

Controlling or compensating?

– A qualitative study of how organizational actors' different perceptions affect the design and evaluation of training initiatives within a company –

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Abstract: Competent and talented employees are important for most companies. Despite their importance, there is a difference in research on whether employees are seen as assets or investors of human capital. These differing views affect how organizational training activities such as competence development – either seen as a precursor for personnel controls and a part of the management control system, or as a form of compensation with the goal of attracting and retaining employees – should be designed and evaluated, and further, whether they should be invested in.

This study adopts an interpretative epistemological stance on the field of human capital and personnel controls in order to understand how organizational actors' different perceptions and interpretations of these training initiatives affect the selection, design, and follow-up of such. As a theoretical lens, the theory of cognitive and paradoxical frames is used.

We find that a possession of paradoxical frames by those responsible for organizational training is necessary to understand the inherent complexity of training activities arisen when different perceptions are considered. This is, in turn, a prerequisite for designing training initiatives perceived successful, either because it enables an alignment of actor's cognitive frames, or because the training matches the content of several different frames.

Keywords: human capital, MCS, management control systems, management controls, personnel controls, competence development, personal development, organizational training, cognitive frames, paradoxical frames

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Table of Contents

1. Introduction.....	2
2. Theory	4
2.1 Domain theory and method theory framework	4
2.2 Domain Theory – Human capital and personnel controls	5
2.3 Method Theory – Cognitive and paradoxical frames.....	10
3. Method	12
3.1 Research Design.....	12
3.2 Data Collection.....	13
3.3 Data Analysis	15
4. Empirical Findings	16
4.1 Background and context.....	16
4.2 The organization’s training activities and their purposes.....	17
4.3 Measurement and Planning of the activities	25
4.4 Organizational culture and structure	27
5. Empirical Analysis	30
5.1 Training activities – differing frames and measuring difficulties	30
5.2 How Telecom manage to undertake employee training that is perceived successful	32
5.3 How is frame alignment and multiple frame matching achieved?.....	34
6. Discussion	36
6.1. An interpretative perspective on the research field.....	36
6.2 Implications for training design and measurement	37
6.3 Limitations & further research	38
7. Conclusion.....	40
8. References	41
9. Appendix	45

1. Introduction.

*“I become super provoked when people say ‘employees are a company’s most important asset’. I think that is to minimize humans and the employees from two aspects. I think – people are not assets. They are humans, they are individuals, they are people, and not a gear or a ball bearing or a printer. These are humans with individual needs, own wills of development, possibilities, potential and driving forces, so the word asset is extremely minimizing. And then I also think saying that you ‘have’ employees, is to simplify the world. Because you can buy a computer. That, you can ‘have’ as company. It is a computer. But as for humans, you just have them on loan. The only guarantee you have for an employee is the notice period and I think you must think about that a lot as a company or as a leader. That ‘I don’t **have** you. You can quit whenever you want to.’ This is a mutual partnership where the company actively choose like ‘you are a good person, you show a good ambition, you have great abilities. We choose to reinvest and believe in you’. And an employee must feel that ‘this is a good place where I’m seen, where I think it is fun, where I can contribute, where I feel valuable; I continue to reinvest in this’. So, I believe that there must be a humbleness to this within managers and companies.”* (HR Director at Telecom)

“Personnel are our most important asset” is a common statement (Welpé & Rachbauer, 2006) though not one that gets unanimous support. There are researchers arguing that due to the great effort needed by companies to retain valuable employees and win the war for talent, employees should not be seen as assets but rather as investors who require a return on their human capital investment that satisfies them, in order not to take it elsewhere (Welpé & Rachbauer, 2006).

One research field that could be argued as building on the opposing view, that of employees as assets, is the research on management control systems (MCSs). Since MCSs are deployed by top management to ensure that employees behave in ways that increase the possibility that the organization performs to reach its goals (Hartmann et al., 2021; Merchant & Van der Stede, 2017), it builds on the assumption that employees are something that the company can control. Personnel controls are one type of management control that refers to an employee’s inherent ability and motivation to do a good job (Merchant & Van der Stede, 2017).

One organizational activity that carries a great deal of relevance in both these perspectives is organizational training/competence development. When seeing employees as investors, it is argued that the “returns” employees require do not only consist of financial compensation but that the

provision of training is another way for the company to provide compensation to ensure employee retention (Davenport, 1999 as cited in Welpe & Rachbauer, 2006). On the other hand, research on personnel controls instead looks at training as a tool for control. Since “personnel controls” refers to inherent traits that are hard to measure, it is common to use the amount of training as a proxy in personnel control research (e.g. Abernethy & Brownell, 1997; Kleine & Weißenberger, 2014; Monteiro et al., 2022), as training is considered being something that increases the levels of personnel controls.

There is research pointing to the positive relationship between training activities and firm performance (Bapna et al., 2013) but the two perspectives presented above provide two different reasons as to why this is. Is organizational training a form of compensation that attracts and retains employees (human capital investors), or a precursor of personnel controls that managers can use to ensure goal-congruent behavior?

Instead of building on a positivistic foundation where employees are seen as *either* capital owners *or* assets, we aim to broaden the research field by taking an interpretive epistemological stance where people’s perceptions and interpretations form the social reality (Saunders et al., 2019). By taking this approach, we argue that employees can be conceptualized as both capital owners and assets at the same time and that these interpretations can vary over time and between organizational actors.

This has implications for organizational training due to its perceived importance in both perspectives. How does an organization design and evaluate its training initiatives when there is ambiguity in whether the purpose is to compensate or to control? This leads us to our research question:

“How do organizational actors’ different perceptions affect the design and evaluation of a company’s training initiatives?”

This focus on perceptions requires a nuanced and deep understanding of the research subject, which is why we have chosen to conduct a qualitative and single case study based on semi-structured interviews. The subject of the study is the company ‘Telcom’ (pseudonym), a telecom company operating in Sweden, awarded for its work with for example organizational training activities – both on competence development and personal development. To allow for an analysis of our findings that resonates with our interpretative approach we use the theory on cognitive and paradoxical

frames (Hahn et al., 2014; Porac & Thomas, 2012; Smith & Tushman, 2005; Walsh, 1995) to understand how various training activities are interpreted at different levels of an organization, as well as to how training initiatives can be designed to keep their perceived successfulness.

We find that organizational actors possess different cognitive frames that guides them in interpreting and making sense of training initiatives – both “asset-frames” that focus on employees’ ability to perform, and “capital-frames” that focus on employee retention and employer branding. This variation in frames provides complexity when designing and following up on training initiatives in an organization. We also find that the existence of paradoxical frames within those responsible for the training facilitates a successful design and a purposeful evaluation of training activities when perceptions are conflicting. Our study further suggests that culture, leadership focus, and organizational size contribute to the enabling of paradoxical frames.

By taking an interpretative approach on the field of personnel controls and human capital, we contribute with deeper understanding of the phenomenon of training activities and how these can be designed with multiple purposes, both increasing personnel controls *and* talent retention. This epistemological stance also contributes to research by pointing to the complexity of training activities and the risk of using amount of training as a proxy measure in research, since the purposes of training activities might vary.

2. Theory

2.1 Domain theory and method theory framework

To clarify the contribution of our study and facilitate the understanding of the same, we will apply the domain theory-method theory framework, first introduced by Lukka, and later suggested for use in qualitative management accounting studies by Lukka and Vinnari (Lukka & Vinnari, 2014), to the theory disposition of this thesis. Hence, the following review of previous literature will firstly be addressing the domain theory of the thesis, in other words, the management accounting field which we target and aim to contribute to, namely the interrelated fields of human capital and personnel controls. Secondly, we involve a method theory, a theoretical lens, originating from organization studies by which we aim to gain new insights and shape our understanding of the domain theories in focus (Lukka & Vinnari, 2014). The method theory used in this thesis is the theory on

cognitive and paradoxical frames (Hahn et al., 2014; Porac & Thomas, 2012; Smith & Tushman, 2005; Walsh, 1995).

