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The interplay between technocratic and socio-ideological controls in managing strategic tensions – A case study of a large retail company

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Abstract

This paper investigates how management controls may be used to manage strategic tensions. By conducting an exploratory single case study on a Swedish listed company operating in the fashion and retail industry, this paper shows how the interplay between technocratic and socio-ideological controls manifests in a variety of ways to manage empirically observed strategic tensions. Through exploring the dimension of strategic tension management, this paper provides insights into how dynamic tensions between interplaying controls may lead to organisational competitive advantages. The variety of unique interacting controls identified during the course of the study contribute to building a case for how the interplay between control forms may be more intricate and nuanced than what is conventionally understood.

Keywords: Management control systems; Strategic tensions; Technocratic controls; Socio-ideological controls; Complementary and substituting controls

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1. Introduction

'If all employees could always be relied on to do what is best for the organisation, there would be no need for management control systems' (Merchant & Van der Stede, 2007: p. 8). Growing uncertainty and complexity in current business environments has brought particular attention to the relevance of management control systems (MCS) in the organisational renewal necessary for prosperity and survival (Daneels, 2002; Henri, 2006).

Previous research within the discipline of MCS has commonly investigated different forms of management control as distinct themes, or simply in isolation (Malmi & Brown, 2008). This previous focus, referred to as the conventional perspective of MCS, has restricted the scope of MCS research to accounting and financial rationales, devoting sole focus to single control practices such as budgeting and performance measures. This has inherently placed less concern on social and behavioural aspects of organisational actors (Hared et al., 2013). In their paper examining the role of accounting and non-accounting controls, Abernethy & Brownell (1997) captured the shortcomings of the prevailing single-theme approach in MCS research, stating that 'it is clear that organisations rely on combinations of control mechanisms in any given setting, yet virtually nothing is known about how the effects of any one control are governed by the level of simultaneous reliance on other forms'. Researchers in the last two decades have, accordingly, placed greater emphasis on the importance of considering various forms of management controls as interconnected tools that influence each other, with many referring to this interconnected nature as an *interplay* (e.g. Alvesson, 2001; Frow et al., 2010; Carlsson-Wall et al., 2019). Researchers targeting this interplay have, divergently from eminent researchers within the discipline (e.g. Simons, 1995; Anthony, 1965), commonly labelled the two forms of management control as *technocratic* and *socio-ideological* controls.

While we acknowledge the growing recognition of the existence of an interplaying relationship between technocratic and socio-ideological controls, we argue that too little attention has been given to specifying the nature of the interplay relationship, and how controls may dynamically interact in different ways to achieve strategic goals. We thus pose the following research question:

How does the interplay between technocratic and socio-ideological controls play out in the management of strategic tensions within a large organisation?

In this paper, we examine our research question through a case study of a Swedish listed company operating in the fashion and retail industry. We contribute to previous accounting literature through providing insights into how management controls may be used to manage strategic tensions. More specifically, we provide a more nuanced and concrete understanding of how the interplay between technocratic and socio-ideological controls may take shape in the overall pursuit of strategically relevant dynamic tensions, which are a source of competitive advantages (Mundy, 2010; Henri, 2006, Widener, 2007). Our findings therefore are of high relevance, not only as a contribution in the field of accounting literature, but also practically, contributing with concrete empirical insight and conclusions in a large, listed company.

The paper is structured as follows. In section 2, we outline previous research in the field of MCS, specifying our domain of management control and the concepts that will be of particular relevance in our paper. Thereafter, section 3 presents our methodological approach and considerations. An in-depth introduction and empirical analysis of our case company follows in section 4, building on the outlined theoretical concepts in section 2. In section 5, the empirical findings will be discussed in relation to previous research, through which our main contributions will be presented. Finally, section 6 summarises these main contributions, outlining their practical relevance and relation to existing accounting literature. We further present the limitations of our study, which in turn provide a basis for future research.

2. Theoretical Context

In this section, we will introduce our paper's approach with respect to previous MCS research. We present our theoretical domain, namely that of technocratic and socio-ideological controls, and subsequently move to outline when and how these controls might experience an interplaying relationship.

Fisher (1998) argues that one of the greatest difficulties in studying management control is the ambiguity in what defines a control system. Despite the broad definitions and descriptions of MCS, the overall purpose of the concept in an organisational context is generally accepted in existing literature (Malmi & Brown, 2008); concretely, our paper is built on the fundamental belief that the *purpose* of MCS in organisations is to steer employees' behaviour, output and/or minds, towards a set of organisational objectives (Alvesson & Kärreman, 2004). Like Abernethy & Brownell (1997), Chenhall (2003) warns that a single-theme approach, with regards to MCS, has the potential 'for serious model under specification'. Indeed, analytical attention to one form of control does not necessarily imply a neglect of another (Kraus et al., 2017; Alvesson & Kärreman, 2004), however we aim to provide an insight into the importance of considering management control forms concurrently in the pursuit of organisational objectives. Including multiple controls in our study makes it possible to avoid focusing solely on accounting-based controls and to include the effects of informal controls such as value statements which we will show to be relevant in the steering of employees towards organisational objectives (Willert et al., 2017). We thus move to our framework for specifying the two management control forms that we build our paper on: Alvesson & Kärreman's (2001) forms of management control.

2.1 Alvesson & Kärreman's (2001) forms of management control

In specifying our domain of management control, we refer to Figure 1: Alvesson & Kärreman's matrix of four types of management/administration (Alvesson & Kärreman, 2001).

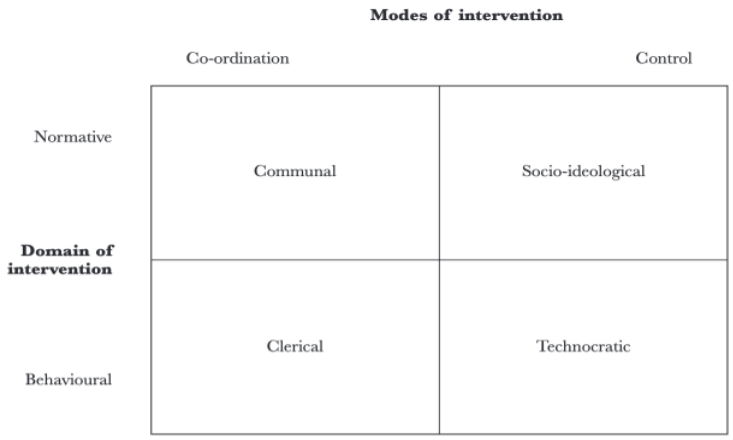


Figure 1: *Matrix of four types of management/administration* (Alvesson & Kärreman, 2001)

Figure 1 presents the intersection of two *modes of intervention*. In our paper, we focus on the *control* mode of intervention. It is 'stronger' and 'is an activity carried out by a powerful social group who orchestrates and exercises definitional and executive authority over other social groups within an organisation' (Alvesson & Kärreman, 2001). Boedker & Chua (2013) recognise the relevance of more pronounced management control in the context of large corporations: 'large corporations, especially, are endowed with considerable resources and have the reach and skills to deliver affective charges and influence people's disposition through various means of emotive seduction and entrancement.' It is this powerful, deliberate side to the *control* mode of intervention that we are concerned with in our paper.

We thus encounter two principal domains of intervention, also seen as management's two main objects of focus: worker behaviour, and the minds of employees (Alvesson & Kärreman, 2001). Management control addressing the minds of employees is referred to as *normative* control. Normative control is 'the attempt to elicit and direct the required efforts of members by controlling the underlying experience, thoughts, and feelings that guide their actions' (Kunda, 1992). Alternatively, management control addressing worker behaviour is captured by the term *behavioural* control, and is concerned with written procedures and policies that direct behaviour

so as to achieve the organisation's goals, and/or detect/deter misconduct (Ouchi, 1977). Specifying the intersection of the *control* mode of intervention with the *normative* and *behavioural* domains of intervention leads us to two concrete management control forms upon which we will base our paper: *socio-ideological* and *technocratic* control, respectively (Alvesson & Kärreman, 2001). We will now elaborate on these two forms of controls.

Technocratic controls are a label for attempts to directly control worker behaviour (Alvesson & Kärreman, 2004). To this end, they specify 'what should be done or what should be achieved' (Cäker & Siverbo, 2014), often taking shape in the form of rules, business policies, budgets, performance measures and reward systems (Carlsson-Wall et al., 2019; Simons, 1995; Cäker & Siverbo, 2014).

