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The Contested Nature of Third Sector Organisations

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This is an advance copy of an article accepted for publication in the Accounting Auditing and Accountability Journal issue on Third Sector Organisations in 2023.

Abstract

Purpose –

The purpose of this paper is to reflect on the critical themes explored by the five papers in this AAAJ special issue and to offer a prospective analysis of issues for further research.

Design/methodology/approach –

This reflective article provides a contextual outline of the challenges of managing and accounting for the Third Sector during times of crisis.

Findings –

Prior studies have covered aspects of trust, accountability, and the use of accounting numbers for performance management in the third sector, however, little is known about how accounting numbers and disclosures can contribute to repairing donor trust and sensemaking following adverse events or how they can be used to navigate uncertainty. Drawing on accountability, trust and sensemaking literature, the papers in the AAAJ special issue contribute to closing this gap.

Research limitations/implications –

While the papers presented in this AAAJ special issue provide valuable insights into the challenges faced by third-sector organisations in times of crisis, several vital gaps that merit further investigations have been identified.

Originality/value –

This paper and AAAJ special issue provide a set of original empirical and theoretical contributions that can be used to advance further investigations into the complex issues faced by the third sector.

Keywords – Third Sector, Trust, Accountability, Co-ordination, Sensemaking

Paper type – Research paper

The Contested Nature of Third Sector Organisations

Introduction

Third-sector organisations are considered key players and catalysts of change in addressing sustainable development concerns by providing essential service provisions that support improvements in living standards, long-term security, equity, and social development and addressing major societal issues (Kassem *et al.*, 2021). Third-sector organisations supported and sustained vital services to vulnerable communities during the global pandemic. However, it is also a relatively fragile and vulnerable sector regarding its financing and ability to respond to the ever-increasing demands placed on them (Hyndman, 2020). While there is a body of literature that engages with crisis management, we still know little about how third-sector organisations navigate crisis and use accounting information in sensemaking, maintenance of donor trust and accountability and the effects of accounting information and performance management on organisational behaviour in times of stress. This is particularly acute in a sector dominated by small organisations with rudimentary accounting information, such as bank statements and annual accounts and without professional financial expertise. The papers in this AAAJ special issue provide valuable insights into the responses of TSOs to crises and how these connect with the use of accounting information.

In this opening paper we reflect on the critical themes explored by the five papers in this AAAJ special issue and offer a prospective analysis of issues for further research. We begin by reflecting on the environment in which TSOs operate. We then reflect on the broad themes that appear within the five papers: donor trust, accountability, co-ordination, the role of accounting information and performance. These themes are discussed within the context of a range of organisations and locations as diverse as Australian charities, a non-profit disability organisation in Ireland, a US intergovernmental organisation and UK universities. A common element within each paper is the role that accounting plays in decision and sensemaking and establishing trust. Collectively the papers provide valuable insights into the responses of TSOs to crises and how these connect with the use of accounting information. From our prospective analysis we make a case for a more systematic research endeavour. This applies to specific research topics and the style and manner of handling distinctly different approaches to research by different disciplines.

The Third Sector Environment

The environment that third sector organisations (TSOs) operate in is complex and demanding. TSOs are neither efficacy nor authority-driven but hold a unique position that places them between the market and the state (Zimmer and Phal, 2018). Their societal function, organisational culture, governance structures, financial resources, mission and vision also makes them distinct. TSOs are characterised as hybrid open systems due to their interconnection with the community and their reliance on the environment for resources, regulations, and legitimacy (Enjolras *et al.*, 2018).

Over the last three decades, governments and UK public policy, in particular, have purposely encouraged more significant involvement of TSOs in delivering welfare services (Rees and Mullins, 2016). While this opened opportunities and substantial growth for the sector, it also

required a recasting of sector boundaries and a need for TSOs to interpret and negotiate new expectations (Macmillian *et al.*, 2013). At the same time, the sector worldwide faced several significant challenges, such as the 2008 financial crisis, successive waves of austerity, changes to the long-term commitment of volunteers, and multiple political landscapes, all of which have impacted on TSOs' relationship with the state and the nature of their operations.