2.2 Domain Theory – Human capital and personnel controls

In this study, we are targeting two fields of management accounting which are usually separated: the field of human capital and the field of personnel controls. As we will show, they do however have a clear interrelation in using training activities (competence and personal development) as essential elements, which is why we consider both these domains as important. The following sections will therefore review literature from both fields as well as point to the joint components.

2.2.1 Human Capital and Accounting

The endeavor to measure and acknowledge the value of an organization's employees has a long history. Unlike other tangible and intangible assets that managers need to control, employees are not shown on the balance sheet under current accounting standards and researchers throughout history have studied “accounting for employees” using several different conceptualizations and terminologies such as “Human assets”, “Human resources” and “Human capital” (Flamholtz et al., 2020). Today human capital (HC) is the dominating term, and it is commonly measured using both financial and non-financial KPIs (Flamholtz et al., 2020). HC is also often considered to be one of three elements (the other two being “relational capital” and “organizational capital”) in the broader concept “Intellectual capital” (IC) (Inkinen, 2015).

Fitz-ens defines human capital (HC) as a “*combination of factors possessed by individuals and the collective workforce of a firm [that] encompasses knowledge, skills, and technical ability; personal traits such as intelligence, energy, attitude, reliability, and commitment; ability to learn, including aptitude, imagination, and creativity; desire to share information, participate in a team, and focus on the goals of the firm*” (Fitz-ens, 2000, as cited in Abeysekera, 2008), pointing to an important aspect of the phenomena: it's not the “flesh and blood” of the employees that constitutes HC, but rather the abilities and traits inherent within them (Flamholtz et al., 2020).

One aspect not commonly included in attributes of HC is workforce health and wellbeing (Roslender et al., 2012) but in recent years, researchers have called for a broader view on how to account for the people of an organization. Flamholtz et al., (2020) discuss the need to integrate more fundamental aspects such as the health and wellbeing of employees into its accounting and organizational practices. According to the authors, this can serve multiple purposes for the organization.

Firstly, the organization loses out on the valuable attributes of its HC (knowledge, creativity etc.) if these are absent due to sickness or poor health. Secondly, the authors argue that a “healthy-organization-philosophy” can make the organization more desirable to work for and make it attractive in the competition for talent (Flamholtz et al., 2020).

Further, some studies of HC look at external reporting of IC/HC. In a study of publicly listed companies in Sri Lanka, Abeysekera found that a main reason for public IC disclosure was to reduce tension between the firm and its stakeholders (Abeysekera, 2008). A similar result was found in a study of banks in New Zealand, where Perera and Rainsbury found that they used voluntary reporting of human capital not only to gain competitive advantage but also to manage their reputation and strengthen their relationship with their employees (Perera & Rainsbury, 2023).

The studies above provide relevant insights into definitions of HC and the role of HC in external reporting. In this thesis, however, we direct our focus in a different direction and look at the HC at an organizational level. There is a wide array of research pointing to the effects of HC on firm performance and in a literature analysis, Bessieux-Ollier et al. found that quantitative studies dominate the research on HC accounting (Bessieux-Ollier et al., 2022). In a study of the banking sector of Luxembourg and Belgium, Mention and Bontis found human capital (operationalized using questions on creativity, skill, and competence) to be a positive and statistically significant contributor to firm performance (Mention & Bontis, 2013). Nieves et.al found that human capital (also operationalized using questions on creativity, skill, and competence) positively influences product innovation and organizational innovation in the Spanish hotel industry (Nieves et al., 2014). In a single case study of an Indian IT-company, Bapna et al. found that human capital investments in the form of competence development (operationalized using data on participation in various training courses) led to higher employee performance (Bapna et al., 2013) and in a study on several Indian IT-companies, Trivedi and Srivastava found an effect of “Human Capital HR-practices” (operationalized using questions on for example learning and training as well as internal career opportunities) on innovativeness mediated by knowledge management practices (Trivedi & Srivastava, 2023).

Even though the studies above point to the relationship between human capital-enhancing activities – such as training – and firm performance, they lack an explanation of what causes the relationship

to exist. An adjacent research field that could provide insights into this is that of management control systems and in particular research on personnel controls.

2.2.2 Management Control Systems; Personnel Controls

As an organization grows, the need to deploy various tools in order to manage its operations increases (Hartmann et al., 2021). These tools are commonly referred to as “management control systems” (MCSs). According to Hartmann et al., management control practices aim at increasing the “*probability that lower-level managers will behave in ways consistent with the organization’s mission, goals and strategies*” (Hartmann et al., 2021, p. 4). Merchant and Van der Stede give a similar description and say that management controls “*includes all the devices and systems that managers use to ensure the behaviors and decisions of their employees are consistent with the organization’s objectives and strategy*” (Merchant & Van der Stede, 2017, p. 8).

These definitions open for a broader conceptualization of what constitutes a MCS than just the traditional cybernetic view that a MCS is when managers measure performance, compare it to a pre-defined standard and then take corrective action if needed. Instead, this definition makes it possible to include both proactive and reactive controls, as well as controls that do not directly focus on performance measurement (Merchant & Van der Stede, 2017).

Merchant and Van der Stede provide four broad categories of management controls that can be included in an organization’s MCS:

1. *Results controls* aim at measuring the outcome of various activities, comparing the outcome to a set performance target, and providing incentives/rewards when targets are met.
2. *Action controls* are the most direct form of management controls and implies taking steps to promote or prevent certain behaviors. This category includes everything from physical lock systems to specified instructions and budget/plans.
3. *Personnel controls* exists within the employees and builds upon their “*natural tendencies to control and motivate themselves*” meaning people having an inherent will and ability to do a good job. The implementation of personnel controls within a company is affected by, for example, recruiting appropriate employees and employee training.
4. *Cultural controls* refer to group norms and values that pressure actors to behave in a certain way. Cultural controls can take the form of “unwritten rules”, but they can also be codified in the form of vision statements, codes of conduct, group-based incentives, etc.

The personnel controls inherent within employees can generalized be divided into two broad categories. The first category is to what extent employees know what is expected and wanted from them and have sufficient *knowledge, capability, and time* to deliver that. The second category is to what extent employees feel *motivation and loyalty* to do these tasks (Merchant & Van der Stede, 2017).

In a 1997 survey study, Abernethy and Brownell found that personnel controls are more effective than both action controls and results controls in having a positive effect on performance when employees face a high variety of tasks and when well-established techniques for how tasks should be handled are missing (Abernethy & Brownell, 1997). The researchers emphasize the difficulty in direct measurement of the level of personnel controls. Unlike result and action controls, which can be observed, personnel controls are more subtle since they are located “within” the employees. They therefore argue that the level of personnel controls is most suitably measured with the use of proxies that represents an individual’s exposure to training and socialization processes, as these are argued as being activities that creates the occurrence of personnel controls. In the study, Abernethy and Brownell use the level of formal education and amount of professional training to operationalize the measurement of personnel controls.

Many studies cluster results and action controls together as “formal controls” and personnel and cultural controls as “informal controls” (e.g. Kleine & Weißenberger, 2014; Monteiro et al., 2022). In a questionnaire study of German medium and large sized organizations, Kleine and Weißenberger found that informal controls, in contrast with formal controls, helps in transmitting leadership behaviors into organizational commitment (Kleine & Weißenberger, 2014). In their study, the level of personnel controls was operationalized through questions about efforts in recruitment and employee selection and the occurrence and perceived importance of training and development for employees. Monteiro et al. used the same operationalization in a survey study of listed Brazilian companies, where they found that informal controls have a greater influence on employees’ individual creativity than formal controls (Monteiro et al., 2022).

The articles above provide a case for how activities such as training can be deployed by management as an element of the company’s MCS in order to create the presence of personnel controls which in turn makes the company get the most out of its human capital.