Previous empirical research has alluded to shortcomings in the unilateral use of technocratic controls in achieving strategic alignment. Indeed, Merchant & Van Der Stede (2007) acknowledge that dysfunctional behaviour can be stimulated when technocratic controls are used by managers to evaluate employee behaviour. Carlsson-Wall et al. (2019), for example, conducted a case study of a German multinational company, where managers communicated the inability of Key Performance Indicators (KPIs), communicated by headquarters, to effectively control people in different subsidiaries. This speaks to the existence of an alternate form of control, which may act in combination with technocratic controls to improve their efficacy (Cäker & Siverbo, 2014).

Socio-ideological controls are used by managers in their effort to 'persuade people to adapt to certain values, norms and ideas about what is good, important, praiseworthy, etc. in terms of work and organisational life' (Alvesson & Kärreman, 2004: p. 426). Linking this definition to Alvesson & Kärreman (2001), 'persuasion' through socio-ideological control entails a normative approach, addressing the minds of employees. More specifically, employees' minds might be affected through social relations, identity formation and ideology (Alvesson & Kärreman, 2004).

Empirically, a wide range of socio-ideological controls have been observed. In their paper investigating management controls in a non-governmental organisation (NGO), Kraus et al. (2017) observed religion's role in forming a sense of purpose and identity. They observed biblical quotes at every entrance, and morning rituals where employees reminded themselves 'we do good for the poor and work for God's sake'. In non-NGO settings, socio-ideological controls take shape in more

subtle ways, but appeal to the same sense of purpose and meaning, nonetheless. In the same previously mentioned case study of a German multinational company (Carlsson-Wall et al., 2019), socio-ideological control manifested itself through the encouragement of a 'give-and-take' philosophy, based on 'long-term personal relations'. The 'give-and-take' philosophy took shape through the promotion of employees, rewarding long-term commitment to the firm, helping to mitigate the risk of short-term financial incentives. In referencing human resource management (HRM) activities in organisations, Cäker & Siverbo (2014), likewise, observe this long-termism that is fostered through employing socio-ideological controls; the paper conceptualises *forward aspirational control,* where socio-ideological controls '[tie] an individual's interest in a future career to an organisational identity'. This long-term commitment to an organisation is a salient example of the role that socio-ideological controls play in creating strategic alignment (Cäker & Siverbo, 2014).

To summarise, it is clear from previous empirical examples that technocratic and socio-ideological controls differ in how directly they relate to the desired behaviour (see overview in appendix 8.1) (Cäker & Siverbo, 2014). However, while contrasting forms of control may be analytically distinct, they do not necessarily exclude each other (Alvesson & Kärreman, 2004). On the contrary, previous research goes as far as deeming research on *single* forms of control at best incomplete and at worst misleading (Cäker & Siverbo, 2014). We thus shift our focus to the *interplay* between technocratic and socio-ideological controls, and how they might interact as simultaneous processes (Alvesson & Kärreman, 2004).

2.2 The interplay between technocratic and socio-ideological controls

Previous research has alluded to the difficulties of managing the interplay between control forms. Frow et al. (2010), from the framework of Simons' (1995) four levers of control, recognise the difficulties that managers experience in 'determining when to use any particular lever of control, how much emphasis to give it, and how to combine it with the other levers of control'. Indeed, too much emphasis on what we refer to as technocratic controls may inhibit innovation and learning, whereas too much focus on socio-ideological controls may undermine established operating procedures (Frow et al., 2010).

While entailing managerial difficulties, research has alluded to the competitive advantages and organisational capabilities that may be derived from the 'dynamic tensions' established through interplaying management controls (Mundy, 2010; Henri, 2006, Widener, 2007). Dynamic tensions refer to the continual strategic forces that may alter the relative emphasis of different control forms (Henri, 2006). Simons (1995), for example, notes such a dynamic tension between opportunistic innovation and predictable goal achievement that is 'essential for positive growth'. With these potential competitive advantages in mind, a greater understanding of how organisations employ these different uses of (technocratic and socio-ideological) management controls in order to harness dynamic tensions represents an important area of management control research (Mundy, 2010).

The prevailing view in research is that the interplay takes shape through socio-ideological controls *complementing*, or *substituting*, technocratic controls (Cäker & Siverbo, 2014). Honing in on the latter, Cäker (2008) observed the relevance of an interplay relationship to 'bypass' bureaucratic mechanisms where they are considered problematic to coordination. This observation alludes to situations in which 'socio-ideological controls may be more than mere complements to technocratic controls' (Cäker & Siverbo, 2014). Carlsson-Wall et al. (2019), in their case company, observed the risks of a combination of a formalised organisational structure with sets of technocratic controls in entailing a degree of centralisation too high for effective integration of international subsidiaries. The inadequacy of unilateral technocratic controls in this context was addressed with top managers' use of socio-ideological controls to 'encourage cultural and managerial flexibility' in order to facilitate decentralised decision-making, and subsequent effective integration of subsidiaries. This alludes to the necessity of the use of socio-ideological controls to avoid the potential 'dysfunctionality' that may arise from unilateral use of technocratic controls (see Merchant and Van Der Stede (2007) above).

Equally, research has observed socio-ideological controls serving to *complement* technocratic controls which are 'incomplete' (Cäker & Siverbo, 2014; Cäker, 2008). A key example of this is in motivating employees and their actions. Mundy (2010) observed an IT department's initiative to reach an annual amount of savings through outsourcing, with monthly financial targets in place. In order to ensure commitment to these technocratic controls, 'artefacts such as posters, drinking mugs, and coasters, each imprinted with information and slogans promoting the outsourcing strategy and its aims' were introduced. This is a clear example of the use of socio-ideological

controls to complement technocratic controls in motivating employees towards a goal. The aforementioned notion of dynamic tensions has been analytically demonstrated to be consistent with complementary controls – 'increasing the emphasis on one control component increases the benefits received from increasing the emphasis on other control components' (Widener, 2007; Milgrom and Roberts, 1995).

To summarise, previous research has shown socio-ideological and technocratic controls to be interrelated and mutually supportive in strategic alignment (Cäker & Siverbo, 2014). In our case study, we focus on these two control forms in order to analyse and build a deeper understanding of how their interplaying relationship may aid in tackling strategic tensions. In the next section we present our methodological approach.

3. Research Methodology

This section provides a detailed description of our methodological approach to our research question. We begin with a note on the specific type of research that we conduct, as well as our choice of case company. We then outline our data collection and analysis methods before moving onto our empirical analysis in section 4.

3.1 Research Design & Case Selection

As previously mentioned, our empirical material has been obtained through a single case study of a Swedish listed company. The choice of conducting a qualitative case study was due to our need to 'get inside' the organisation, since the concrete insights into interplaying management controls that we sought to extract are difficult to reach through quantitative measurement (Van Maanen, 1979). Moreover, regarding our approach to theory development, our study was conducted following an abductive approach. This choice of approach enabled us to move back and forth between our collected data and existing theory, aiding in building a more effective understanding (Saunders et al., 2012). In our case, as new empirical considerations emerged throughout the research process, we were efficiently able to adjust our theoretical basis accordingly. Subsequently, the choice of an abductive approach made the theoretical basis for our study a dynamic, rather than static, process.

Emergent from previous literature investigating MCS, and specifically technocratic and socio-ideological controls, was the importance of a case company within which there exists a multitude of powerful, interacting MCS. Moreover, considering our interest in strategic tensions, a company operating in a variety of markets with a wide customer base interested us, as this would likely entail interesting strategic considerations. Having said this, access became a key limitation. Having contacted several firms, we managed to conduct an opening interview with a board member of one company. It emerged that the company in question was driven by powerful, and somewhat unique MCS, while simultaneously being faced with strategic tension considerations. The board position of the opening interviewee gave us an indication of our potential areas of interest from the perspective of top management. The company in question is hereinafter referred to as 'RetailCorp' in order to preserve its anonymity.

RetailCorp, operating within the fashion and retail industry, describes itself as a value-driven company with a long-term approach. It has a multi-brand matrix organisational structure, as such indicating a multitude of interacting actors and goals, speaking to its relevance in the context of MCS and thereby our research question. Moreover, an indication of the existence of strategic tensions is given by its wide customer base in over 60 markets.

