groups in our case (i.e., senior central managers and college managers) were homogeneous. Consequently, the “individual” responses to management controls are presented as the three core groups’ responses, as the individuals in each group expressed similar views in our interviews. This presentation of individuals' responses organized in groups was also foreseen by Pache and Santos (2013a). They noted that “every organization is composed of a mosaic of groups” (31) and that hybridization may lead to “between-group conflict” (29). Hence, while the analysis below may be criticized for abstracting from individual responses, the logic that tensions around hybridization arise between groups is in line with the underlying theoretical framework proposed by Pache and Santos (2013a).

5.3. The role of management controls in realizing or resisting institutional change at VNUni

5.3.1. January 2017–May 2017
To guide financial autonomy for the colleges, VNUni’s central administration required its colleges to set up their own management accounting systems. This included establishing accounting departments, a business strategy, annual budgeting, and internal spending regulations so that the colleges could be responsible for their own revenues and expenditures. The colleges also had to report their management accounts to VNUni and to the Vietnamese authorities, as the colleges were obliged to pay taxes to the government as well as pay a portion of their revenues to VNUni.

Starting in early 2017, VNUni set up a financial autonomy roadmap for the colleges, which involved a basic salary and additional salary for each lecturer. That is, the management control system at work here were incentive systems. The basic salary was a fixed monthly salary that each lecturer would receive, while the additional salary would be paid according to individual performance and based on assigned ranks (A, B, or C). Before the establishment of the colleges, VNUni provided both basic and additional salary payments to the lecturers at the faculties. However, none of the faculties ranked their lecturers at a low level, so almost all lecturers received the full additional salary. The leaders of the faculties would not have benefited from assigning lower ranks to their lecturers, because to do so would risk losing the support of their staff. And in the end, it was VNUni’s central administration that needed to finance the additional salaries and not the faculties. In the words of one of our interviewees:

In the past, the faculties also assessed the performance of their employees on a scale of A, B, and C, and then submitted it to VNUni. [...] However, the reality is that none of the faculties would rank their staff at a low level because the Vietnamese mentality is affectionate and respectful. If the units ranked their lecturers low, VNUni would benefit from that amount of money saved, but the managers of the units would lose the hearts of their staff members. (Interview, Director of Resources Management College 2018)

For the colleges, VNUni gradually reduced its subsidy on additional salary payments, and instead implemented a system in which the colleges would be responsible for paying additional salaries to their lecturers. For instance, in 2017, VNUni only paid 50% of the additional salary to the lecturers of Timber College, while Timber College needed to pay the remaining 50% from its own budget. By 2020, Timber College would have to pay 100% of the additional salaries to its lecturers. The senior managers of VNUni hoped that the gradual reduction of the lecturers’ salaries at the colleges would motivate college managers and lecturers to participate actively in scientific research and technology transfer activities. Without additional revenue from such activities, it was foreseeable that the colleges would not have sufficient funds to pay full additional salaries to all lecturers. VNUni also required the colleges to contribute a portion of their revenues to the university. For example, the colleges had to contribute about 5 to 6% of their revenues to VNUni in 2017. The higher the revenues, the more financial contribution the colleges had to make to VNUni.
Alongside VNUni’s traditional criteria for evaluating lecturers’ performance, such as the number of teaching hours or the number of research hours, the colleges also would have to develop their own criteria to evaluate their lecturers’ performance in relation to business activities. Similarly, the assessment of the colleges’ performance was also different from that of the faculties. To evaluate the colleges’ performance, VNUni now used financial results as indicators. If a college fulfilled its obligation in making a financial contribution to VNUni or paying the additional salaries to its lecturers, that college was evaluated as fulfilling its business duties. Conversely, if a college did not fulfill either of these tasks, it was assessed as not fulfilling the business tasks.