Even though this thesis focuses particularly on training as a precursor of personnel controls, we should point out that that is not the only aspect of personnel controls studied in research. There is also research focusing on the motivation and loyalty aspect of personnel controls. For example, in an experimental study by Autrey et al. it was found that the presence of personable individuals in a group, who were willing to relate to – and able to influence – other group members, positively influenced these group members' experience and desire to stay with or committed to the group. It is therefore argued that deployment of employees with these traits into a work group can facilitate the “loyalty dimension” of personnel controls (Autrey et al., 2019). In a study by Cohanier and Baker, they argue that an important part of the personnel and cultural controls throughout the French company Michelin's history has been to provide benefits such as housing, schools, hospitals, recreational facilities, health care, library etc. to its employees in return for loyalty, obedience, and identification with the company (Cohanier & Baker, 2023).

2.2.3 A critical perspective on the role of employees

In an article from 2006, Welpe and Rachbauer present an alternative view contrasting with the conceptualization of employees as something to be controlled by the company. They claim that human capital, especially the most talented, is only kept with great difficulty within the company and cannot be permanently bound by contracts. On top of that, human capital can only be substituted to a limited degree and all mobilization of it is subject to the employee's consent. According to the authors, the war for talent can therefore only be won if *“the workplace offers a total package consisting of responsibility, development opportunity, remuneration, environment and fun, which offers employees the largest returns on their human capital”* (Welpé & Rachbauer, 2006). With this view, the employee becomes an investor who, just as equity and debt holders, expects a certain return on their investment for them not to take the investment elsewhere. This return can take the form of financial compensation, but unlike the return to financial investors, it can also take the form of for example intrinsic fulfillment, acknowledgment, and growth and development opportunities (Davenport, 1999 as cited in Welpe & Rachbauer, 2006). Viewing employees as investors who require a return on their – for the company's survival critical – investment in order not to take their invested capital elsewhere is diametrically different from seeing them as assets owned/controlled by the company, leading to subsequent differences in organizational behaviors (Welpé & Rachbauer, 2006).

2.3 Method Theory – Cognitive and paradoxical frames

To get a deeper insight and broader understanding of our domain, we apply a method theory originating from organizational theory, namely the theory of cognitive and paradoxical frames, as a theoretical lens on our domains. In this section we draw upon the work by organizational theorists such as Walsh, Porac and Thomas, Smith and Tushman, and Hahn et al., when describing the concepts of cognitive and paradoxical frames (Hahn et al., 2014; Porac & Thomas, 2012; Smith & Tushman, 2005; Walsh, 1995). In section five of this thesis, these concepts are used in the analysis of our research question.

2.3.1 Cognitive frames

In cognitive research, there are two basic ideas on how individuals can approach information processing: a top-down/theory-driven approach or a bottom-up/data-driven approach (Walsh, 1995). The first approach suggests that cognitive structures/frames – based on previous experiences and knowledge – affect how people notice, make sense of, and respond to new information. The second approach suggests that the information itself is what affects how an individual responds to it.

Building upon the top-down/theory-driven approach, Walsh establishes the concept of “knowledge structures” which he defines as *“a mental template that individuals impose on an information environment to give it form and meaning”* (Walsh, 1995). Porac and Thomas make a similar description of the concept and talk about the phenomenon as filters that let certain bits of information through into an individual’s decision-making, while excluding others (Porac & Thomas, 2012). Fombrun compares a knowledge structure with a map and says that just like maps, knowledge structures are incomplete representations of the world that help us navigate it (Fombrun, 1994 as cited in Porac & Thomas, 2012).

Smith and Tushman focus on a managerial perspective and claim that the cognitive frames of managers *“drives organizational action by directing attention to particular issues, defining the leader’s understanding of the issues they face and assigning socioemotional information to particular issues”* (Smith & Tushman, 2005). Building on this it can also be understood that cognitive frames can affect how organizational activities are evaluated. In an experimental study from 2018, Oblak et.al. found that people’s cognitive frames influence how they value a financial payoff and their willingness to engage in risk and effort (Oblak et al., 2018).

As can be seen above, there is a varying terminology of the same phenomenon and this is also pointed out in previous research (Porac & Thomas, 2012; Walsh, 1995). Terms such as “mental model”, “cognitive map”, “schema”, and “frame” are some examples of terms used. In this thesis, we will use the term “cognitive frames” for these inherent cognitive representations of the world that affect how people make sense of and navigate it.

2.3.2 Paradoxical frames

Smith and Tushman further develop the concept of “paradoxical frames” which they define as *“mental templates in which managers recognize and accept the simultaneous existence of contradictory forces”* (Smith & Tushman, 2005). They argue that for instance, a manager will face several contradictory forces (such as for example those between individual demands and group demands) and that a person with paradoxical frames puts these seemingly opposing and contradicting forces together and embraces the tension, rather than avoids or denies it. Another way of putting it would be to embrace a “both/and” instead of an “either/or” logic (Smith & Tushman, 2005).

Hahn et al. gives an example of how the concept of paradoxical frames can be seen in practice. They have developed a framework for usage on corporate sustainability consisting of two cognitive frames: a “business case frame” and a “paradoxical frame” (Hahn et al., 2014). At the core of their framework is how different views of the relationships between, and the relative importance of, various sustainability dimensions (economic, environmental, social) affect how people motivate and make decisions on sustainability issues. Adhering to the “business case frame” is conceptualized as putting improvement of economic performance first and only taking environmental aspects into account when they can be aligned with financial performance. On the contrary, the “paradoxical frame” is conceptualized as addressing both economic, environmental, and social concerns at the same time, and embracing all these elements even though they might be contradictions between them (cf. ‘both/and’-logic described by Smith & Tushman above).

In the article by Hahn et al., the paradoxical frame was contrasted with the business case frame. The authors do however acknowledge that in other organizations such as a not-for-profit, other rationales (such as an ecological cause frame, or a social cause frame) can be the dominant one to which the other ones have to align in order to be taken into account (Hahn et al., 2014). At the core of the theory on paradoxical frames is therefore whether an actor has got a “mental map” allowing

for the acceptance and accommodation of several, sometimes contradicting, perspectives and interests, or if the map is built upon one dominant rationale of which the other perspectives and interests must align in order to be included. These conceptualizations can be seen as two theoretical “ideal types” at separate ends of a continuum, and in practice many cognitive frames will lie somewhere in between (Hahn et al., 2014), but the theory nevertheless can provide an understanding of the mental models underpinning managerial decisions.

3. Method

3.1 Research Design

3.1.2 Epistemological stance and research strategy

As mentioned in section 2.2.1, current research on personnel controls and human capital is dominated by quantitative studies (Bessieux-Ollier et al., 2022). Competence development and training is often used as a proxy measurement when researching human capital and personnel controls (e.g. Abernethy & Brownell, 1997; Kleine & Weißenberger, 2014; Monteiro et al., 2022) and when looking into previous research we find them drawing upon a positivistic epistemology (Saunders et al., 2019). This is not expressed explicitly but employees are discussed in ways resembling *either* “traditional” balance sheet assets *or* in ways resembling investors of financial capital on the balance sheet (Flamholtz et al., 2020; Welp & Rachbauer, 2006) and the argued purpose of training differs accordingly. We aim to broaden the research field by not seeing employees as an either/or, but instead taking an interpretive epistemological stance where people’s perceptions and interpretations form the social reality (Saunders et al., 2019). By taking this approach, we argue that employees can be conceptualized as both capital owners and assets at the same time, and that these interpretations can vary over time, between training activities and between organizational actors. By using the concepts of cognitive and paradoxical frames as a theoretical lens we aim to study how various organizational actors interpret training activities, and what implications this has for the organization. The lens puts an emphasis on how people’s cognitive frames affect the way they collect and make sense of information about the world around them (Walsh, 1995), something that in turn affects how they evaluate different outcomes (Oblak et al., 2018). This interpretive epistemological stance calls for a qualitative, in-depth study (Lukka & Modell, 2017; Saunders et al., 2019) and we have therefore chosen a qualitative single case study of one organization as our research strategy (Saunders et al., 2019).