3.2 Data Collection

During the period between early October and mid-November 2022, we conducted 12 interviews with different actors within RetailCorp. All interviews, except for one conducted online, were held in person. These took place at the Stockholm Headquarters (HQ), the main city office or at one of RetailCorp's physical stores, with our two preliminary interviews taking place at the respective offices of the two board members. The average duration of the interviews was 55 minutes. In addition, data was collected from internal and external documents to triangulate the data from the interviews (Yin, 2003). External documents included Annual and Corporate Governance reports, while we also received and analysed an internal document outlining a framework for employee assessment. Lastly, researcher observations from HQ-visits, for example, complemented the above-stated data sources.

3.2.1 Interviewee selection

After our opening interview with a board member, we were connected with the Global HR Department Manager who became our main contact in our research process. We would subsequently work with our contact to select the upcoming interviewees and establish our interview schedule (see appendix 8.2). However, since purposeful sampling of interview participants is to be treated as an iterative process, the interview schedule was modified a few times over the study (DiCicco-Bloom, 2006). These modifications appeared as a result of either a change in thematic direction, or due to an internal actor's referral to other organisational members. Accordingly, we aimed to conduct our interviews over a period of several weeks. This allowed us time for reflection to effectively be able to adapt emergent thematic considerations as the collection of data progressed (Ahrens & Chapman, 2006).

Initially, we intended to conduct the majority of our interviews with managerial actors, where decision-making and MCS design reside. We believed that this is where we would observe the

interplaying use of technocratic and socio-ideological controls in addressing strategic tensions. We did not, however, limit ourselves to managers; we acknowledged the importance of interviewing individuals who were *subjects* of technocratic and socio-ideological control (e.g. Flagship Store employees, see appendix 8.2).

Equally, we did not limit ourselves to a specific number of interviews. Instead, we aimed to conduct a minimum of eight interviews, and from there on continue to collect data until we felt that additional interviews would not bring incremental benefits to the theoretical development surrounding our research question. This occurred in early November, at which point we felt that we had accumulated a rich empirical basis for analysis.

3.2.2 Interview Design

The interviews were semi-structured and organised by some predetermined thematic questions combined with 'probes'. These probes, or sub-questions, were either scripted to elicit more elaborate responses or arose improvisationally depending on the interviewee's answers or the path of discussion (McIntosh & Morse, 2015). However, similarly to our process of selecting interviewees, we did not restrict ourselves to a specific interview guide. Instead, due to our abductive research approach, the selection of our predetermined questions, with belonging probes, was rather tailored to each interview and adapted over the course of the study. This entailed considerations such as location within the company (e.g. department), seniority and more importantly, themes which had emerged prior to the interview.

Apart from the predetermined questions, each interview began and ended with briefing and debriefing about the overall purpose of the study and procedure of the interview (Brinkmann & Kvale, 2018: p. 32). Of a total 10 interviews, 12 were recorded and in addition, in order to encourage openness from the interviewees, all interviewees were guaranteed anonymity.

Both researchers were present during all interviews to ensure an effective way of taking turns between active participation, meanwhile allowing time for reflection on relevant follow-up questions. This was of particular importance in the two non-recorded opening interviews, where notetaking by at least one of the interviewers was necessary for effective post-interview analysis. Equally, the active attention of one interviewer was required in order to maintain the progress and focus of the interview.

Moreover, conducting all interviews in Swedish, the mother tongue of all interviewees, allowed for a more relaxed interaction between the interview participants and more importantly enabled the interviewees to provide answers with their own terms (Qu & Dumay, 2011).

3.3 Data Analysis

All empirical data, gathered through the semi-structured interviews, was promptly after each interview transcribed, translated, and collated in three rounds. Firstly, all audio files were transcribed and subsequently translated from Swedish to English. In order to not lose any important or relevant empirics, the transcriptions were also double-checked and verified by both researchers. Moreover, the audio files were transcribed according to a standardised template§ to ensure that each transcribed file had an identical structure and appearance. The choice of establishing a format template in the transcription process was done to facilitate more effective cross-comparison between transcripts within the existing data set (Kvale, 1996). Within this data set, we assembled and categorised similar quotes and other aspects of the interviews according to various identified themes and strategic tensions. This ensured that both general patterns and individual differences were articulated (Lee & Humphrey, 2006).

4. Empirical Analysis

This section starts with a note on the background of our case company, specifically focusing on its value-driven nature. This leads to our presentation and definition of the observed core strategic tensions at RetailCorp. We then move into an in-depth analysis detailing the ways in which RetailCorp, through the interplaying relationship between technocratic and socio-ideological controls, manages these strategic tensions. This is done through extracting and analysing empirical evidence gathered through interviews, observations, and internal documents.

4.1 Introducing RetailCorp

As previously mentioned, RetailCorp is a listed company. As such, its corporate governance is not limited to internal considerations; there also exist external regulations such as the Swedish Companies Act, for instance (Annual Report, 2021). Despite these external regulations, an essential part of understanding how RetailCorp conducts internal control lies in the foundation of the company's seven shared values (see appendix 8.3). We will now introduce these foundational values as outlined by several interviewees (Global HR Department Manager, Leadership and Talent Development Manager, Former Global Head of HR).

The shared values are deeply rooted in RetailCorp ever since the founder, from early on, advocated a combination of a strong business mind with a value-driven way of working. This way of working was referred to as 'The RetailCorp Spirit' and during the mid-80s, after resigning as the CEO, the founder gave a public speech in which he summarised and defined 'The RetailCorp Spirit'. Nearly a decade later, over a hundred employees were asked about their definitions of RetailCorp's way of working. These descriptions were closely aligned to those which the founder had previously stated in his speech and were later transformed into seven core values which today, apart from slight adjustments, have stayed somewhat consistent:

> *'The reason why our values still feel relevant, up to date and genuine goes back to the founder's speech. He put them in place from the beginning.'* (Ex-Global Head of HR)

These seven values, today, are summarised by ‘a sound, simple, straightforward, cost-conscious, entrepreneurial corporate culture that focuses on teamwork, belief in people and constant improvement’ (Corporate Governance Report, 2021). Moreover, these values are, in a document called ‘The RetailCorp Way’, shared by all brands within the RetailCorp group and provide a basis of how employees are to act in relation to each other and the world outside the organisation. Indeed, we bear in mind that this way of establishing shared values is not unique to RetailCorp itself, but commonly appears in many organisations. However, in RetailCorp, there appears to exist a *unique* commitment to the above-stated shared values. In an internal company document, shared with all employees and brands within the group, RetailCorp further states that ‘living by our values every day is fundamental to our business and long-term success’.

4.2 Strategic Tensions

As mentioned above, at RetailCorp there appears to exist a unique commitment to its seven shared values, also referred to as the company’s main policies. ‘[RetailCorp’s] shared values define who we are, what we stand for and how we act*’* (Annual Report, 2021). The seven values are multidisciplinary, encompassing notions of creativity and community, while equally appealing to output and performance. This speaks to the pertinence of both technocratic and socio-ideological controls’ roles in incentivising organisation-wide adherence to values and objectives that inherently differ in design and practice. Specifically, our analysis focuses on two core strategic tensions that emerged during our interaction with RetailCorp:

1. ‘We are entrepreneurs’ vs ‘We are cost-conscious’
2. A long term-outlook with short-term performance

We will now elaborate on our selection and observation of these strategic tensions.

4.2.1 ‘We are entrepreneurs’ vs ‘We are cost-conscious’

RetailCorp describes itself as an extremely value-driven company. The majority of employee feedback and evaluation is rooted in their adherence/performance relative to the seven values – RetailCorp managers use a ‘360 Assessment’ framework when assessing performance. To aid the

process, a second 'Values in Action' document, is employed to link values to their 'key behaviours': *'Every value has a key behaviour'* (Leadership and Talent Development Manager). Among RetailCorp's values and definitions, two appear to be specifically contradictory: *'We are entrepreneurs'* and *'We are cost-conscious'*, defined in the following ways:

We are entrepreneurs

> **360 Assessment:** *'We have a strong business mindset. We are curious and creative and take every opportunity to adapt to ever-changing customer needs. Our innovative and flexible approach delivers the best customer offer and experience.'*
>
> **Values in Action example:** *'You are, for example, able to get results through trial and error'*

We are cost-conscious

> **360 Assessment:** *'We make careful, sustainable choices by using resources responsibly and doing more with less. We create value for money, making a sustainable lifestyle accessible for everyone.'*
>
> **Values in Action examples:** *'You are, for example, able to take responsibility for your actions', 'You are, for example, able to make careful, resourceful choices'*

Striving towards putting both values into action can entail certain tensions. An entrepreneurial spirit involves risk, creativity, and a trial-and-error approach, whereas a cost-conscious spirit entails careful, resourceful choices with an element of risk-aversion. It is, however, clear that both values are beneficial and central to RetailCorp. The tension between these two values emerged as a balance that managers work extensively with.