In short, the Board of Rectors applied management control systems to adopt business logics. However, they compartmentalized business and academic logics via management controls as the goals, values, and practices of business and academic activities were kept separate from each other. In particular, the traditional goals and practices of teaching and scientific research for the lecturers at both colleges and faculties remained the same as before the establishment of the colleges.

5.3.2. May 2017–December 2017
By the end of 2017, the financial results of the colleges were relatively low due to the limited number of consulting and technology transfer projects. As such, the managers of the colleges only contributed 5% of the total revenues of their colleges to VNUni, and they did not pay the remaining 50% of the additional salaries to their employees for a number of reasons. First, the managers of the colleges argued that financial contributions to VNUni were more important than paying additional salaries to their employees. One of the college managers added:

Last year [2017], the financial contribution goals of the colleges were very small […] For the policy of 2017; the managers were only pressured by their staff. The pressure from the higher-level managers is still higher than the pressure from the subordinates. (Interview, Director of Resources Management College 2018)

Second, college managers also indicated that the imposed goal of paying 50% of the additional salary to the lecturers was relatively high and difficult to achieve:

The colleges’ managers claim that the financial goals that VNUni has imposed on them are high while their revenues are not stable because they do not have regular customers. (Interview, Deputy Head of the Finance and Accounting Department of VNUni 2018)

Besides, the college managers asserted that VNUni’s expectation that the colleges should pay an additional salary to their lecturers, one that was as high as that previously paid by VNUni, was not different from the previous policy of the “all equal” approach to salary payments. The Director of Techno College explained:

VNUni wanted the colleges to pay an equivalent additional salary to the lecturers as VNUni did. However, if such a mechanism is implemented, it does not create incentives for our employees to work because their work efforts are different, but they will get the same additional salaries. (Interview, Director of Techno College 2018)

During the 2017 Conference of Civil Servants and Public Officials at VNUni, cuts to the additional salaries were strongly opposed by the college lecturers. They pointed out that although they completed the assigned numbers of teaching hours and scientific research hours, which were similar to those of the faculties, their additional salaries were lower than that of faculty lecturers:

The members of the colleges were also more disadvantaged than those of the faculties. For example, when the members of the faculties just perform 280 hours of teaching, they can receive their entire additional salaries. At the same time, the members of the colleges, apart from doing 280 hours of teaching, have to do other things to receive the remaining 50% of additional salary. (Interview, Director of Techno College 2018)
In addition, the college lecturers believed that the business activities of their colleges negatively affected their lecturer status, which was prescribed to only serve education and scientific research purposes:

Many [lecturers] think that their main job is to teach because their position is a lecturer. They think that because they have no expertise in service activities, they cannot do it well. They claim that they are not merchants. (Interview, Deputy Director of Techno College 2019)

To summarize, the college managers displayed compliance with business logics, but only partially and moderately carried out the business tasks to gain or sustain their legitimacy. Specifically, the colleges only contributed 5% of their revenues to VNUni without paying the remaining 50% of the additional salary to their employees, as the financial contributions to VNUni made it easier for them to maintain their leadership position in front of the Board of Rectors. On the contrary, by pointing out the inequality in the incentive schemes between non-hybridized faculties and hybridized colleges, the lecturers of the colleges opposed the business logics that threatened their identity as lecturers and their financial stability.

5.3.3. January 2018–May 2018

To reduce the dissatisfaction of the college lecturers, the Board of Rectors decided to pay 100% of the additional salary to all lecturers of the colleges at the beginning of 2018. However, VNUni would only pay 60% of the additional salaries to these lecturers in advance. Whether or not VNUni would pay the remaining 40% of the additional salaries would depend on the extent to which the colleges fulfilled their financial obligations to the university. Instead of imposing flexible financial contributions on the colleges, in 2018 VNUni imposed fixed financial contribution targets on each college, which were lower than their financial goals in 2017. VNUni based these lower numbers on the colleges’ revenue histories, including recent contracts signed by the colleges with outside partners. The aim was to lower the financial pressure on the college managers, and also to encourage the colleges to use their financial resources for development and reinvestment in science and technology service activities. For example, in 2017 Timber College had to pay an additional salary of 380 million VND to 32 employees, and contribute 40 million VND to VNUni, resulting in a total of 420 million VND. But in 2018, VNUni only set the financial contribution target of 119 million VND for Timber College, which approximately equaled one-quarter of the 2017 figure. Remarkably, the managers of the colleges were empowered to manage the additional salaries of their employees. For instance, they could now deduct additional salaries from low-performing lecturers and use that money to contribute financially to VNUni:

The lecturers cannot automatically receive 100% of the additional salary. Everyone’s salary cannot be the same […] Thus, if he contributes to the college much, he will receive the additional salary. If not, we will deduct his salary. The amount deducted will be accumulated into the 147 million VND and handed over to VNUni. (Interview, Director of Techno College 2018)

Meanwhile, VNUni continued to rely on the financial contribution of the colleges as one of the criteria to evaluate performance. If the college managers were unable to achieve these goals in two consecutive years, they were likely to lose their managerial positions. This meant that the college managers seemed to be solely responsible for achieving the financial contribution targets, which may explain why they were suddenly open to not giving every lecturer the full amount of additional salary. Unlike previous years, they could now use these deductions to reach their own individual targets regarding the colleges’ contributions to VNUni’s central budget.

In summary, via amendments to the incentive systems, the senior managers of VNUni tried to reduce the lecturers’ opposition to business logics by putting the entire responsibility of reaching financial targets on the college managers. In turn, the college managers showed some creativity in reaching the targets regarding the colleges’ contribution to VNUni’s central budget by using parts of the additional salaries of their lecturers. Thus, all involved actors did not contest the
management control practices in use (e.g., the payment of fixed and additional salaries), but at least the college managers tried to game the existing rules of these practices.

5.3.4. May 2018–December 2018

The changes just described lowered the pressure on lecturers and their motivation to implement consulting and technology transfer projects:

In 2018, when VNUni transfers the additional salaries to [the lecturers] through the bank account, [the lecturers] believe that they obviously own the money. Thus, they consider that the college's financial obligation to VNUni is the job of their [college] managers, not [the lecturers'] business. (Interview, Head of Central Office of Design College 2018)

Also, it was increasingly believed that the teaching tasks, as well as lack of practical experience, affected the business tasks of the colleges negatively, so that the colleges had difficulties in competing with other organizations in bidding for consultancy and technology transfer projects. The Deputy Director of Techno College added:

Currently, science and technology transfer activities are still relatively new for us, so it is difficult for us to compete with outside [organizations]. We also have to carry out the teaching duties, and they interrupt our research and technology transfer tasks. In particular, the lecturers are only interested in teaching, but less interested in business, while only the leaders [of the colleges] care about it […] As a result, business activities are difficult for us. (Interview, Deputy Director of Techno College 2019)

At the end of 2018, the college managers pointed out that the colleges had little or no science and technology service activities. Consequently, the colleges had not generated enough revenue from science and technology service activities to achieve the financial goals set by VNUni’s Board of Rectors. However, most of the colleges (except Design College) still achieved the financial targets of VNUni by temporarily collecting a part of the lecturers’ salaries to contribute financially to the university. After the colleges completed their financial obligations, VNUni would pay the remaining 40% of the additional salary to the college lecturers. Thus, the salaries of the lecturers still remained relatively high (but below 100% additional salaries due to the deductions by the colleges) while the college managers also achieved VNUni’s financial goals without the need to participate in business activities. The Director of Design College remarked:

But the truth is that there are many colleges that don’t have the capability or don’t have money to contribute financially to VNUni. Recently, there have been some creative colleges that collected money from their employees to make a financial contribution to VNUni. After the colleges fulfilled their financial contributions to VNUni, VNUni would pay the remaining 40% of additional salaries to their lecturers. Thus, it turned out to be a draw. Meanwhile, the leaders of the colleges had a reputation in accomplishing (business) tasks. (Interview, Director of Design College 2019)