3.1.2 Selecting an appropriate organization

The company studied – ‘Telecom’ (pseudonym) – a telecom company operating in Sweden with a turnover of almost 10 billion SEK and over one thousand employees, was selected due to being awarded for their e.g., employer branding, work environment, training, and work culture while at the same time being a profitable for-profit organization. We considered both these aspects as important for our study since they point to success in both performance and in being an attractive employer. Since management controls are tools needed mainly in large organizations (Hartmann et al., 2021), we also considered their size to be beneficial for our study.

An initial contact was taken via Microsoft Teams with Telecom’s “Head of Development and Training” (“Development and Training” is hereafter abbreviated “D&T”), with whom one of the authors of this thesis had had a brief contact in another context. She gave a brief description of different personnel-related activities Telecom regularly undertakes. These brief and tentative answers were enough for us to deem the company suitable for further investigation within the scope of this thesis.

3.2 Data Collection

3.2.1 Interviews

The main source of information in this study has been nine interviews conducted with nine different employees at varying levels and positions at Telecom during October and November of 2023. The interviews followed a semi-structured design. Semi-structured interviews are common in qualitative studies and the method allows for both a structured way to collect answers on the topics of interest as well as a flexibility that allows for further investigation and clarification of answers when needed (Saunders et al., 2019). The possibility to ask clarifying follow-up questions was considered especially essential due to the focus on interpretations in our research design (Saunders et al., 2019).

Most of the interviews were done in person at Telecom’s headquarters but two of the interviews were conducted through Microsoft Teams. One at the request of the interviewee and one because of scheduling reasons of the interviewers. The average interview lasted 51 minutes, ranging from 37 minutes to 1 hour and 8 minutes. (A full list of interviewees, interview lengths, and locations can be found in Fig 1 in Appendix). All interviews were conducted in Swedish as this was the native language of both interviewers and interviewees.

The sampling was made using a combination of purposive heterogeneous sampling, convenience sampling, and snowball sampling (Saunders et al., 2019). The initial interview was conducted with the Head of D&T who was also the point of contact for this research project at Telecom due to the already established connection mentioned in section 3.1.2. At the end of the interview she was provided with a list of roles/functions that the authors considered to be of interest for interviews (A list of these roles/functions can be found in Fig 2 in the Appendix), something that had been agreed upon in advance. The reasoning underpinning the design of the list was to get a wide array of perspectives and a mix of both managers and employees as well as people from HR, finance, and operations. The Head of D&T provided suggestions for employees matching the requested roles/functions with attached contact information, after which contact was taken and interviews scheduled. None of the employees contacted declined participation.

Before conducting any interviews, a day was spent at the headquarters of Telecom where the authors of this thesis participated in a training session, visited one of the operations departments, and engaged in informal talks with employees. Three employees from customer service whom the authors met during this day were later contacted regarding participation in a formal interview, two of which replied, both agreeing to be interviewed.

In preparation for the interviews, an initial interview guide was constructed. This interview guide was for our internal use and consisted of the main questions we were interested in getting answers to. Due to the use of academic jargon in this version, the initial guide was then “translated” into appropriate interview guides for the different interviewees using a more “everyday language” as suggested by for example Kvale and Brinkman (Kvale & Brinkmann, 2014). The interview guide was revised before each interview, both to include role-specific questions when needed and to include questions that had emerged during previous interviews.

Both authors of this thesis were present during all interviews except one. All interviews were recorded for the purpose of transcription with the consent of the interviewees. During the interviews one person had the main responsibility for conducting the interview whilst the other took back-up notes in case the recording would fail, as well as filled in with questions to ensure that all aspects of the interview guide was included.

3.2.2 Document analysis

The interviews were complemented by a brief document analysis. The main purpose of this was to add additional depth, breadth, and richness to the descriptions retrieved from the interviews (Saunders et al., 2019). The studied documents consisted of Telecom's onboarding material for new employees, and anonymous participant feedback that Telecom had collected on their training programs (See list of collected documents in Fig 3 in the Appendix). The documents did not add any perspectives not already captured in the interviews but only helped validate sayings about how training activities were evaluated.

3.3 Data Analysis

In this section, we describe the process of analysis of the data collected. This was done in two steps: firstly, we transcribed all recordings to get a good overview of the data. Secondly, we coded each transcription to enable an extraction of significant values and themes from each interview. The following parts describe these two steps in more detail.

3.3.1 Transcribing the interviews

All interviews were transcribed. An initial automated transcription was used using Microsoft Word's built-in transcription tool and this auto-transcription was then manually revised. Each interview was listened through from start to finish and corrections to the auto-transcription were made. The most common correction was re-arranging the text for increased readability since the auto-transcription often split up an answer into several different text blocks when the interviewee for example took a breath in the middle of a sentence. The second most common correction was adjusting/adding words that the auto-transcription had misheard or missed. The third most common correction was adjusting misunderstandings from the auto-transcription on who was talking (interviewer or interviewee).

3.3.2 Coding the transcriptions

To understand different perceptions and trace possible cognitive frames among the interviewees, we found an inductive approach to be most beneficial when coding the transcribed interviews. We did however keep our domain theories and their different approaches to employees (asset vs capital) and training in mind from the start, which could be described as combining the inductive approach with deductive elements, resulting in an abductive, or blended, approach. This made it possible to code the data in an attuned, but still open-minded way (Skjott Linneberg & Korsgaard, 2019).

To make the collected data readily accessible for further analysis, and to increase both the quality and the validity of the codes and our findings, we coded each transcription in two cycles (Skjott Linneberg & Korsgaard, 2019). Firstly, each interview was coded descriptively, to enable a categorization of all data collected (Saldaña, 2015 as cited by Skjott Linneberg & Korsgaard, 2019). This was done by each author separately. We then compared our separate codes to find potential distinct perceptions. By this, we allowed for a greater dimensionality and could bring a joint interpretation into a second round of coding (Skjott Linneberg & Korsgaard, 2019).

In the second coding cycle, we connected the method theory to the empirics, which simultaneously made us approach the details of the interviews (Skjott Linneberg & Korsgaard, 2019).

As mentioned previously, we had an abductive approach when analyzing the data. Hence, we held certain theories in mind also in the first cycle of the analysis, resulting in us leaving out parts of the data which we did not consider relevant to the scope of this study. We discuss this further in the limitations part of this paper.

To get a better overview and enable deeper insight into the coding process (Skjott Linneberg & Korsgaard, 2019), both authors used the software program *NVivo* for coding.

4. Empirical Findings

4.1 Background and context

In this section, we will present our empirical findings. The empirics consists of information brought forward in interviews with nine employees at Telecom: the HR Director, the Head of Development & Training, three different Development & Training partners, the Head of Controlling, a Team Manager from a tech department, and two front-line employees from sales/customer service. To ensure organizational and employee anonymity, minor changes to terminology that doesn't affect the content have been made. Further, some expressions from the interviews have been validated through the brief document analysis described in section 3.2.2. "Development and training" will be abbreviated as "D&T".

Due to massive amounts of transcribed data, we have been unable to include quotes from all employees on all matters discussed. Information not quoted is described in general terms so that all perspectives presented in the interviews are included in the empirics chapter. All quotes have been

translated from Swedish to English and all quotes have been revised by both authors of this thesis to ensure an adequate translation.

This chapter follows the following structure: The remainder of section 4.1 describes some useful background information that facilitates the reading of the chapter. Section 4.1.1 gives a brief overview of the company studied. This is followed by section 4.2, in which we present the training activities and programs existing (or previously existing) within the company, brought forward in the interviews. Section 4.3 presents empirics related to the planning, measurement, and evaluation of the training activities and program, and in section 4.4, empirics related to the organization, its structure, and its culture are presented.