4.2.2 A long-term outlook with short-term performance

RetailCorp has a history spanning over more than half a century. RetailCorp is rooted in an essence of long-termism, not only due to its rich history, but also due to its ties to three generations of its founding family.

'We have a very strong owner-family, who are very involved, which differentiates us from other large companies. We should be very appreciative of this. It communicates a clear direction which shouldn't be overlooked. It is more than just a listed company.' (Head of Finance & Growth)

'There are two dimensions of family that I experience. Our ownership structure, firstly, symbolises long-termism, continuation, heart, and many great sides that mean that we can persevere through, for example, COVID-19 turbulence. It even means that we can make decisions that do not necessarily have to pay-off next quarter.' (Head of People and Organisational Development)

Clearly, the essence of long-termism, from this angle, both materialises in an aspirational way, but even in terms of performance, and an acceptance for short-term compromises with long-term considerations. Having said this, as referred to above, RetailCorp has been a listed company for decades. This encompasses a wide range of stakeholders, not limited to shareholders.

'We are criticised and evaluated on a quarterly basis where it is difficult to make real change. We must become better at managing this and start to embrace a long-term view.'

'We challenge everybody, no matter if you are a manager or store staff, to pursue and explore ventures outside of the job description. Of course, the usual work must not suffer but we love receiving new thoughts and ideas.' (Ex-CEO)

It is evident that top management at RetailCorp experiences this tension, between long-termism and short-term performance. A frustration with the performance and reporting requirements associated with RetailCorp's position on the public market is clearly felt, and the difficulty of managing quarterly performance pressures while striving for a long-term, innovative culture is communicated. The technocratic and socio-ideological controls employed to manage the expectations of both sides of the tension are thus of high relevance.

4.3 The combined use of technocratic and socio-ideological controls in managing strategic tensions

With these two core strategic tensions empirically defined, we now move to analyse the ways through which RetailCorp uses technocratic and socio-ideological controls to balance and harness

these tensions. We extract key examples and scenarios from our interviews where we identify the two tensions to be particularly evident and present the control methods used by managers that we deem to be particularly interesting for the research area. For each strategic tension, we *jointly* present the technocratic and socio-ideological controls, as it is the *interplay* between these controls that we identify to be most compelling. Specifically, the nature of the interplay is later explored in section 5 in terms of the *complementing* and *substituting* relationship outlined in section 2.

4.3.1 'We are entrepreneurs' vs 'We are cost-conscious'

RetailCorp in recent years has established a new business area called 'Business Ventures'. In contrast to RetailCorp's main business model, seasonal retail and fashion, Business Ventures focuses on incubating new ventures. Moreover, through incremental investments, Business Ventures integrates external companies within their portfolio. We therefore present our first specific example of the ''We are entrepreneurs' vs 'We are cost-conscious'' tension: the clashing business models of Business Ventures and the rest of the RetailCorp group.

Inter-departmental 'Minimal Requirements'

Business Ventures, in many ways, can be seen as a symbol of entrepreneurship within RetailCorp. Its business model is centred around building new, innovative companies, with a long-term focus. Typically, of the entrepreneurial model, Business Ventures' business model entails risk in terms of resources such as invested capital and time. While another investment company might enjoy freedom in decision-making and risk, Business Ventures is part of the RetailCorp group, which entails expectations and standards. With the contradictory aspiration for entrepreneurship (through establishing Business Ventures), and centralisation of expectations and standards (derived from the group), there appears to be a frustration felt among managers.

> **'***We have (painfully) learnt that when you are in a larger context, you may not be able to take the same risks as others. This entails rules and expectations that drive costs.'* (Head of Business Ventures)

> *'[Within Business Ventures] you aim to triple or quadruple – there is a completely different growth ambition based on which you must create different incentives and expectations. We are not*

> *used to this since we [RetailCorp] have had the same business model for so many years. Understandably, [the Head of Business Ventures] is frustrated in our tendency to be 'both' [a retail business model and an investment business model]'.* (Head of People and Organisational Development)

Specifically, it is clear that centralised expectations and standards are costly and constraining, which neither appeal to 'We are cost-conscious', nor 'We are entrepreneurs'.

The Head of Business Ventures, in order to manage this tension, introduced the concept of 'Minimal Requirements': *'We need to be more disconnected from the group than we are. People easily get stuck in routines and standard ways of doing things. That is why we introduced something called 'Minimal Requirements''.* The Minimal Requirements act as an appeasement mechanism, working to establish some separation and flexibility from the rest of the RetailCorp group:

> *'Minimal requirements help us to manage this [group requirements], ensuring us some flexibility. Here are the base requirements from the group that we cannot compromise on: Code of conduct, sustainability, which factories we can use, which partners we can associate ourselves with, for example. We must take responsibility for our position as part of a larger group and the expectations that come with it. This entails costs.'*

To this end, the Head of Business Ventures employs technocratic control in the form of baseline, almost budgetary expectations with respect to their need to meet the group's expectations. Moreover, in presenting the solution as 'Minimal Requirements', socio-ideological control is used to frame the Group as a *separate* entity, towards which only a 'minimal' amount of focus should be devoted. Thus, the Business Ventures entity is able to minimise costs deriving from group expectations in a cost-conscious manner, while equally ensuring that the majority of their time and effort is devoted to their entrepreneurial model and ventures.

Intra-departmental Stage-gate process and Investment Ceremonies

Turning to an intra-departmental focus, the Head of Business Ventures balances the ''We are cost-conscious' vs 'We are entrepreneurs'' tension in two concrete ways. It is clear that the tension is prominent, lying in the crux of Business Ventures' unique position as a venture-based initiative

within a larger group; there are clear financial and entrepreneurial benefits, but this should not lead to complacency on costs:

> *'It is very easy to think that you can 'afford' more [pursuing ventures while being part of a group]. I talk about 'pre-scaling' often, where unlike an entrepreneur you put things into motion without testing your idea, which an entrepreneur, on a tight budget, would never do.'*

> *'From my experience, you are most creative and innovative when you have some comfort. That said, you cannot become complacent, lazy, or content. We aim to find the power and drive of an entrepreneur, forming a culture in which people can grow their idea and are just as relentless as if it were their own company, while not having to worry short-term about how the cash-flow statement looks and whether they will survive the next round.'*

In order to manage the tension, the Head of Business Ventures has devoted particular focus to technocratic controls as a solution:

> *'We have a 70-year history that has revolved around the same business model. My biggest role, in my opinion, is finding an understanding for a new way of working, an acceptance and structure for new KPIs, and constant defining and following-up on the right KPIs. These KPIs must be dynamic to a certain extent – for us it is a matter of always being agile and responsive.'*

Concretely, this ambition to have relevant and dynamic KPIs has materialised in the implementation of a stage-gate process: '*Therefore, within the Business Venture portfolio, I set up a stage-gate process. Within it there are clear targets for team size, time, money and deliverables for every phase*'. The stage-gate process primarily acts in managing Business Ventures' costs and performance. This refers back to the importance of avoiding complacency, by ensuring periodic evaluation of 'money' and 'deliverables', for example. This technocratic control is strongly enhanced by the managerial use of a socio-ideological control: the internal investment rounds.

> *'We gain a lot of inspiration from the VC [venture capital] mindset. For example, we have internal investment rounds in order to maintain discipline in working towards clear milestones in the growth journey. We have worked with the formal part extensively over the past year to find a*

structure in which we are disciplined and focused when building companies within an existing large group.'

These investment rounds appeal to 'ceremonial' elements. For each portfolio company, these simulated 'ceremonies' comprise of pitches and subsequent investment verdicts regarding the current position and performance of respective companies. This appeals to the mindsets of Business Venture employees, where the internal investment rounds symbolise accountability, evaluation and perhaps even an opportunity for celebration of success. Moreover, the periodic, evaluation-based nature of the internal investment rounds directly reinforces and builds commitment towards the periodic technocratic stage-gate evaluations. This contributes to building a mindset based around constant performance improvement, both in terms of managing costs and in ensuring entrepreneurial forward-moving performance.