The global pandemic has added to this complexity. The social, political, and economic challenges resulting from the global pandemic have put considerable pressure on third-sector organisations, which were already struggling with limited resources and the ability to provide services to an increasing number of beneficiaries seeking help. Indeed, raising much-needed funding, providing, and maintaining services, and public confidence during the pandemic have recently been the toughest challenges third sector organisations have faced (Hyndman, 2020).

While a substantial body of research examines third-sector funding, accountability, and use of accounting information, we still know little about how third-sector organisations navigate crises and use accounting information in sensemaking, maintenance of donor trust and accountability. Likewise, how managers utilise budgets and performance management and its effect on third-sector organisational behaviour in times of stress are under-researched. The papers in this AAAJ special issue therefore provide valuable insights into the responses of TSOs to crises and how these connect with the use of accounting information.

Overview of the papers

Our preliminary expectations for this special issue (as outlined in the call for papers) were that we might see a wide variety of contemporary challenges in managing third sector organisations during times of crisis. The submissions that we received fulfilled that expectation. Our contributors interpreted the call for papers broadly, yet critically, applying diverse theoretical and methodological perspectives to a range of countries and regional settings. A common theme within each paper is the role that accounting plays in decision and sensemaking and establishing trust. In the following section we reflect on the contributions and key findings of each of the five papers.

Donor Trust

Securing donor trust, establishing legitimacy, and demonstrating accountability is particularly important for safeguarding future funding income and organisational growth. However, this can be particularly difficult at the best of times and even more challenging during times of crisis (Baldvinsdottir *et al.*, 2011). For example, donors expect their chosen charity to behave and utilise funds responsibly and effectively (Hou *et al.*, 2017). They donate to and support the charity based on trust. This trust can be broken or damaged if an adverse event comes to light (Hyndman and McConville, 2018).

Prior research has focussed on the impact of adverse events on charities' fundraising and how they discharge their accountability following adverse circumstances (O'Dwyer and Unerman, 2008; Balsam and Harris, 2014). Such studies demonstrate that discharging accountability and securing donor trust following a negative event is arguably a delicate task given the fragility of donor trust post-event (Hue *et al.*, 2017). These studies, however, have not considered how donors construe adverse events or how they use accounting disclosures and what role they play in maintaining or re-establishing donor trust if any.

In this AAAJ special issue, Guo, Hall, and Wiegmann (2023) contribute to closing this gap by examining voluntary accounting disclosures following an adverse event to ascertain if they hinder or help individual donor trust repair. Drawing data from 32 in-depth interviews with individual donors and the theory of trust literature, they identify three main donor types, each with different donor decision-making criteria: reasoned donors (competence-based trust), generalist donors (institution-based trust), and emotional donors (integrity-based trust). Their analysis found that accounting disclosures after an adverse event helped repair damage for donors within the reasoned and generalist categories. For donors within the emotional category, such disclosures were less effective and potentially added more damage to the trust relationship and cast further doubt over the organisation's intentions and actions in the donors' minds.

These observations indicate that accounting disclosures following a negative event need to differentiate the different donor groups rather than treat them as homogeneous group. Understanding the different donor types and their importance may also be helpful to charities seeking to attract new donors. Likewise, a more nuanced understanding of the role of accounting information in developing and supporting the charity-donor relationship can help discharge their accountability and build trust more subtly.

Accountability

While demonstrating accountability has increased in importance for TSOs in recent years, and investigations into accountability have gained prominence in the literature, there is still much obscurity regarding who is accountable, to whom, and for what (Onyx, 2008). Different conceptions of accountability also abound, ranging from narrow to broad definitions. Narrow definitions centre more on the rights of external parties to information and their ability to impose sanctions. Broader definitions include the interest of wider stakeholders. However, it is not always clear how accountability is demonstrated, what compliance mechanisms are in place, how it is enforced, and where the power lies. At a minimum, the discharging of accountability involves the sharing of information. The nature and form of that information (account) should reflect what is being accounted for (Hyndman and McDonnell, 2009).