4.1.1 Company Background

‘Telecom’ (pseudonym) is a telecom company operating in Sweden with its headquarters located in Stockholm. Telcom operates both B2B and B2C and has a turnover of almost 10 billion SEK. The company is a profitable for-profit organization and has simultaneously become, with over one thousand employees, awarded for e.g., their employer branding, training activities, and their work-culture. Mainly responsible for their training activities is a Development and Training (D&T) team belonging to the larger HR department which, apart from the D&T Team, consists of four other teams with different areas of responsibility.

4.2 The organization’s training activities and their purposes

Four larger training programs were brought up by interviewees from all levels of the organization:

- “Introductory Communication Program.” Mandatory for everyone working with sales and customer service.
- “Informal Leader Program.” Open for application to everyone in the organization; participants selected after application.
- “Program for nominees.” A talent program for employees working with sales and customer service. A few participants each year; selected after application.
- “Personal Development Program.” Open for application to everyone in the organization; participants selected after application.

The interviewees further described the existence of some mandatory digital courses, for example in GDPR and security, that all employees must undergo once a year, as well as some reoccurring

short educations, for example in time management or spreadsheet programs, that are not part of any longer program but instead conducted as stand-alone sessions available for sign up. A couple of examples of dismissed training initiatives were also mentioned.

In the following parts, we begin by describing the four major activities, before we move on to the other activities mentioned.

4.2.1 Introductory Communication Program

The Introductory Communication Program (ICP) was described by all interviewees as an extensive program. The program was initiated in 2022 and by the end of 2023, all employees within sales and customer service (~50% of the entire workforce of the company according to the Head of D&T) will have completed the program. From 2024 and onwards the program will be used for newly employed within sales and customer service. According to one of the D&T partners, the program was initiated as a response to feedback from sales personnel when the company restructured its product portfolio. Both the HR Director and interviewees from the D&T team describe how the D&T team, in dialogue with sales representatives, found that these new product offerings required new ways of selling. As one D&T partner put it:

“Sales went down. We had salespeople who thought [...] ‘we cannot sell anymore. If we don’t have the old business model, we can’t sell!’” (D&T Partner #1)

The program consists of four modules integrating sales techniques with theories on human behavior. The reason for choosing a program that goes beyond what was referred to as ‘traditional training in sales techniques’ was said – by several interviewees from the HR department – to create the ability to maintain a long relationship with customers. According to the Head of D&T, this resonated well with both the desired market position and with how the company wanted to define its internal culture.

The goal of the program was to increase three KPIs: sales, customer satisfaction, and efficiency. Several interviewees did, however, point to other desired outcomes as well.

“We think there will be so many positive side effects that will drive these main KPIs, but more indirectly. We think that the time for onboarding will decrease. [...], we also think that people will stay employed at the company longer. We think it will increase commitment. We hope that it will increase possibilities for internal careers since all

managers know the skillsets of employees are based on the same methodology” (HR Director)

The front-line employees interviewed had participated in the program themselves and described both increased abilities to do a good job and increased time of employment as assumed goals of the program.

When asked about measurement and follow-up, the interviewees from the HR department addressed the difficulty in establishing causal linkages between the program and the KPIs, since other factors than training can affect, for example, sales. One follow-up method described was the studying of behaviors, where managers would e.g., listen in on calls, etc. to see if the insights from the program were being used. KPIs on commitment were also studied using an employee survey. Evaluation questionnaires on the program itself were also used.

4.2.2 Informal Leader Program

The D&T team described the Informal Leader Program as a program for employees who were not managers but needed to lead in their daily work, for instance, project leaders. One of the D&T partners said that the program was developed to “give some love” to employees who fell in between the two groups of employees who normally receive a lot of the focus in Telecom’s training programs, namely the front-line employees in sales and customer service on one hand, and managers and formal leaders on the other. The Head of D&T said that the D&T team has had to point out several times that the program was not a training program for potential and future formal managers, but a training program for those who were not formal managers but needed to lead in other ways in their everyday job.

The HR Director described the program in the following way:

It is about getting people to become even better project leaders and better at leading work and that is something we’ve heard from operations that there is a need for. So, we’ve put together a program for that and offered it to the organization. And we notice both that we get many sign-ups, that many managers ask about it, and that many managers promote it actively within their organizations. People really share the view that these are positive behaviors and skills we are presenting.” (HR Director)

When asked about follow-up and KPIs she pointed to the difficulties connected to the wide array of participants, stating the following:

“How do we measure the efficiency of a product owner at IT, a project leader at marketing, and a team lead at HR? What is the common factor which we can quantify in a clear way?” (HR Director)

Instead, the program is evaluated mainly by surveying participants on what they thought of it.

The program is open for application to all employees but not everyone that applies gets admitted. One of the D&T Partners said that since not everyone interested can be offered a spot, admission is largely based on how applicants perform at their jobs and to what extent they have a desire to develop. In a similar line of reasoning, the HR Director argued that the program was a sort of employee retention activity. When asked about that, one of the D&T Partners said the following:

“It’s not an explicit purpose when we ‘sell it’ and say to the organization that ‘now we’re kicking off a new round of the Informal Leader Program’. But it becomes an explicit purpose when for example... I know our recruitment division takes part in various employer branding contests and then the fact that we have good training programs and that those are part of our package of employee benefits is always mentioned. I know it’s in basically every recruitment ad that we have good internal training and believe in people. So, there’s absolutely a strong connection between this and getting people to stay and us being an attractive place to work.” (D&T Partner #3)

The program has been put on hold since personnel resources have been needed for the ICP. A reason for this described by interviewees at the HR department was partly that the ICP was crucial due to its close connection to sales and partly that the Informal Leader Program lacked enough suitable applicants. Since one of the desired effects of the ICP was to increase employee retention among sales and customer service personnel, it was believed that the ICP also would benefit the Informal Leader Program by generating a wider group of applicants for future rounds of the program.

4.2.3 Program for Nominees

The Program for Nominees is a program open for application to all employees working with sales or customer service at Telecom for at least eight months. Approximately twenty applicants get

enrolled and the program spans over 6-12 months. Both participants and HR pointed to performance and internal drive as key factors in deciding who gets a spot. As one of the participants put it:

“It’s to give people something to strive for. [...] ‘If you hit your targets and fulfill these parameters, you get to do this nice program.’ And that is, maybe not a luxury but it’s something else that happens in everyday work life and the employees feel appreciated. So I think it builds loyalty as well” (Service Administrator)

During the program, the participants meet monthly for two full days at a time and the content of the program spans from marketing and customer acquisition to presentation techniques, product development, and financial calculations on sales campaigns. The program ends with a group assignment on a real business case from the company where participants are handed a case that they are to come up with a solution to. The solution, including an implementation plan, is then presented to managers and other internal stakeholders. One of the D&T partners described the purpose of the program in the following way:

“That program isn’t designed to make them better at selling but rather for them to want to develop, maybe in other roles within the company. To stay longer here at Telecom.”
(D&T Partner #1)

This view on the purpose was also put forward by a participant in the following way:

“Since it [the program] is directed towards customer service and sales I think it has to do with retaining people. These are roles that many people unfortunately leave after 1,5 or 2 years. [...] You apply early on and then you’re booked for like the entire next year. So I think it’s also a way to make people want to stay” (Key Account Manager)

The Head of D&T pointed to the risk that participants from the program expect certain career opportunities as a result of this. Opportunities that the company couldn’t necessarily provide, which in turn could lead to disappointment. She said this had been an issue with previous talent programs and that it therefore is important to collaborate with managers to ensure that talented employees stay within the company. Arguments were however provided as to why the program was kept, as people might have come to work for Telecom due to the program. She also said that more emphasis could be put on, for example, reskilling to fill existing competence gaps within the organization.