Role allocation at RetailCorp: Ownership & actionability

Earlier we presented the Ex-CEO's message, *'We challenge everybody, no matter if you are a manager or store staff, to pursue and explore ventures outside of the job description. Of course the usual work must not suffer but we love receiving new thoughts and ideas'*, in the context of the tension between a long-term outlook and short-term performance. Undeniably entrepreneurship and long-termism, like short-term performance and cost-consciousness, are closely tied, and thus interesting to analyse in conjunction. Emergent from the Head of Finance and Growth, is the importance of leadership and role clarity in managing, in particular, the ''We are cost-conscious' vs 'We are entrepreneurs'' tension. In describing the characteristics looked for in a team member, the Head of Finance and Growth said:

'What I look at first and foremost, is whether the person wants to take ownership: can I trust the person? Will this person run their division as if the company were their own? Then I know that I can trust somebody. I have been in positions where my team has been spread globally. Then I rely on the fact that they will make the right decision, for the company, given what they know' … 'The decision can be right or wrong, but as long as it is in the best interests of [RetailCorp], then that's fine.'

Equally, several interviewees appealed to the risk of ownership going too far, where individuals concern themselves with things they cannot influence or act upon. The Head of People and Organisational Development, for example said:

> *'There exists some sort of "goal hierarchy", understanding common goals and goals specific to functions, and making sure that that you are concerned with goals that you can take ownership of, and influence.' … 'In Swedish culture one can often involve oneself in things that do not concern you. Everybody wants to be a part of everything. Swedish society is quite "consensus-driven" which is a model where "I really want to have an opinion on things that do not concern me". One must be careful of this in companies, to be honest. You can of course have an opinion, but you must understand what you own and don't own.'*

With this sub-tension between ownership and actionability in mind, we present the second core example of a combined technocratic and socio-ideological solution to the ''We are entrepreneurs' vs 'We are cost-conscious'' strategic tension: The RetailCorp Entrepreneur and the RetailCorp Financial Controller.

The RetailCorp Entrepreneur and The RetailCorp Financial Controller

Expanding on the issue of ownership and actionability tensions within the context of RetailCorp's history, the Head of Finance and Growth presented the two interacting 'RetailCorp individuals' that act to manage the tension:

> *'The key for [RetailCorp] historically is that there has often been a very strong entrepreneur, who has been allowed to run. There has also been a financial controller, who understands the entrepreneur and lets them run, until they start "betting the farm". The strength has been that we have always found someone to press the gas pedal, and somebody who can press the brakes.'*

To this extent, RetailCorp has historically successfully managed the ''We are entrepreneurs' vs 'We are cost-conscious'' strategic tension through the use of role allocation. The Head of Finance and Growth expanded on their leadership, and introduced their use of a curling metaphor in order to effectively instil roles and their corresponding meanings in team members:

'We stand as a team and discuss how we are going to push the stone. That's how we set visions and goals together. Then we let somebody push the stone. As long as the stone is gliding towards the goal, the financial controllers should not do anything. We [financial controllers] should have an eye on where the stone is going, but we do not do anything. It is only when the stone starts straying off its path, that the financial controllers start to sweep. Otherwise, we do not intervene. Then the process starts again with the next stone. We gather and work with the vision & goal again, and then let the team work. This is important because otherwise people will constantly intervene and disturb'.

In explaining this metaphor, the Head of Finance and Growth mentioned that he has, in fact, taken his teams curling in order to enforce the message. The use of symbolism and metaphors, put into practice in real-life through team activities, is a poignant example of socio-ideological leadership serving to manage the tension. The aim of this curling metaphor is to ensure that individuals understand their respective role and function. It serves to manage the ''We are entrepreneurs' vs 'We are cost-conscious'' tension through removing the need for individuals to manage the tensions themselves, providing clarity to the Ex-CEO's message (see above). Furthermore, the individuals' roles are made even clearer through the use of a corresponding technocratic control:

'We combine this [curling metaphor] with setting up structured quarterly meetings where we go through deals. In the time between, I am not going to call someone and ask why Saturday was a bad day. It is your job. If you do not do your job, maybe you should consider doing something else. This goes back to feedback: if you have an open-dialogue and clear expectations, then often there will be no problems'

The relatively scarce meetings, only conducted quarterly, reinforce the message of non-disturbance and ownership of responsibility. The fact that the 'entrepreneurs' or 'financial controllers' are aware of the quarterly meetings gives them clear targets and direction, while equally allowing time in between for action according to their respective roles. Moreover, the point of clear communication and feedback is added as a further way to reinforce and clarify the meaning behind the curling metaphor.

To summarise, we present two examples of how the ‘‘We are entrepreneurs’ vs ‘We are cost-conscious’’ tension is managed through interacting technocratic and socio-ideological controls. In the context of Business Ventures, we observed the combined use of technocratic controls such as the ‘Minimal Requirements’ and the stage-gate process, with socio-ideological controls such as the symbolic use of scenarios, through the internal investment rounds. We furthermore note a perhaps more company-wide example, where role allocation and actionability is at the centre of managing the tension. This solution is primarily enforced through the use of socio-ideological symbolic leadership, such as the curling metaphor, and is further supported through devices such as communication and feedback structures. We now move to the ways through which the second strategic tension, ‘A long-term outlook with short-term performance’, is managed.

4.3.2 A long-term outlook with short-term performance

Forward looking practices with real-time solutions from the lens of Responsible AI & Data

In a similar way to Business Ventures, ‘Responsible AI & Data’ is one of RetailCorp’s newest departments. In describing how the department came about, the Head of Responsible AI & Data said:

> *‘From the beginning, it was very intuitive. We worked closely with the sustainability department and looked at how we could use AI to reach the sustainability goals, but also make sure that we did not cause any harm with AI. So this perspective has been there from the beginning, using AI for the better but also to prevent harm. I wouldn’t say that it was anything external that drove it, rather it was a matter of “we need to look at this and what does it imply?”. It came as a result of our value-driven culture – we want to do good and the right thing.’*

The Responsible AI & Data department is very much a symbol of RetailCorp’s ambition to perform with regards to sustainability and responsible practices, but equally possesses capabilities to enhance today’s business and performance. With a particular focus on the RetailCorp customer, these enhancements include, but are not limited to, prediction of demand, AI-enhanced products (e.g. customisation) and risk mitigation. The latter is a result of the Responsible AI & Data department’s ‘*value-driven culture’,* as outlined by the Head of Responsible AI & Data above.

Specifically, the intersection of risk mitigation with the department's values materialises through an intra-departmental 'checklist':

> *'The first thing my team did was develop a 'checklist' for Responsible AI. When we built a new AI product we went through the checklist together with the team, question by question.'*

This 'checklist' establishes a standard for all AI products, including considerations such as human rights. It serves not only to evaluate the viability of short-term products and initiatives, but equally ingrains a framework for long-term sustainability and risk mitigation for RetailCorp and its business practices. The Head of Responsible AI & Data, however, acknowledged the '*grey zones'* that exist within the ethical framework: '*[Ethical questions] are not always black and white'*. To approach this difficulty, arising within the 'a long-term outlook with short-term performance' tension, the Head of Responsible AI & Data uses strong socio-ideological controls, which we will now expand upon.

The Responsible AI & Data 'Debate Club' & Storytelling

There exist inherent difficulties of ethical considerations and dilemmas arising within the context of the 'checklist'. We observe unique socio-ideological controls used at Responsible AI & Data to build understanding of the department's role in ensuring simultaneous long-termism and short-term performance. The Head of Responsible AI & Data, in acknowledging the presence of a tension between a long-term outlook and short-term performance, said:

> *'We want to find solutions that promote both sides [of the long-termism vs short-term performance tension] simultaneously. For example, we work a lot with fictional ethical dilemmas in order to educate and create awareness and prepare for potential real dilemmas. For example, say that garment manufacturing was becoming more or less automated. In this scenario we would be able to produce more locally which would entail environmental benefits, for example through reduced transport. At the same time, this would lead to significant job loss among textiles workers. This is an example of an actual fictional dilemma we have used in our trainings, and participants are asked to analyse it from the perspective of a customer: "How would a customer weigh environmental versus social sustainability?". We do this [activities like fictional dilemmas] in order to stay one*

step ahead. We know that new ethical questions constantly arise due to the rapid development of digitalisation and AI as a whole.'

'Something else we did a few years ago was that we worked with a sound artist and recorded four different scenarios that describe the world in 2030. As a participant, you wore headphones and were transferred to these different versions of the world. Once you were placed in your 2030 scenario, the task was to think about how AI and sustainability issues could develop. This is another example of how storytelling and sound and those types of more emotional methods can work to build awareness and engagement.'