While it is recognised that accounting information is embedded within organisational accountability systems (Roberts and Scapens, 1985), there is also recognition that these mechanisms must be balanced to prevent mission drift (O'Dwyer and Unerman, 2008). For many smaller and medium-sized non-profit organisations (NPOs), the accounting information is likely to be less developed than their private sector counterparts. Also, a feature of NPO risk comes from entryism (Lapsley, 2021) which can undermine both mission and management, resulting in high-profile scandals at TSOs. Entryism can come from private sector organisations posing as NPOs or by volunteers who purport to share the values of their host TSO but who do not. For such volunteers, there are numerous examples of the abuse of both intended beneficiaries of care and fellow workers in lower-level positions (Lapsley, 2021), which directly undermines the ideals of their host TSOs.

Conaty and Robbins (2023) demonstrate the role that management control systems (MCS) and accountability processes may play in supporting the organisation's mission realisation in the context of a crisis. Based on a case study of four non-profit organisations in Ireland that provide services to individuals with learning disabilities and the application of stakeholder salience theory, they investigate the incorporation of service user advocacy in the design and application of MCS and accountability processes. Their findings provide evidence of a weak accountability

relationship between the organisation's management and service users resulting from a lack of voice and power on the service user side. These findings demonstrate the importance of the relational and dialogical aspects of accountability, the absence of which can cause power asymmetries and mission drift.

While their study provides several insights into service user advocacy in accountability and management control processes and how deficiencies could be rectified within disability service organisations, it also suggests opportunities for further research in the area. For example, further investigations could be conducted into the operational interventions that enhance organisational performance and enrich service user experiences within other service user fields. Such research may significantly distinguish service user experiences and develop more collaborative management control practices. Also, researchers need to be alert to the negative impacts of entryism with its adverse impacts on intended NPO beneficiaries.

Co-ordination

Planning, co-ordination, and control are essential factors aiding organisational managers to meet their goals and strategic objectives (Goretzke and Messner, 2016). Prior research has demonstrated how the control function of budgeting and forecasting can help to facilitate intra-organisational co-ordination and sensemaking through the process of calculative analysis (Hansen and Van der Stede, 2004; Miller and O'Leary, 2005, Matejka *et al.*, 2021). While such work increases our knowledge and understanding of how management control functions facilitate co-ordination in stable environments, little is known about their effectiveness in unstable and crisis environments and even less in terms of their application and effectiveness in third sector organisations (Grabner and Moers, 2013). Likewise, most of this work has focussed on forecasting, with scant attention given to the role of performance information in co-ordination and sensemaking. Furthermore, many private sector organisations are more likely to be resource-rich regarding management and financial expertise, which is a significant factor in NPO behaviour.

Thambar and Kober (2023), contribute to closing this gap. Through an investigation into how the management control practice of co-ordination within a non-profit organisation was carried out during the COVID-19 crisis, they emphasise the role that accounting and performance information plays in the co-ordination of crisis management actions. Building on Maitlis (2005) work on the triggers and enablers of sense-giving in organisations and Robert and Ola's (2021) work on reflexive sense-giving, they have adapted and developed a framework of five organisational sensemaking types (guided, restricted, fragmented, minimal and reflexive). In their analysis, co-ordination was linked to three of the five sensemaking types (guided, reflexive, and restricted), each of which was sparked to some extent by accounting information related to performance reporting and forecasting. However, it was further noted that while accounting information aids sensemaking, it is not central to the sensemaking process except for the guided organisational sensemaking, which they attribute to the role that accounting plays in calculative reasoning. So, this case offers evidence of accounting information's specific but limited importance in NPOs.