The interviewees who had participated in the program described that they evaluated each module of the program through a digital follow-up tool. The documentation of these evaluations shows that mainly perceptions regarding satisfaction and key takeaways were collected through that tool. According to the participants, there was no direct follow-up on the individual performance subsequent to the program. Only the final presentation of the business case was mentioned as one sort of follow-up:

“That becomes the follow-up; ‘What have you achieved during this period?’” (Service Administrator)

4.2.4 Personal Development Program

The personal development program was described by the head of D&T as a digital training program for continuous self-learning and personal development, initiated during the Covid-19 pandemic with the purpose of improving the general work performance of the participants. Through videos, webinars, and exercises, the participants were led through five different themes with a starting point in self-leadership. The HR Director expressed the purpose of the program in the following way:

“A strong self-leadership, to know yourself and set goals for yourself, are all business drivers. People who take responsibility, who do things, who act [...] That is a success factor, so we were convinced that if more act that way, it will be better for the company.” (HR Director)

The program is open to all employees at Telecom, but participants are selected through an application process. The Head of D&T described that process as something that makes the program feel exclusive and as a special benefit for the selected participants:

“You feel chosen, you have agreed with your manager to dedicate time for this, you are noticed and you will receive this development.” (Head of D&T)

The HR Director also said that Telecom wants to continue with this program to let more employees get the privilege to participate.

Another purpose of this training was mentioned by one of the D&T partners:

“We want to connect it to results all the time. Personal development and the program for personal development is great, but it is great because it will lead to better results,

not only because it is nice to develop as a human, which I also think is great, but in this business context the connection to results needs to be very clear.” (D&T Partner #3)

None of the interviewees mentioned any direct follow-up on individual performance connected to the program. The head of the D&T team did however describe that the participants’ managers could be included in the digital portal for the program to see the participants’ accomplishments during the course. Further, one of the D&T partners said that the participants filled out surveys to evaluate the program in terms of key takeaways and potential improvements for the program. The documentation of the evaluations validated this and also showed an overall high degree of satisfaction with the program.

4.2.5 Other training activities

The interviewees mentioned a couple of other training initiatives within Telecom of which a few were mandatory, and others were optional. Examples of mandatory training were yearly courses in GDPR as well as security and anti-bribery training. One interviewee expressed the purpose of this training to be the firm’s way of ensuring the employees had sufficient knowledge in certain areas:

“They are using them to ensure that employees know what they are allowed to do when it comes to GDPR or what goes as bribery. We have some mandatory courses we need to take each year. [...] If you don’t pass the courses, what happens is that you need to re-take them. Or you need to answer the questions again. Everyone will pass them. But then the firm at least has confirmation that the employee has responded correctly.”
(Service Administrator)

Another example of mandatory training was a leadership course that newly employed managers needed to take which included values and how to behave in the firm, as well as how to lead in the firm. The Head of controlling described this training as a clear direction to follow and as something to lean against.

“When you come here, you sense that there is a structure of how we should behave and how we should act here. There is a plan. That makes you more willing to follow that direction. [...] It is like a starting kit to lean against.” (Head of Controlling)

The interviewees also mentioned non-mandatory training for managers such as courses in how to conduct salary discussions and semiannual full-day forums with leadership focus. Other non-mandatory training mentioned, not only offered to managers, was for example a course in how to lead a workshop, one in a spreadsheet program, and one in time management.

Participation in the non-mandatory training was based on the employees' own interests and support from their managers. The time ranged from shorter lunch sessions to full workdays.

A few training initiatives which had been dismissed were also mentioned during the interviews. One example was a previously used course in human behavior and communication. According to one of the D&T partners, they ended this course because the effect on the participants' behaviors didn't meet the desired outcome. Another example of a dismissed training initiative was a previously accessible online resource with courses in a range of areas in which you got a broadly acknowledged certification after completion. The HR Director explained that the difference in costs for a training initiative is one reason for conducting training in-house rather than buying external courses:

“If we look at what an external full-day course would cost us compared to what it would cost if we conducted it ourselves. An external full-day course would cost let's say 30' per participant. If we do it in-house, the cost is 4' per participant. [...] These are super approximate numbers and only costs, but in my experience, it is super easy to argue for.” (HR Director)

One of the interviewees thought the removal of these courses was unfortunate:

“Unfortunately, they removed them. I don't know why. Probably they didn't contribute with what they expected them to do. [...] I think it is unfortunate. Those courses are associated with another degree of credibility. They are something people know about and can relate to. Compared to an internal course here at Telecom. The fact that I have completed a course in a spreadsheet program here doesn't say anything. Whereas, for an external course, an employer knows what it consists of.” (Service Administrator)

4.3 Measurement and Planning of the activities

To get a deeper understanding of how the training initiatives conducted within Telecom are followed up and assessed, the following section gives a wider description of the measurement and planning of these initiatives.

As previously described in connection with the activities, several of the interviewees underscore the difficulty in establishing causal links between firm KPIs – such as sales levels – and a training activity. When asked about how to know if a certain training program has had the desired effects for the individual and the company, one of the D&T Partners called it “the million-dollar question” because of the issue with causality.

Telecom collects different data on various levels to evaluate their training activities. For programs such as the ICP, with a direct connection to sales, KPIs on e.g. sales and customer satisfaction are measured in close connection to the rollout of the program. The numbers are followed monthly, to get an indication of the effect of the program. However, the head of the D&T team described the difficulty of isolating the effects of the training activities on the KPIs:

“That correlation is difficult to make. I can’t say like this: ‘Oh wow, look how good our NPS score is, it is because of the ICP’. Because, it can be, but it can also be because we have expanded the tele-network or had a super successful launch.” (Head of D&T)

The same issue was brought up regarding trying to evaluate the direct perceptions and experiences of the training activities by sending out feedback surveys to the participants during and after the training activities. As one of the D&T partners put it:

“We have conducted two bigger evaluations [...] to see whether the employees experience increased motivation and if this is useful. On the one hand, we see that they become more motivated. However, we cannot say that it only is because of this course because a lot can happen during the 2-3 months when they undergo this.” (D&T partner #1)

A third type of evaluation is the regularly sent out company-wide questionnaires on employee satisfaction, commitment, etc. These evaluations are not directly connected to any specific training but are used as a proxy of what training is needed, as well as to investigate if training courses with many participants potentially affect these metrics. However, several of the interviewees brought

up that these evaluations are rather being used for analyzing higher-level trends of employee opinions than specific programs. In turn, the HR Director further pointed to the difficulty in saying what these metrics leads to businesswise, for instance, when it comes to productivity:

“It’s hard to correlate, like if we get a 0,2 increase in commitment, what does that give us in productivity? I think it’s our conviction that committed and satisfied employees will do a better job than non-committed employees.” (HR Director)

She also made the following statement:

“There are a lot of guesstimates and assumptions when it comes to HR data and people-oriented initiatives. [...] ‘one might assume that a person has become 30% more effective’. Okay let’s assume 30% is correct, but then how do we calculate a human’s value in contribution to operations? Should we say that a person working at Legal costs 70 thousand but contributes with 200 thousand? It becomes so difficult, and you get stuck in these fantasy models that make you feel ‘what does this help us with? It’s just nonsense.’” (HR Director)

The lack of causal links also affects the planning and selection of training activities. As put forward by the Head of controlling:

“I wish I could say that it was a super clear business case, like ‘if we invest this and this in ICP then we will get this much in sales or customer care’ but it doesn’t quite work like that. It’s more... there are two parts. We want to educate our employees so that we have relevant knowledge at the company, and at the same time it’s a great employer branding thing, ‘we invest in our employees and want to develop’.” (Head of Controlling)

The view that data and measurement are good but have their flaws occurred in all interviews with managers as well as with employees from the HR department. The Head of D&T, along with colleagues from the D&T team, argued that basing decisions on research and scientific knowledge was important to ensure money was spent wisely. This view was confirmed by one of the front-line employees interviewed. When asked about why he thought a now discontinued training program was no longer used he said it probably was due to a lack of enough scientific foundation.