Like the internal investment 'ceremonies' at Business Ventures, this is a strong example of socio-ideological control, seeking to enact purpose and emotions through fictional scenarios. Moreover, the Head of Responsible AI & Data added:

'We have a debate club where people get to discuss ethical dilemmas related to AI development. We communicate the dilemmas [such as the supply chain automation vs joblessness dilemma] in an AI-generated voice, and thereafter conduct debates where the group is split into two teams who argue for and against a statement, regardless of what their personal opinion is. This is all about training'... 'We write our debates like stories. This is to achieve this emotional connection and engagement. This is also why we use the AI-generated voice: to further trigger the brain.'

The debate club has been used in other RetailCorp departments, such as the sustainability department, alluding to the organisation-wide usage of this socio-ideological control. We see here deliberate socio-ideological attempts to influence the mind through employing the AI-generated voice in order to simulate the future and further evoke emotion. Moreover, the otherwise socio-ideological control forms of story-telling and fictional scenarios are formalised and perhaps made more concrete by the establishment of the debate club. This also appeals to the concept of a ceremony (like at Business Ventures), creating a sense of gravity and importance around the fictional dilemmas. What these fictional dilemmas and debates achieve is preparation for future scenarios (inherent long-term outlook), where the 'checklist' may not provide a concrete direction. The debates are, moreover, a source of powerful training – '*This is all about training'* – helping to build more well-rounded, experienced RetailCorp employees in both the short- and long-term. We

see here an indication of a range of socio-ideological controls acting to address the 'A long-term outlook with short-term performance' tension, serving to reinforce and provide understanding in situations where the 'checklist', and technocratic controls of its nature, may entail shortcomings.

Symbolism

Not exclusive to Responsible AI & Data at RetailCorp, is the salience of the use of symbolism as a socio-ideological control. RetailCorp's *'A Red Thread'* symbol for interlinking their seven values was present throughout the RetailCorp HQ and was proudly shown to us by the Former Global Head of HR – the chargers were red, the lamps were hanging from red cords, and art symbolising the red thread was present throughout the building. The Red Thread was even observed throughout the RetailCorp Flagship store. Similar symbolism was also presented as central to building understanding and mindsets at Responsible AI & Data:

> *'We want to move away from the "terminator" imagery [associated with AI] which is usually cold, frightening, and inhuman. We have completely skipped this imagery. We have instead promoted the more human sides and how one can use AI to make the world better, emphasising the cooperation between people and AI, instead of focusing on the 'hard' and 'cold' preconceptions. We deliberately try to achieve this through our choice of imagery.'*
>
> *'When we moved into our old office, we used an AI art technology called "style transfer" and took images illustrating our values [black and white with the red thread through each one] and transformed them into Kandinsky paintings. We then hung these up on the walls from the moment we moved in.'* (Head of Responsible AI & Data)

This use of imagery is an effective and common device at RetailCorp for building meaning and commitment to the seven values, and to ambitions, such as that of an increased understanding of AI's world-improving capacities.

To summarise, we present how the tension of 'A long-term outlook with short-term performance' is managed at RetailCorp. We do this through the lens of the Responsible AI & Data department which in many ways itself symbolises RetailCorp's ambition to constantly improve and expand its

capabilities, both in the short-term and in the long-term. Pertaining to RetailCorp as a whole, the Responsible AI & Data department aids in achieving short-term performance through enhanced AI-assisted product offerings, fostered through a socio-ideological commitment to positive impact and quality of products with respect to the RetailCorp customer. We moreover observe commitment to 'A long-term outlook' through striving for responsible practices, achieved through controls such as the 'checklist'.

Turning towards controls *within* the Responsible AI & Data department, we see that a variety of strong socio-ideological controls, such as storytelling and symbolism are used to build understanding towards the department's ambition for aiding in mitigating the organisational strategic tension of short-term performance with a simultaneous long-term outlook. We moreover identify consistent examples elsewhere in RetailCorp, for example in the overarching use of symbolism to communicate the organisation's seven values.

The RetailCorp Flagship store

Previously, in the context of the Responsible AI & Data department, a customer-focus, both in terms of products offerings and sustainability, was presented as a solution to the 'A long-term outlook with short-term performance' strategic tension. To further explore the role of the customer in managing this tension, it is important to consider the individuals, and the group, that directly interacts with the customer: the RetailCorp store managers and employees. Specifically, we elaborate on how technocratic and socio-ideological controls interact at the RetailCorp Flagship store.

A customer-centric approach

Around a decade ago, there appears to have been a particular shift in focus towards the customer:

> *'When the CEO changed around 10 years ago, all of a sudden we were supposed to say 'hello' to all of our customers. This felt a little strange and uncomfortable. But it was a matter of practicing*

and practicing. They say it takes 21 times for a new habit to sit, and now it is an expectation.' (Store Manager)

We observed the presence of a socio-ideological customer-based mindset in our interaction with a Sales Advisor, who firmly communicated:

'Nowadays competition is intense, and we might not be able to compete on prices anymore. This is where our focus on the customer and membership is key.'

Clearly the implementation of the new mindset by the CEO emerged as a solution to a fading competitive advantage in terms of prices. This shift is thus an indication of the combined effort to ensure long-term business 'survival' through harnessing new competitive advantages, but also a way to increase the short-term performance of the stores in regard to active customers. To the extent that this 'shift' was communicated from top management, the Store Manager alluded to the technocratic controls that they use at the store day-to-day in order to effectively work with their customers:

'We have our 5 basics. You get this day 1 when you start [at RetailCorp]. You should: smile, keep eye contact, say 'hello', say 'thank you' and say something to bring with them when you hand over the bag. When you hand in your contract, you sign on that you will live according to these 5 basics and our values.'

'We measure what we can influence. We work a lot with 'conversion', where we count how many people come in and compare this with how many purchases are made. "What are the 90% doing that walk out without buying anything? What are we doing wrong and how can we improve?".'

We can see that this involves a combination of technocratic, KPI-based (conversion) controls, as well as value-driven guidelines. The '5 basics' values being communicated as 'contractual' appeals strongly to the behaviour of the employees, but equally to their socio-ideological mindsets, contributing to an element of compliance. This is reinforced in a very store-specific manner, through the 'customer-centric report':

> *'Where we perform and where we can show results is on the floor. We have started with a new report, called the 'customer-centric report' that we receive weekly. This is new for us who have sat with numbers and compared department performance. Now we have shifted towards the customer. One in every few customers gets a survey when they leave the store and answer questions detailing their experience at the store. So we get instant feedback from customers every week.'* (Store Manager)

The 'customer-centric report' reinforces the customer-focus through placing the performance evaluation process in *their* hands, rather than in the hands of managers and controllers. This builds a mindset around 'the customer is the boss', appealing to the commitment of the employees – if they want to perform well, they must satisfy the customer. This is a way in which the technocratic performance evaluation process is framed in a socio-ideological manner to enhance commitment to the intended outcome: customer satisfaction.

The notion of 'framing' performance in ways tied to intended outcomes is further employed by the Store Manager in the context of store sales:

> *'We bring up our sales every day. We focus on "how" we can boost our sales today. This is easier for our salespeople to understand. For example, "if this box with 100 socks, each worth 100 SEK, is sold, how much money can we make? If this box is then empty by the next week it becomes clear to our salespeople how to make an impact".'*

We can see the impact of leadership in this example. In converting clothing items into numbers, the Store Manager manages to stimulate a performance-driven mindset among the store employees. Specifically, the Store Manager ties visual aspects such as 'an empty box' to goal achievement. This serves to further build understanding of goals among store employees.

To summarise, the Store Manager extensively works with both technocratic performance measures and socio-ideological devices in order to build understanding of objectives, specifically related to the customer. We further see how RetailCorp stores seek to differentiate themselves through a restless approach to the customer. The pursuit of this mentioned competitive advantage boosts performance both on a day-to-day basis (socks example) as well as on a long-term basis. Having

said this, where RetailCorp manages to build the strongest behaviour aligned with managing the 'A long-term outlook with short-term performance' tension, specifically from the lens of the Flagship Store, is through an infectious sense of pride and commitment.