These findings are helpful as they demonstrate how accounting information, mainly performance information, influenced the sense (albeit in a limited way) of the organisational position during the crisis and to establish goals and actions to enable the NPO to navigate the organisation through the pandemic. Future research could usefully expand on this work by exploring how co-ordination is enacted in other TSOs, both large and small, and if other

contextual factors or forms of information are at play or, indeed, if different types of crises affect organisational sensemaking and co-ordination.

Accounting Information

Accounting information, both financial and non-financial, through the lens of social constructivism has traditionally been regarded as a mediating instrument that provides answers and may represent reality (Jegers, 2002, Gendron *et al.*, 2007; Miller and O'Leary, 2007). A considerable amount of work has been conducted that further extends this traditional conception of the role of accounting, depicting the legitimacy of accounting technology and how it can be used as a persuasive tool in managerial decision-making (Rowe *et al.*, 2012; Lambert and Pezet, 2011). However, accounting information and how it is utilised is not without its critics. For example, Mutiganda (2013) demonstrates how budget control could also be transformed into a coercive tool. Similarly, Siverbo *et al.*, (2019) reveal the dysfunctional effects of tight budgets being aligned with performance measurement. Bruno and Lapsley (2018), in their investigation into the use of accrual accounting in government, argue that it can be subjected to improvisation and fabrication. Such works provide valuable insights into how people legitimise actions but may understate the social process of sensemaking from accounting information cues.

The contribution of Nhung (2023), examines how competing accounting numbers are used by two teams (an accounting team and human resources team) within a US intergovernmental organisation to make sense of and legitimise actions during times of crisis. Drawing on archival documents, 17 semi-structured interviews, and the sensemaking perspective framework, Nhung's analysis reveals how artificial numbers are compressed from and mediate between existing numbers. Multiple coexisting cues (such as standardised and customised budgets) were identified as being entangled in actions. These cues were also shown to exert coercive power that distorts the sensemaking process and is an elaborate example of an exercise in providing misleading and conflicting information.

The results of this study provide several insights into how people exploit the variety of cues to legitimise their decision-making and actions and the role of systematic power in the sensemaking process. This study could usefully be expanded to investigate how other users of accounting information (oversight bodies, funding agencies) utilise accounting information in complex environments to make sense of and respond to a crisis. Likewise, more attention could be given to budgets' behavioural and relational aspects and how these impact actors' reactions to performance targets and measurement when faced with uncertainty.

Performance

Accounting information and performance management systems support managers' and policymakers' decisions making and accountability (Steccolini *et al.*, 2020). Attention towards the performance of TSOs has increased significantly in recent years. This is primarily due to the increasing government reliance on TSOs to bridge the gap in welfare services provisions and their demand for evidence of efficiency and value for money (Cordery and Sinclair, 2013; Paterson *et al.*, 2021a & 2021b). The education sector, particularly universities, has not been excluded from this gaze. Universities, in general, are non-profit organisations that hold charitable status. In the UK, universities have faced changes to their funding structures and demands to demonstrate more commercialisation, application of business-like practices, income generation and productivity, all of which have contributed to performance management

systems for both teaching and research outputs being imposed within the university setting (Parker, 2013; Gebreiter and Hidayah, 2017; Du and Lapsley, 2019).

While much research has been conducted on performance management systems in TSOs, there remains a gap in understanding how performance management practices are translated into action in the university setting. A study by Du and Lapsley (2019) demonstrated the significance of government funding to NPOs. While adopting New Public Management (NPM) in NPOs is not generally observed, Du and Lapsley show that influential government pressure has been on the development and application of performance metrics in the context of a shift from highly centralised bureaucratic structures to more decentralised NPM-type entities. In this research, the importance of accounting is immense.

Hyndman and Liguori (2023), provide some useful insights into how performance management systems in Business and Natural Science disciplines in 4 UK universities are understood and framed. Through data gathered from 28 interviews with academic actors involved in the design, implementation and operation of performance management and strategic framing literature, they highlight the effect of primary frames (actors' initial beliefs, cultural norms, and core values) over strategic instrumental frames to performance management in both disciplines. However, the alignment of primary frames in the Natural Sciences was found to be less likely aligned to specific performance management practices than in the Business discipline. This discrepancy could be attributed to the familiarity and unconscious biases with business language and recognition of the need/usefulness of performance measurement frameworks within the business discipline.