Similar to 2017, at the 2018 Conference of Civil Servants and Public Officials, the college lecturers continued to point out the injustice between the incentive scheme of the colleges and that of the faculties to oppose the business logics. They saw themselves as disadvantaged compared with the faculty lecturers, because the latter were subsidized with all basic salaries and additional salaries, while the additional salaries of the former were cut. The college lecturers also objected to the imposition of fixed financial goals on the colleges. In particular, they complained that they needed to participate in business activities, so that their colleges could reach the financial targets set by VNUni’s central administration, which in turn secured the lecturers’ full additional salary:

The lecturers do not want that [i.e., the high financial contribution targets] because they want to work a little more to get more income, which compensates for the labor effort that they have spent. Therefore, when VNUni required the colleges to make financial contributions to central administration, [the lecturers] did not like it because it could affect their personal incomes. (Interview, Deputy Director of Techno College 2019)
In short, during this stage, the college managers took advantage of the new authority granted by the senior managers in managing their employees’ salaries to achieve VNUni’s financial goals as well as to gain their legitimacy. Meanwhile, the college lecturers opposed the high financial goals of the senior managers by pointing out that their interests were negatively affected by those goals. Despite these developments, our evidence indicates that there was not much increased activity among the colleges and lecturers in obtaining revenue from science and technology services.

5.3.5. January 2019–August 2019

In early 2019, the senior managers of VNUni disagreed with the college managers’ solution to collect part of the lecturers’ additional salaries to reach the colleges’ financial contribution targets. VNUni’s Board of Rectors believed that this solution would reduce the motivation of colleges to increase revenue through business and service activities. The Head of Finance and Accounting Department added:

> It will reduce the motivation of the colleges in carrying out consultancy and technology transfer activities. In essence, this financial contribution must come from their business activities and cannot be taken from the salaries of the lecturers. […] But here, they use that money to pay it to VNUni. As such, the senior managers of VNUni believe that the colleges have not yet completed [their business tasks]. (Interview, Head of Finance and Accounting Department of VNUni 2019)

To encourage the colleges to increase their revenues through science and technology service activities, VNUni’s Board of Rectors decided to return to flexible financial contribution targets for its colleges. Specifically, if a college’s revenue was less than 1 billion VND, they had to contribute 5% of this revenue, whereas if revenue was between 1 billion VND and 2 billion VND they had to contribute 3%, and over 2 billion VND they had to contribute 2%. The senior managers of VNUni believed that setting such financial goals would create incentives for the colleges to earn more money:

> VNUni applied flexible financial targets to the training units. The application of flexible financial targets is to stimulate colleges to make more money. The higher the revenue they have, the higher the profit they will gain. (Interview, Vice-President No 1 of VNUni 2019)

Moreover, VNUni required the colleges to pay full salaries to the chief accountant, accounting assistants, and technical staff who only served science and technology service projects. VNUni’s senior management argued that the colleges had to pay full salaries to those staff who did not participate in training activities, but would only support the college managers to make better use of human resources:

> The colleges will have to pay full salaries to those who only serve production and business activities […] When the colleges pay salaries to these employees, the managers assigning these [business] tasks to these employees will be more effective. In the past, when VNUni paid salaries to these staff members, the managers of the colleges had a harder time in assigning tasks to them. (Interview, Head of Finance and Accounting Department of VNUni 2019)

At the same time, VNUni also separated the costs of business activities from the costs of training and required the colleges to pay their own regular expenses (e.g., waste costs, electricity costs, or water costs), those that cater to production and business. As a result, VNUni installed electricity and water meters and relied on the working schedule to distinguish between the electricity and water costs of business and training activities.