Pride and commitment

We have thus far honed in how managers, such as the Heads of Business Ventures and Responsible AI & Data, aim to build understanding and commitment towards interacting sides of strategic tensions. Within the RetailCorp Flagship Store we have seen the promotion of the customer through methods such as customer-centric performance measures and values. We have also identified mindset-based methods, such as the CEO-communicated renewed focus on customer interaction. We now present a reward-based control used on a store-level in order to build incentives towards simultaneous long-termism and short-term performance. We also present how the culture built at RetailCorp, by the intense symbolism and presence of socio-ideological controls, manifests on an employee-level, namely through a sense of pride and commitment. Upon entering the Flagship Store, we communicated its impressive size to the Store Manager, to which they answered:

> *'Yes, we are the biggest store in Stockholm, but not only the biggest, also the best. We won the Best Store Award last year.'*

This indicated two interesting points: pride, which we will later elaborate on, but also the presence of awards as reward-based incentives at RetailCorp. This had earlier been alluded to by the former Global Head of HR, who, in reference to the '[RetailCorp Founder] Award', quoted the ex-CEO: *'I want to honour my grandfather [RetailCorp Founder], but more I want to celebrate colleagues that are role models.'* This award not only serves as a celebration of RetailCorp individuals, but even as a device to align behaviour to organisational goals; the award follows a peer-to-peer nomination structure, which perhaps might even serve a *monitoring* purpose in reference to value-based behaviour. This serves to incentivise RetailCorp employees to perform day-to-day in the eyes of the peers, but also to sustain a consistent upholding of the RetailCorp values over extended periods of time. We thus see how the socio-ideological [RetailCorp Founder] Award serves to manage the two sides of the tension between long-termism and short-term performance, through incentivising employee commitment towards both.

At the Flagship Store, they too strive towards an award: the Best Store Award – *'We who work here know how prestigious it is [the Best Store Award]'* (Store Manager). Winning this award, however, entails performance in relation to more technocratic controls. The Store Manager explained the criteria:

> *'First of all, we met our indexes: sales and budgets, for example. We also have a co-worker 'investigation' where all co-workers answer questions about their life at work. Here you have to perform to a certain level in order to be approved as a store, and as a boss.' … 'We also have so many visits from central offices that they see and experience first-hand how we perform and how they are met by us in our store. We are happy, positive, we have plenty of challenges, but you know what, as long as we do something and we do it well, that's fine. This means that we perform, and that we sell.'*

In a similar way to the [RetailCorp Founder] Award, we observe a peer-to-peer evaluation aspect, however we also observe an element of vertical, technocratic control, with the imposition of indexes as well as regular visits from central offices. The frequent visits fortify the 'monitoring' element of socio-ideological, which is effectively combined with technocratic performance measures. Like the [RetailCorp Founder] Award, incentives are built towards not only periodic goal achievement by teams at RetailCorp stores (short-term performance), but also consistency in knowing that a physical visit from central offices is imminent. What the latter incentive of 'consistency' serves to build is a relentless sense of pride and commitment, which we observed first-hand at the Flagship Store:

> *We ask ourselves "how will we get this top performing team to the top of the mountain and put our flag down like we have done now [Best Store Award]?". But then staying at the top of the mountain is even more challenging, and that's where we are now. We can't let people roll down the mountain now.'* (Store Manager)

The Store Manager uses pride in order to build commitment to goals. The Best Store Award is framed as a 'duty' to excel, not only in terms of expectations and the customer, but also in terms of building a suitable environment in which longevity and consistency in performance is ensured. The existence of awards thus acts as a mechanism to promote pride and commitment (long-

termism), which in turn act as strong socio-ideological, cultural drivers towards achieving (consistent) short-term performance.

To summarise, we present a multitude of ways through which the ‘A long-term outlook with short-term performance’ tension is managed through interacting technocratic and socio-ideological controls. In the context of Responsible AI & Data, we see a commitment to short- and long-term sustainability and quality, as well as poignant methods such as storytelling and symbolism that serve to enhance understanding and mobilise mindsets and behaviour. At the Flagship Store, we observe an intense customer-centric approach intersecting with pride and commitment in the simultaneous pursuit of short- and long-term performance.

5. Discussion

The discussion section delves deeper into the interplaying relationship between technocratic and socio-ideological controls and its role in managing strategic tensions at RetailCorp. We look closer at the observations gained from our analysis section and present three core contributions and extensions with regards to the conventional view of the complementary/substituting interplay relationship. In doing so, we outline the implications of our findings with respect to previous research.

We will now move to a comprehensive discussion surrounding our observations of the nature of the interplay between technocratic and socio-ideological controls used at RetailCorp in addressing our two empirically observed strategic tensions. Specifically, we move to the framework of the *complementary* and *substituting* relationship between technocratic and socio-ideological controls outlined in section 2, extracting key empirical examples in order to present our findings and main points for discussion.

In line with previous research, we find that managers at RetailCorp use a variety of (technocratic and socio-ideological) controls in order to 'tighten control' and harness both sides of the strategic tensions that are key to the organisation's success (Merchant & Van Der Stede, 2007). We moreover recognise the interdependency in this variety of controls; while socio-ideological controls are more unique (than technocratic controls) in nature at RetailCorp, they may not always *unilaterally* provide the means for managers to manage strategic tensions (Cäker & Siverbo, 2014). To this end, our study points towards the need to nuance the wider understanding of the otherwise general concepts, 'complementary' and 'substituting', in characterising the interplay relationship between technocratic and socio-ideological controls. From our study it is clear that the relationship may materialise in a variety of ways, both consistent with, and different from those that previous research has observed and outlined.

5.1 Strong socio-ideological complementary controls substituting the need for technocratic controls in managing strategic tensions

Consistent with previous literature, at RetailCorp socio-ideological controls are used to address 'incomplete' technocratic controls and structures (Cäker & Siverbo, 2014; Cäker, 2008). Firstly, we identify this relationship in the interaction between the technocratic stage-gate process and the socio-ideological investment rounds ('ceremonies') in addressing the ''We are cost-conscious' vs 'We are entrepreneurs'' strategic tension at Business Ventures. At Business Ventures, the internal investment rounds serve to reinforce the discipline and commitment necessary to support cost-consciousness within their entrepreneurial model. By appealing to mindsets, pride and urgency are built around the investment rounds while simultaneously emulating the structure and meaning behind the stage-gate process, leading to enhanced management of the strategic tension. While this serves as a strong complement to the technocratic stage-gate process, one could argue that the similarity in structure, with the enhanced socio-ideological influence and commitment components of the investment rounds, might act to directly *substitute* and replace the need for the technocratic stage-gate process. This is in line with Merchant & Van Der Stede (2007) who maintain that a particular control form may be replaced with another that provides a better fit with the situation. This was further seen in the Head of Finance and Growth's description of the RetailCorp 'Entrepreneur' and 'Financial Controller' and their role allocation in addressing the same ''We are cost-conscious' vs 'We are entrepreneurs'' strategic tension; specifically, in this case, the use of socio-ideological leadership (e.g. metaphors and team exercises) replaced the need for regular technocratic controls such as meetings, which instead were conducted scarcely in order to avoid disturbance of the respective RetailCorp roles. Deriving from strong socio-ideological controls is mindset-driven commitment and understanding, that replace the need for technocratic controls to steer behaviour.

From these empirical examples, we appeal to the first nuanced understanding of the complementary relationship between controls, where the strength of the socio-ideological complementary control may serve to completely substitute the need for the original technocratic control.

5.2 The need for complementary controls to act simultaneously in order to manage strategic tensions

Furthermore, we identified the importance of the interplay between technocratic and socio-ideological controls in the context of Business Ventures. We saw the interplay's role in 'bypassing' the bureaucratic, costly constraint of belonging to the RetailCorp group which operates according to a different business model (Cäker, 2008). More specifically, the Head of Business Ventures established intra-departmental 'Minimal Requirements' in order to minimise costs deriving from the group while ensuring commitment to the department's entrepreneurial business model (thus addressing the ''We are cost-conscious' vs 'We are entrepreneurs'' tension). The 'Minimal Requirements' are built on a technocratic baseline entailing expectations that appease the group. The purpose behind this technocratic control, setting a 'budget' to minimise strategic cross-over with the group, is strengthened in a *complementary* capacity by the socio-ideological mindset of devoting 'minimal' effort and time towards the bureaucratic constraints outlined, building commitment towards establishing distance from the group and ensuring strategic freedom within the Business Ventures department. This moreover supports the essence of motivating action and mindset through the use of complementary controls (Mundy, 2010).