These findings have important practical implications. While performance information can help to improve management and accountability, understanding how these are linked and translated at the individual level to avoid adverse reactions, oppositions and effects and achieve desired outcomes is important. However, modernisers in reforming complex organisations should expect to encounter unintended effects and outcomes that may appear irrational. Future research could usefully expand the Hyndman and Liguori investigation into other disciplines within and beyond the UK setting, where performance metrics are applied to determine how and where receptive contexts emerge in university reforms.

Collectively, the contributions within this special issue provide some unique and valuable insights into the role of accounting within the third sector and how it is mobilised in response to a crisis. A particular aspect of this is the government's influence on entities highly dependent on government funding. While these contributions are significant, they also raise more diverse questions and opportunities to conduct further research using more challenging ideas and methodologies.

A research agenda

There is considerable diverse research activity on TSOs. All of this research activity aids our understanding of this sector. However, there is a case for a more systematic research endeavour. This applies to (1) specific research topics and (2) the style and manner of handling distinctly different approaches to research by different disciplines.

(1) Specific research topics, the following merit serious attention from TSO scholars:

At the outset, an observation was made on the importance of government policy. These comments primarily related to the UK Government, which has adopted various stances ranging from outright competition between NPOs and public services, through active partnership arrangements with NPOs and propping up a public sector in acute financial distress. There is a case for an international study of government policy towards TSOs. The purpose of this study would be to gather information on different government policies towards TSOs, their impact and the effectiveness of these policies with the aim of convergence on a consistent policy perspective. A study of this nature would be a building block for the community of TSO researchers, commentators, policymakers, and oversight bodies.

There is a case for more comprehensive detailed research on 'Near Government' TSOs. By this, we mean TSOs heavily engaged in government contracts or where the government is a significant funding source. Research in the UK and Australian universities have shown that these circumstances initiate NPM reforms in these sectors. The invasive, colonising influence of NPM has been evident in public services for decades. If this colonising tendency spreads to NPOs, researchers must be alert to its emergence in Near Government NPOs.

The world has been in a state of crisis for several years. The global financial crisis of 2008, followed by a period of austerity, the Covid pandemic, global inflation and now war in Europe. All these phenomena require organisational agility to cope. However, TSOs are not as well equipped with sufficient resources to ride out these storms. There have been isolated studies of TSOs coping with these pressures, but there is an overwhelming need for a more systematic study of TSOs in these crises.

There is a tendency to talk in general terms about TSOs and NPOs. However, the reality is that this approach is a kind of fiction. Within the TSO landscape, significant NPOs, such as Cancer Relief UK, are comparable in scope and size to major private sector companies. There are medium-sized NPOs. There are also large numbers of very small NPOs – the left behind and the new entrants to the market. Instead of debates around 'representative' NPOs which do not exist, there is a need for more nuanced research which gathers information on all these different types of NPOs. As noted in our discussion, the presumption that all these categories use identical accounting, management control, and performance management systems are extremely unlikely. A more grounded approach to what accounting practice means in these different types of NPOs would be helpful.

A more nuanced approach to the study of TSOs would contribute to the development of the field of NPO research. This unbundling of what the sector does includes the examples of papers in this special issue, which go beyond discussion of NPOs at the entity level, and which drill down to examine elements of services, such as different parts of universities or distinct services. This approach would examine the everyday experiences of NPO managers and beneficiaries and offer a more closely grained understanding of the complexities and subtleties of the different client groups in NPOs.

A study of the nature and efficacy of strategic thinking within NPOs is also needed. The world of NPOs is often depicted as one in which ideas for new services outstrip available resources. This results in a hand-to-mouth existence for many NPOs. This is the opposite of strategic thinking: it encourages short-termism to the detriment of NPO services. However, many NPOs do not have the resources to recruit specialist strategists with industrial economics and corporate finance backgrounds. However, an alternative approach to strategizing is the use of 'strategy-as-practice', which offers a different approach to the standard industrial economics approach.