Several of the interviewees also gave examples of alternative forms of evaluations used to understand the direct effect of the training activities:

“We listen to recorded calls and score them to see: “Do they include these behaviors?” [...] If I have employees that don’t reach their targets, but I can see that they have all the behaviors in the conversations, well, then something isn’t right because our behaviors should lead to us reaching our goals.” (D&T partner #1)

“My boss [...] he has asked me like ‘what did you think of the latest module? What are your takeaways?’ So he has followed up on that. Like checked the status” (Key Account Manager)

One thing commonly described as an enabling factor for alternative follow-up methods, specifically the dialogue with managers, was the leadership focus and the organizational structure of the company. Together with the overall culture, these themes were brought up in different settings in *all* interviews – not only in relation to measurement – which is why the following section describes empirics related to these themes.

4.4 Organizational culture and structure

As mentioned above, a common theme in *all* interviews was that of organizational structure, culture, and leadership. Several of the interviewees discuss various attributes of the firm connected to this; attributes that also influence organizational training. This is described below.

Both interviewees from the HR department as well as managers describe a close collaboration between HR and operations. Some training programs are described as being constructed as a direct result of needs expressed by for example managers at the sales department. The Head of D&T expressed the following:

“Higher level managers might look at things in one way and first line managers in another. [...] We spend time understanding the needs for real and take a bigger responsibility than just being recipients of orders. Therefore, we also have the mandate to then say ‘We think that...’ or ‘We see this’. So I think we’ve come a long way in that partnership.” (Head of D&T)

The interviewees also mentioned the size of the organization as something that enables several organizational aspects, e.g., the close relationship between HR and operations mentioned above. Some of them primarily described the company as a “large enough organization” whereas others primarily described it as a “small enough organization”, depending on their previous experiences and employers. The HR Director expresses a summarizing position:

“I think we have a very nice company size to have prerequisites for having a positive view of humans and a strong culture. Because we are big enough to have a strong HR department and a team for development and training for example [...] But we are small enough to have an overview and to all be co-located in one place. I think that’s much harder at a bigger company [...] harder to keep together and keep direction and there is a higher risk of sub-cultures and so on. We have this magical size where we can know a lot of people and be entrepreneurial and agile, but we’re big enough to do things in a good way. I think that’s a difference between Telecom and many other companies.” (HR Director)

No matter the vocabulary used to describe the size of the company, interviewees from both HR, managers, and front-line employees all describe the company as a rather flat organization with a low degree of hierarchy and a high degree of both horizontal and vertical communication.

One theme appearing in all interviews, without exceptions, is what is referred to as the “culture” of the company:

“It’s a very helpful culture. Everyone makes time and helps each other [...] There is no ‘us and them mentality’” (Head of Controlling)

“There’s a totally different culture at Telecom, which is perceived much softer than at competitors. There it is sort of ‘prove your right to be here’. Here it is more ‘welcome, how can we help you forward’ or ‘how can we work together’. So that’s nice” (Service Administrator)

“It sounds like such a buzzword but the company culture [...] You behave nicely towards each other, it’s second nature to people here [...]. And I think that’s the most important thing, this nice behavior towards one another and how it’s very open and encouraging of open discussion” (Team Manager)

Several examples of elements from training programs targeting the company culture were mentioned in the interviews. The ICP always starts off with a module including personal values and both the Informal Leader Program and the Program for Nominees include self-leadership and self-reflection.

The culture has been concentrated into some “value words” that are regularly used in internal communication. The value words are also “translated” into concrete behaviors for usage in discussions and planning between employees and their managers:

“The culture really is... it is so important for us. It’s relevant for if you’re able to make a career here [...] you can’t do that unless you live our culture. And we felt that to make it clear, we must describe, we can’t just say “You need to be brave” but we need to explain how you are brave. So that was a project in itself, to describe observable behaviors.” (D&T Partner #2)

The interviewees described managers having follow-up dialogues on a weekly or monthly basis with their employees. There were several examples – both from a manager perspective and an employee perspective – of cases where managers, based on follow-ups on various aspects such as performance or culture fit, recommended employees to sign up or apply for different training activities during these meetings. One D&T Partner also described how the link between the training needed and the performance evaluation helps in motivating the employees.

There were also several descriptions of extensive support for managers within Telecom. One manager described how she had seen senior and experienced applicants in recruitment processes who described the extensive leadership training as an important motivational factor to why they applied for the job. She also said:

“Telecom invests in leaders. If you get a leadership role, no matter the level, you get to learn how to be a good leader [...] I know that some people in the IT department at Telecom’s only role is to be managers. To take care of competence development and soft values, having weekly dialogues with employees, and similar things. [...] What really stands out to me is how much Telecom invests in leaders and leadership training. That’s next level.” (Team Manager)

5. Empirical Analysis

5.1 Training activities – differing frames and measuring difficulties

In this section, we analyze what we have found in the empirics using our method theory of cognitive and paradoxical frames.

5.1.1 Different frames are present at Telecom

Several cognitive frames (see section 2.3) affecting how people make sense of and navigate the training activities and programs at Telecom can be observed.

Previous research uses training as proxies when estimating the levels of personnel controls (Abernethy & Brownell, 1997; Kleine & Weißenberger, 2014; Monteiro et al., 2022) and we find multiple examples of when training programs and activities are described in terms of how they create ability and motivation for employees to behave in ways consistent with the organization’s mission, goals, and strategies and therefore could be seen as a form of management control (Hartmann et al., 2021). For example, the Introductory Communications Program was designed to counteract diminishing sales, and the yearly mandatory GDPR and security courses are described as tools to ensure that employees know what they are allowed to do. It was also pointed out that being offered training activities that match an employee’s competence gap helps in creating motivation for said employee. The ability and motivation of an employee are two key elements to the total level of personnel controls existing within that employee (Merchant & Van der Stede, 2017). Management control systems, including personnel controls, are about managerial control (Merchant & Van der Stede, 2017). A view of human capital as something that is, if not owned by the company, then at least subject to managerial control makes it similar to other tangible and intangible goods of the company, commonly referred to as “assets” (Welpé & Rachbauer, 2006). Putting company performance and employees’ abilities and motivation at the center when defining the purpose of an activity can therefore be conceptualized as deploying an “asset-frame”.

However, there are several instances where training programs rather are described in terms of employee retention and employer branding. The Program for Nominees is mainly described as having the purpose of retaining, and to some extent attracting, talented employees. Even though the Informal Leader Program, and to some extent the Introductory Communication Program, are primarily described in terms of their importance in building skills that can drive business value, their importance in employer branding and employee retention is also underscored in several instances.

Training for managers is described as an important element in providing managerial abilities, but also as something that attracts experienced applicants in recruitment processes. This points to how development opportunities can be seen as a form of compensation (alongside e.g. financial compensation i.e. salary and bonuses) that people use to determine whether they choose to invest their human capital in the company or if they will take it and invest somewhere else (Welppe & Rachbauer, 2006). *Putting* employer branding, recruitment, and employee retention at the center when defining the purpose of an activity can therefore be conceptualized as deploying a “capital-frame”.

The two frames can be seen across several interviewees and there is no clear distinction between, for example, managers and first-line employees. Instead, different people can draw upon different frames when talking about the same training program. It’s also not the case that one person interprets all the training programs using the same frame, but what frame is deployed may differ between the different training programs. Sometimes an interviewee used elements from both frames when describing an activity. These cases were observed, not least, in interviewees from HR.

There is research indicating that what cognitive frames a person deploys affects what reference points he or she uses when evaluating outcomes (Oblak et al., 2018), something that has an impact on the evaluation of organizational activities. As shown above, a person’s cognitive frame affects how he or she defines the purpose of e.g., a training program. Differing interpretations of the purpose might therefore lead to differing conclusions regarding the success of said activity. Due to this, the presence of a wide array of cognitive frames in an organization constitutes a challenge in designing training activities and programs, and how to evaluate whether they are successful or not.

The difficulty in establishing causal linkages between training activities and desired outcomes, no matter the perceived purpose of the activity, is mentioned in several interviews. For instance, neither sales levels (deploying an asset-frame), nor increased engagement (deploying a capital-frame) can be causally linked to a specific training initiative. This contributes to an even harder challenge in assessing whether training activities are successful or not.