What we observe here, however, is the second example of the need for a more nuanced understanding of the complementary relationship between controls. Overarchingly, the aforementioned controls exhibit a complementary relationship in addressing both sides of the strategic tension. However, this materialises through the use of the technocratic baseline to address cost-consciousness, and the use of socio-ideological mindsets and attention in order to address entrepreneurship – neither control, *unilaterally*, would serve to effectively balance the strategic tension. There is thus an element of *both* technocratic and socio-ideological controls acting to *substitute* each other in the component of the strategic tension that each fails to effectively address. This, in agreement with Cäker & Siverbo (2014), challenges previous research which has assumed that socio-ideological controls are a device 'in place' for supporting technocratic controls, instead showing that *either* control may support the other.

The reliance between control forms in this complementary relationship highlights the misleading nature of previous research's tendency to analytically separate technocratic and socio-ideological controls (Alvesson & Kärreman, 2004; Cäker & Siverbo, 2014). This form of complementary

relationship requires the *simultaneous* presence and interplay of both control forms in order to manage the strategic tension. The novel importance of 'timing' that we highlight, with the requirement of *simultaneous* controls for strategic tension management, reinforces the managerial difficulties associated with the balancing of interplaying controls that previous research has alluded to (Mundy, 2010; Henri, 2006; Widener, 2007).

5.3 The dynamic substitution of controls in an overall complementary capacity in managing strategic tensions

Within the Responsible AI & Data department, the presence of the 'checklist', relating to topics such as human rights, serves as a mechanism to ensure both short-term adherence to standards, as well as a long-term outlook on accountability and responsibility. However, this technocratic control experiences 'grey zones' in which employees using the 'checklist' may be torn between two ethical considerations (see ethical dilemmas in section 4.3.2). To address this dilemma and situational shortcoming, the Head of Responsible AI & Data established the debate club and utilised AI-driven storytelling in order to simulate states of the world in which RetailCorp employees would have to debate and consider different sides of ethical dilemmas. Therefore, we find further evidence identifying socio-ideological controls acting to reinforce and complement 'incomplete' technocratic controls at RetailCorp (Cäker & Siverbo, 2014; Cäker, 2008).

However, we also identify a situation in which managers at the Responsible AI & Data department may *alternate* between their use of the technocratic 'checklist', and socio-ideological debate club and storytelling, depending on the need for deeper understanding and clarity during emergent 'grey zones' within the 'checklist'. Limited attention has been devoted to this dynamic relationship between uses of technocratic and socio-ideological controls (Henri, 2006), which we identify as salient in the context of balancing the tension of 'A long-term outlook with short-term performance'. While the technocratic 'checklist', and the socio-ideological debate club and story-telling structures, are complementary in their overarching use in addressing the strategic tension, there is an indication that without the debate club and story-telling structures, there would be significantly reduced understanding and commitment to balancing both sides of the strategic tension. We, therefore, with regards to the traditional view of the complementary relationship between the specific control forms, acknowledge a more nuanced case where technocratic structures may be 'situationally inadequate' (e.g. when 'grey zones' emerge), and thus *dynamically*

substituted with socio–ideological controls in an overall complementary capacity. We identity dynamic tensions as present in this case, where strategic forces alter the need/emphasis on respective control forms. We thus support previous research in identifying dynamic tensions as consistent with the notion of complementary controls (Widener, 2007; Milgrom & Roberts, 1995). However, we build a nuanced case where the dynamic tension derives from an intricate *substituting* relationship between controls operating within an overall complementary capacity. We further speak to the 'unique capability' of RetailCorp managers in their ability to balance competing strategic demands through their situationally dynamic use of different control forms (Mundy, 2010).

To summarise, we have presented empirical evidence motivating the need for a more nuanced wider understanding of the interplay between technocratic and socio-ideological controls. In the context of RetailCorp, we observe three distinct and novel forms of the interplay relationship that act to manage our two empirically observed strategic tensions. We therefore move away from the confinements of previous research in presenting the interplay relationship as either that of socio-ideological controls complementing 'incomplete' technocratic controls, or substituting inadequate/problematic technocratic controls (Cäker & Siverbo, 2014; Cäker, 2008), and move to a more comprehensive understanding where complementary and substituting relationships may coincide and manifest in a variety of ways in the management of strategic tensions.

6. Conclusions

This paper has investigated the role, and nature, of the interplaying relationship between technocratic and socio-ideological controls in managing strategic tensions through a case study of RetailCorp, a Swedish listed company specialising in fashion and retail. Our study contributes in three main ways. Firstly, we enhance Alvesson & Kärreman's (2004) questioning of the prevailing assumption in previous research that technocratic and socio-ideological controls are distinct in their use, and should be treated by managers as such. We highlight the importance of the combination and interaction of technocratic and socio-ideological controls in the management of two empirically identified strategic tensions at RetailCorp: 'A long-term outlook with short-term

performance' and ''We are entrepreneurs' vs 'We are cost-conscious''. Secondly, in doing so, we build a more nuanced, wider understanding of the nature of the dynamic relationship between managerial uses of technocratic and socio-ideological controls, to which limited attention has been devoted in academic research (Henri, 2006). Specifically, we challenge the belief that the interplay relationship manifests exclusively through socio-ideological controls working to either complement or substitute incomplete/inadequate technocratic controls; we show that *both* controls may work in a variety of complementary and substituting capacities in the overall management of strategic tensions. Finally, our study answers the call for a greater understanding of the ways through which organisations may balance different uses of controls in order to harness dynamic tensions (Mundy, 2010). We identify a nuanced case of the interplay relationship in which RetailCorp dynamically substitutes between technocratic and socio-ideological controls in effectively managing strategic tensions.

We acknowledge the limitations of our study, which in turn provide an interesting scope for future research. Firstly, a multiple case study approach could provide concrete insights into MCS more representative of a broader range of companies. Within our single case study approach, we hone in on specific RetailCorp departments. This may limit the applicability of our findings in the context of organisations as a whole; future research could use a combination of department-focused and company-wide analysis in order to derive more representative conclusions. Moreover, we delimit our case study to managers operating in Sweden. Expanding the scope of the study to *international* MCS could entail new insights into internationally emergent strategic tensions which are of utmost relevance to large, growing companies. This could also provide deeper nuances entailing the managerial application of interplaying control forms on a global basis, rather than on inter- or intra-departmental bases. We thus encourage future research to continue to build a wider, more comprehensive understanding of the intricate ways in which control forms may interact in the pursuit of organisational objectives.

7. References

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8. Appendix

8.1 Forms of management control (Alomari et al., 2018)

Technocratic forms of control	Socio-ideological forms of control
Formal	Informal
Tight	Loose controls
Action/results controls	Personal/cultural controls
Accounting	Non-accounting
More bureaucratic	Less bureaucratic
Restricted	Flexible controls
Planning, administrative and cybernetic control	Reward and compensation and cultural controls

8.2 Interview List

No	Position	Date	Communication medium	Language	Duration (min)
1	Board Member	12-Oct-22	In person (Personal Office)	Swedish	45
2	Ex-CEO & Board Member	21-Oct-22	In person (Personal Office)	Swedish	45
3	Head of Business Ventures	01-Nov-22	In person (Main city office)	Swedish	50
4	Head of Finance and Growth	01-Nov-22	In person (Stockholm HQ)	Swedish	45
5	Global HR Department Manager	01-Nov-22	In person (Stockholm HQ)	Swedish	70
6	Leadership and Talent Development Manager	01-Nov-22	In person (Stockholm HQ)	Swedish	70
7	Former Global Head of HR	01-Nov-22	In person (Stockholm HQ)	Swedish	70
8	Head of People and Organisational Development	07-Nov-22	In person (Stockholm HQ)	Swedish	55
9	Head of Responsible AI & Data	10-Nov-22	In person (Main city office)	Swedish	45
10	Talent Acquisition Partner	10-Nov-22	Online Video Call	Swedish	45
11	Store Manager	11-Nov-22	In person (Flagship Store)	Swedish	60
12	Sales Advisor	11-Nov-22	In person (Flagship Store)	Swedish	60

8.3 RetailCorp Shared Values

1. ‘We are one team’
2. ‘We believe in people’
3. ‘We are entrepreneurs’
4. ‘We make constant improvement’
5. ‘We are cost-conscious’
6. ‘We are straightforward and open-minded’
7. ‘We keep it simple’

8.4 Secondary Data Sources

Annual Report, 2021

Corporate Governance Report, 2021

‘360 Assessment’ internal document

‘Values in Action’ internal document