Instead, the leaders of NPOs must elaborate upon a mission statement that the entity examines and discusses to determine what the strategy means for them. This deserves serious investigation.

(2) The role of formal theoretical work in non-profit research

Next, we reflect on the positioning of academic journals in accounting and relate this to research on NPOs. There has been a schism between North American and European Journals in Accounting, with North American journals offering positivist publishing opportunities, whereas European accounting journals favoured more qualitative, interpretive research. This has shifted with European journals such as Management Accounting Research, Accounting & Business Research and European Accounting Review becoming more quantitative and positivist in their acceptance of papers for publication and with the North American Contemporary Accounting Research (CAR) offering possibilities for qualitative accounting research.

Within this shifting landscape, the Accounting, Auditing and Accountability Journal (AAAJ) has remained committed to publishing qualitative, interdisciplinary research in accounting. This position of AAAJ is shared by other journals such as Critical Perspectives on Accounting Research, Accounting, Organizations and Society (which occasionally publishes quantitative papers), Financial Accountability & Management, British Accounting Review, and Qualitative Research in Accounting & Management. Those who submit papers to AAAJ are encouraged at every stage of the process to engage with interdisciplinary research in other accounting journals. The Guest Editors of this special issue endorse this approach. However, by restricting an interdisciplinary focus to accounting journals that embrace interdisciplinarity, AAAJ and these other journals may be restricting their reference points to would-be authors to work within the bounds of existing knowledge and approaches and, ultimately, this preoccupation with established thinking could lead to the ossification of accounting research. Therefore, the Guest Editors of this AAAJ special issue endorse interdisciplinary research, which may introduce new ideas to open up interdisciplinary research. In addition, while the Guest Editors are not advocating that articles submitted to AAAJ should be mathematical or based on economic thinking, we recognise that diverse literature may have novel interpretations of phenomena which could facilitate and progress accounting research in NPOs. In this section, we elaborate upon examples of such research, which may offer fresh insights to accounting researchers on NPOs.

When browsing the 'traditional' non-profit related journals¹ and the papers selected for the current special issue, one notices the almost complete absence of formal ('mathematical' or 'economic') theoretical work, contrary to qualitative and inferential quantitative research. This is not to say there is no formal theoretical work available, but it is mainly found in broadly scoped journals such as Public Economics journals, where the focus, understandably, is on welfare effects. This has even led to seemingly integrated but conceptually distinct streams of literature, as a number of these contributions, some of them highly cited, are not built on the exact definitions of non-profit organisations. An example is the body of research engendered by the frequently referred to paper by Glaeser and Shleifer (2001), for whom a non-profit organisation is characterised by the non-profit entrepreneur' forced to spend [profits] on perquisites' (p. 103), a definition only partly overlapping with the traditional 'non-distribution

constraint' definition by Hansmann (1987, p. 28) or the 'structural-operational' definition by Salamon and Anheier (1992, p. 135).

Focusing on formal non-profit management papers also shows a wide array of outlets where researchers publish their results, with the risk of being unnoticed by the non-profit research community. To give an example: as far as we can ascertain, there are three theoretical papers on the impact on strategic decisions of non-profit organisations competing with for-profit organisations. They are published in the *Journal of Public Policy and Marketing*, the *Journal of Marketing Research*, and the *Journal of Institutional and Theoretical Economics*, respectively (Liu and Weinberg, 2004; Moon and Shugan, 2020; Stenbacka and Tombak, 2020). A formal paper comparing strategic decision-making between non-profit and for-profit organisations can be found in *Health Economics* (Banks *et al.*, 1997).