Furthermore, to reduce opposition from the college lecturers and tensions between lecturers, college managers and VNUni’s central management, in early 2019, VNUni’s Board of Rectors cut the entire additional salary of all lecturers, at both faculties and colleges. On the one hand, this cut was motivated by a sharp decline in student numbers and significantly reduced state subsidies to VNUni in early 2019. On the other hand, the senior managers of VNUni believed that the
reduction in the lecturers’ salaries at the faculties would put pressure on the remaining faculties to upgrade to colleges, so that they could have more motivation for participating in business activities and increasing the social welfare of employees. Notably, VNUni not only abandoned the performance measurement system for the lecturers of the colleges and faculties, but also asked the colleges to set up their own performance measurement system for their lecturers. Paying additional salaries to their lecturers was no longer an indicator to evaluate the performance of the colleges. Meanwhile, one of the criteria for assessing the colleges’ performance was whether or not the colleges made financial contributions to VNUni and paid full salaries to its accountants and technical staff. If the colleges could make these contributions regardless of the amount they paid to accountants and technicians (in accordance with Vietnamese labor law), the colleges would be assessed as fulfilling their business tasks. Otherwise, they would be evaluated as not fulfilling the business tasks.

To summarize, at this stage, the senior managers of VNUni required the colleges to pay their own regular expenses related to the business activities, while the regular expenses for educational and research activities were still paid by VNUni, which again comes close to a compartmentalization strategy. Besides, the senior managers of VNUni not only used flexible financial targets to reduce the gaming behaviors of the college managers, but also cut the entire additional salaries of lecturers at all colleges and faculties to reduce the college lecturers’ opposition to business logics.

6. Discussion and conclusions

Because most of the extant literature studying the individual responses to hybridization of public-sector organizations has paid little attention to the role of management controls (e.g., Pache and Santos 2013a; Gebreiter and Hidayah 2019), the intention of this article was to explore how individual actors reacted to management control practices – and in particular, performance measurements and incentives – to realize or resist institutional change toward a hybrid organization. Our findings contribute to the literature in four ways, which will now be detailed.

6.1. The impact of senior managers as advocates of hybridization

Our study highlights that the senior management of VNUni experienced pressure from the Vietnamese central government to move the organization toward higher degrees of financial independence via hybridization, which is consistent with prior cases of the hybridization of public universities (e.g., Dobija et al. 2019; Grossi et al. 2020a; Lepori and Montauti 2020) and other public services (e.g., Broadbent et al. 1991; Kastberg and Lagström 2019). While such studies have revealed interesting differences between organizations in responding to hybridization, our case study – similar to the one Gebreiter and Hidayah (2019) put forward – zooms in on organization-internal dynamics and how various groups of actors responded to hybridization endeavors. In particular, we add to such literature how individuals perceived and made use of performance measurement and incentive systems. Our evidence highlights that the organizational leaders of VNUni constantly advocated for institutional change – that is, hybridization – via control systems. They aimed to impose their – and the central government’s – will and change other actors’ behavior via control systems, despite these other actors’ (most of whom were lecturers) lack of willingness to follow this route, which is in line with the political role of management controls in implementing institutional change (Hiebl 2018).

To this existing literature, our case contributes the finding that the initial attempts by VNUni’s senior managers were based on “best practices” from the outside, but it turned out that these first attempts led to some creative behavior from college managers and resistance from lecturers. That is, the attempts by VNUni’s senior managers came with a “trial and error” element and were frequently changed and re-calibrated, which seems similar to the notion that in light of
competing institutional logics, actors’ responses are often improvised or even coincidental (Gebreiter and Hidayah 2019). Our case adds to this evidence by putting forth the argument that such improvisation is not only found at the lower levels of the organizational hierarchies, such as the lecturers in Gebreiter and Hidayah (2019) case, but also at the very top of organizational hierarchies, such as the Board of Rectors in our case. Our case indicates that the introduction of control practices to realize the hybridization of public entities is not necessarily straightforward, but is likely to need amendment to the specific circumstances and reiterations until the initiators of such change come near to realizing the desired outcomes of newly introduced or changed control practices.