This diversity in domain and focus is to be observed for almost all formal work on the different aspects of non-profit management²: output decisions under different subsidy regimes (Duizendstraal and Nentjes, 1994), choosing the level of profit-generating activities (Bises, 2000; Schiff and Weisbrod, 1991), financing constraints (Jegers, 2011), wage setting and intrinsic/extrinsic motivation (Frey, 1997), and staff selection (Besley and Ghatak, 2005). In the specific realm of accounting, auditing³, and accountability, we can also refer to work on when and why to implement governance mechanisms in non-profit organisations (Jegers, 2019) or on earnings and cost allocation manipulations (Jegers, 2010).

While formal non-profit research is available, most of it does not have much impact on 'traditional' non-profit research. The main reason for this is that formal theories mostly appear in journals, not in the range of interest and expertise of most non-profit researchers, combined with the observation that there does not seem to be some system in selecting these journals when deciding upon where to submit formal non-profit work. The outcome is that relevant work is not visible to the non-profit research community. This is unfortunate, as in several of the papers referred to above, it is shown that numerous pieces of traditional empirical non-profit research unknowingly conceptually fit into the models developed, albeit leaving many interesting testable hypotheses untested, ignoring an additional avenue to enrich conceptual thinking about (the functioning of) non-profit organisations. Hence our plea is to better integrate the two strands in the literature, at least by cross-referencing, if not by adopting formal models in submissions to the likes of AAAJ.

This would imply efforts from both 'sides': apart from publishing the modelling work in methodologically matching outlets, their authors should also find ways to make the insights generated by their work accessible to the (multidisciplinary) non-profit research community, which, in turn, should be (more) open for this, leaving behind unjustified stereotypical characterisations of this kind of work (such as neo-liberalism). This also applies to non-profit journal editors. Otherwise, it would not be easy to make more theoretical insights and hypotheses permeating (in a correctly adapted way) in the non-profit world. This also might provide the necessary incentives to theoretical researchers to further develop their work, keeping an eye (or even better: both eyes) on novelty, fresh thinking, relevance, and testability.

Concluding Remarks

Without a doubt, the sector makes a valuable contribution to society, a fact that was glaring apparent during the pandemic and is further evidence in the collection of papers within this

special issue. However, it is also a sector that is relatively fragile and vulnerable in terms of their financing and ability to respond to the ever-increasing demands placed on them. The pandemic also highlighted multiple dimensions and vulnerability experienced by millions globally and the shortcomings in the social contract between government, business, and society and the pressures placed on the third sector. While the pandemic is waning, its impact on the sector will continue to be felt for the foreseeable future. As communities and non-profit organisations continue to wrestle with the consequences of the global pandemic and the current economic and political crisis, we need to give serious consideration to the issues highlighted above.

Collectively, the papers included in this special issue provide a significant contribution to our knowledge and understanding of the role of accounting and its calculative practices in supporting and aiding third sector organisations to manage crisis. However, they also signify that much more work needs to be conducted at the interface of accounting and the third sector. Indeed, as indicated above there are exciting opportunities to develop this critical strand of research further.

We would like to thank all of our authors and reviewers for their contributions and support to our call for papers on challenges of managing and accounting for the third sector during times of crisis. We also thank them for their engagement with the EIASM ‘The Challenges of Managing the Third Sector’ workshop which was hosted and held online by the University of Aberdeen and led to this special issue. Our thanks also go to the editors of *Accounting, Auditing & Accountability* (James Guthrie and Lee Parker) and administrator (Gloria Parker) for their helpful comments and enduring support during the compilation of this special issue. Finally, we commend our authors for their valuable and insightful contributions. We hope that you find the papers within this special issue stimulating, perceptive and inspiring for your own research.

Notes

¹ such as *Financial Accountability and Management*, *Journal of Governmental & Non-profit Accounting*, *Non-profit and Voluntary Sector Quarterly*, *Non-profit Management and Leadership*, *Voluntas: International Journal of Voluntary and Non-profit Organizations*, to mention most of the prominent ones.

² for the journals involved, we for what follows refer to the list of references.

³ for a non-analytical but graphical theoretical ('accounting and economics') analysis of the presence and depth of accounting and auditing in non-profit organisations, see Jegers (2002).

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