More generally, this evidence suggests that a smooth transformation toward a hybrid organization may hinge on the actors driving such a transformation – mainly the Board of Rectors in our case. Here, the predictions of Pache and Santos (2013a) hold well in terms of which groups of actors were likely to behave as advocates (Board of Rectors) or protectors (lecturers). However, despite some moves to lower tensions, the Board of Rectors’ attempts to instill new institutional logics at VNUni were somewhat erratic. Our evidence suggests that this course of action elicited heavy resistance from other actors at VNUni such as lecturers. That is, our case is different from the university case presented by Lepori and Montauti (2020), who stressed the important role of organizational leaders in smoothing the hybridization process by trying to create solutions that are “tractable” to other organizational actors. By contrast, our case shows that advocates were not skilled at selling the new logics to protectors, who then did not welcome the new logics more openly. Consequently, our case adds to the framework proposed by Pache and Santos (2013a) that not only is individual familiarity with existing and new logics predictive of the role individuals obtain, but the interactions among individuals in organizations may also very much shape the role they obtain.

6.2. Acceptance of management control practices and compartmentalization

Unlike much prior research on management control in emerging economies (e.g., Hopper et al. 2009; Ndemewah and Hiebl 2021), our case does not indicate that there was resistance in VNUni against management control practices such as performance measurement and incentive compensation per se. In contrast, all involved actors were familiar or even identified with these control logics – most likely because in their basic form, they had already been in place before the new institutional logics were brought into VNUni. In our case, the lecturers resisted the contents and formulae included in these control practices, and there was debate around how exactly business performance would be measured and what consequences this would have for incentive payments (i.e., the additional salaries), as well as the internal allocation of funds between the colleges and VNUni’s central administration. However, in line with prior research on management controls in emerging countries (Damayanthi and Gooneratne 2017; Hopper et al. 2009), we also find that specifics of societal culture in such countries can affect expectations surrounding management controls, as well as their ability to function. In our case, at least in the earlier stages of change, there was evidence of an “affectionate and respectful” culture (see Section 5.3.1), which shaped the expectation that in order to treat lecturers respectfully, each of them should receive the full additional salary. So, the principal acceptance of incentive compensation may be linked to every actor receiving all incentives, which can be viewed as opposing the original intentions of incentive compensation, which includes linking actors’ effort and success to their compensation (e.g., Sappington 1991). Therefore, a contribution of our study to research on management controls in emerging countries (Hopper et al. 2009) is that controls in such countries may be uncontested because they are not perfectly implemented. That is, the controls are adapted to the respective country’s culture, which can violate the original ideas of such controls based on traditional principal–agent theory (cf. Sappington 1991).
Similarly, the overall compartmentalization strategy of VNUni’s senior managers was not contested, since the different treatment and measurement of academic performance and business performance seemed to be accepted by most other actors at VNUni. Rather, it was how business performance was measured and incentivized that evoked resistance. This finding adds to the evidence on the (non-)success of such compartmentalization strategies in situations of competing institutional logics (Kastberg and Lagström 2019; Schäffer et al. 2015). Unlike Kastberg and Lagström (2019), our evidence does not indicate that potential de-hybridization was a likely outcome of compartmentalization, since Vietnamese political leaders strongly drove hybridization and none of our interviewees suspected that this process would be turned around. Our evidence on the “trial and error” approach also does not suggest that VNUni’s senior leaders were extraordinarily skillful in managing the tensions between competing institutional logics, as found in the case study by Schäffer et al. (2015). Instead, our case indicates that compartmentalization seemed to be a viable solution, as the measurement of traditional academic logics remained virtually untouched and resistance materialized around newly introduced business logics only. Consequently, our study adds that compartmentalization can be uncontested if new logics and their measurement are added to existing logics, but the measurement of existing logics remains mostly untouched.

6.3. Partial hybridization

One factor specifically contributed to lecturer resistance and frequent amendments of the performance measurement and incentive systems: the fact that, initially, not all faculties were turned into colleges. We term this phenomenon “partial hybridization,” which could be generalized beyond our case as a situation where organizational units within a larger organization feature different levels of hybridization. That is, some units are more exposed to competing institutional logics, whereas other units within the same organization rather stick to one set of institutional logics.

In our case, the partial hybridization of comparable subunits of VNUni – the colleges and the faculties – led to the college lecturers perceiving that they had a harder time obtaining their additional salaries when compared with their colleagues in the non-hybridized faculties. Only during the final stage of our study did VNUni’s Board of Rectors change this situation and remove all centrally paid additional salaries, for lecturers at both colleges and faculties. Consequently, a theoretical contribution of our study to the literature on hybridization (Kastberg and Lagström 2019; Pache and Santos 2013a; Wiesel and Modell 2014) is the introduction of the notion of “partial hybridization” and its relevance to driving individual actors’ responses toward hybridization. Our case indicates that this strategy put forward by advocates of hybridization evoked heavy resistance and enforced other individuals to obtain protector roles and thus resist hybridization.

In terms of practice implications, our case suggests that if organizational leaders want to avoid individuals defying competing logics and adopting protector roles, then the entire organization – or at least comparable units – needs to be treated equally so that feelings of unequal treatment and partial hybridization can be avoided or kept low.

6.4. Extreme case of university hybridization

Finally, our emerging market evidence highlights a more extreme case of hybridization. In contrast to Western hybridization cases at universities where “only” the notion of students (Gebreiter and Hidayah 2019), research performance (ter Bogt and Scapens 2012), or public legitimacy (Dobija et al. 2019) were reshaped, our case delivers evidence where academics (i.e., lecturers) were actually pressured to individually start competing in the marketplace with regular businesses for service contracts. This evidence is somewhat similar to findings from Australia, where many
universities tried to enhance their revenues by increasing tuition fees and student numbers, which led to a growing level of hybridization (e.g., Christopher 2012; Parker 2011).

While the changes in the other studies mentioned undoubtedly had a significant impact, our evidence suggests that such hybridization may lead to more extreme outcomes, such as academics acting as service providers in the open market. While our evidence does not exactly indicate that this hybridization can be considered a “success,” our study adds to the literature the finding that hybridization may not only reshape notions of performance and make it more quantifiable (e.g., Dobija et al. 2019; ter Bogt and Scapens 2012), but may have even more severe outcomes such as changes to the overall “business model” of universities. By the latter, we mean that due to hybridization, universities may be forced to add or enforce marketable business services in addition to their traditional core tasks of teaching and research.

6.5. Limitations

Our study is subject to some limitations. As discussed above, due to the nature of hybridization, our case can be considered extreme and thus only has marginal generalizability. However, we think that the theoretical generalization (cf. Ryan, Scapens, and Theobald 2002) that partial hybridization can considerably shape individuals’ responses to such hybridization is not affected by this limitation. In addition, due to potential respondents’ reticence or fear of reprisals and also the university managers communicated reluctance, we only had a limited chance to interview lecturers in our study. While the three formal interviews with lecturers and further informal talks with lecturers did not contradict our findings, there remains the possibility that our story would be (slightly) different if more lecturers would have been open to our interview requests. Finally, like much other case-based accounting research, the change story we report in this article cannot necessarily be considered as “finished.” We expect that hybridization processes will continue to evolve at VNUni, and it remains to be seen how the removal of all centrally paid additional salaries at colleges and faculties will develop. At the same time, we feel that VNUni’s change process so far reveals interesting insights on the role of management controls in hybridization, which hopefully will inform further research on this phenomenon.

Notes

1. We have changed the name of the university to preserve its anonymity.

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References


## Appendix

### Table A1. Overview of interviews.

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<th>No.</th>
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