Evaluation methods such as close follow-ups with your manager or behavior scoring, are however mentioned as alternative ways of ensuring purposeful activities. These methods, combined with referencing to aggregated research assist decisions regarding training initiatives.

5.2 How Telecom manage to undertake employee training that is perceived successful

Above we have described the presence of both an asset-frame and a capital-frame within Telecom, and how this can affect the evaluation and perceived success of various training initiatives. As if these differing views on what to achieve – with the following difference in how to evaluate whether the goals have been achieved – weren't enough, we have also pointed to the perceived difficulties in establishing causal links and connecting and measuring outcomes to specific activities.

Despite this, Telecom manages to arrange training activities and programs that are perceived as successful, both by managers, front-line employees, and people from HR. We don't think that is a coincidence but have found two occurrent scenarios that potentially can explain the continuous success of Telecom's work with training. We have chosen to call these "Frame alignment" and "Dual frame matching".

5.2.1 Frame alignment

Some of the training initiatives are being described using the same frame by all interviewees. For example, everyone agrees that the annual training course in GDPR is about getting employees to know what they can and cannot do. No one argues that this training activity constitutes a form of development opportunity that employees value similarly to financial compensation when deciding where to invest their human capital (Davenport, 1999, as cited in Welpe & Rachbauer, 2006). Since everyone interprets this training activity using an asset-frame, the level of personnel controls resulting from the training becomes a suitable way to evaluate its success. The aspect of personnel controls subject to the training activity is the employees' ability (Merchant & Van der Stede, 2017) and we find that this activity is evaluated using tests to see if participants have acquired the necessary abilities.

The Program for Nominees on the other hand is mainly described using a capital-frame. Both participants and people from HR describe the purpose as being to increase retention of talented employees within sales and customer service, roles with a high turnover. It is also described that some employees might even have come to work at Telecom for this program specifically. When the Head of D&T describes a potential inclusion of reskilling in the program, it's not from the perspective of efficiency and control, but rather to make sure the program actually leads to retention of employees. To follow up on retention seems to be an agreed-upon method for evaluation of the program. The program is also evaluated using surveys on participant's opinions.

These are two examples of when the frames are aligned. In other words, there is a frame alignment regarding the training activities. This results in a non-conflicting perceived purpose of the training (everyone agrees), making it easier to address the ‘right things’ in evaluations. Nonetheless, the problem with causality in evaluations remains, making it important to consider the alternative options of evaluation methods mentioned previously in this paper. With frame alignment *and* alternative evaluation methods, one seems to be able to get closer to a more appropriate assessment of the activity’s success (or non-success).

5.2.2 Multiple frame matching

Even though some of the training initiatives are collectively interpreted using *either* the asset-frame *or* the capital-frame, this is not the case for most programs.

The Introductory Communication Program is described as stemming from the need to increase sales, and the main KPIs are all related to this. This points to the activity being interpreted using an asset-frame, with the intention being increasing personnel controls by providing employees with the abilities to act in a goal-congruent way (Merchant & Van der Stede, 2017). At the same time, several interviewees point to how this program can be a valuable element in Telecom’s employer branding, and how broad and extensive training for employees within sales and customer service can make it attractive for potential employees to come to Telecom rather than its competitors, and to stay longer when there. In other words, they are deploying a capital-frame.

The same goes for the Informal Leader Program that is described as both a program providing crucial abilities to key employees (for them to be able to do a better job), as well as a form of “reward” to talented employees. Since the provision of abilities deemed necessary by management is a way to increase an employee’s inherent personnel controls, this indicates an interpretation of the program using the asset-frame. On the other hand, interpreting the program as a form of reward to talented employees indicates a deployment of the capital-frame.

There is a similar scenario regarding the Personal Development Program. In some instances, this is described as a program that helps create business value through, for example, increased abilities in self-leadership which aligns with the asset-frame. In other cases, the program is rather described as something that makes employees feel chosen due to the allowance to dedicate work time to

personal development. This view of the program, where the development is seen as a form of compensation to employees (Davenport, 1999 as cited in Welpé & Rachbauer, 2006), aligns with the capital-frame.

Further, Telecom's package of training initiatives for managers is described as a way to equip managers with important abilities, and also as something that plays a role in employer branding when trying to attract experienced people to senior roles.

Whereas aligned frames lead to similar views on training initiatives and their intended outcomes, the descriptions of the training initiatives above paint a far more complex image. When analyzing the programs described in this sub-section (5.2.2) we see that for all of them, some organizational actors interpret the program using an asset-frame, whilst others look at them primarily using a capital-frame. Despite this, the dominating opinion – regardless of what frame is used by the interviewees – is that these training programs are successful. The perceived overall success of these programs therefore seems to lie in its ability to match the content of more than one frame. When both the people using an asset-frame and those using a capital-frame look at a training activity and think it is good at creating ability (personnel controls) and employee retention respectively, the training is widely considered successful. We call this phenomenon – when the content of a training activity is fulfilling expectations derived from both an asset-frame and a capital-frame – “*multiple frame matching*”.

Multiple frame matching does, like frame alignment, result in compatible perceptions of the purposes of the training activity. Also here, a combination of multiple frame matching with alternative evaluation methods brings one closer to a more appropriate evaluation of the training.

5.3 How is frame alignment and multiple frame matching achieved?

5.3.1 How Frame Alignment is achieved

When analyzing the empirical findings, we find some indications of what factors might affect to what degree frame alignment can be achieved. One trait of Telecom described by all interviewees is the culture of the company. This culture is described as apparent at all levels, being actively enforced by the company, and as something promoting both trust and common values. Another factor brought up in the interviews is the rather small and non-hierarchical organization which makes it possible for HR to sense and grasp different needs. The D&T team works actively with being close to operation and not least using the line of managers as partners in the development

and “selling” of training initiatives. The combination of culture, firm size, and close collaboration facilitates the D&T team’s communication with the organization and for them to be met with trust. We deem all these factors as important in creating frame alignment, even though further research is needed to get a deeper understanding of the phenomena. For instance, this study cannot state whether frame alignment is being actively pursued, or if it is something that is present in some cases thanks to common values, etc., and hence facilitates training purposes.

5.3.2 How Multiple Frame Matching is achieved

An insight from the interviews is that whenever a quote or statement was found regarding the purpose of a training initiative from people within operations – both for purposes derived from an asset-frame and from a capital-frame – the content of this quote or statement was also apparent in the interviews with employees from HR. The employees at HR appeared very conscious of the different views existing in the organization and that training activities could be perceived as programs aimed at building ability by some and as programs aimed at increasing employee retention by others. This acknowledgment of differing and sometimes contradicting perspectives indicates a high occurrence of paradoxical frames (Smith & Tushman, 2005) within the employees at HR. These paradoxical frames enable the D&T team to design training initiatives that serve multiple purposes and therefore match multiple frames.

Though further research would be beneficial, our study indicates that for multiple frame matching to last over time, learning initiatives must be evaluated holistically and from different perspectives, instead of solely on the levels of *either* personnel controls *or* employee compensation. At Telecom, this is done through the usage of a mix of financial and non-financial KPIs, as well as through more non-conventional follow-ups such as behavioral observations and a very close and ongoing manager-employee dialogue for many of the training initiatives.

Even though this study hasn’t focused specifically on why there seems to be a high degree of paradoxical frames at the HR department of Telecom, we present some plausible enablers that have been identified during our research. Firstly, the size and hierarchy of Telecom in combination with the close relationship between HR and, not least, managers within operations, provides the HR department with large amounts of unfiltered inputs on organizational needs and experiences. The constant flow of input and feedback derived from both people deploying asset-frames and from

people deploying capital-frames enables the employees at HR to develop paradoxical frames. Secondly, the culture at Telecom encourages both organizational behaviors drawing upon an asset-frame and those drawing upon a capital-frame. Several interviewees have mentioned the culture being associated with high-performance targets and a need to be cost-efficient, but they have also emphasized Telecom's view on humans and the opinion that work should be fun, rewarding, and developing on a personal level as well. These statements come from interviewees all around the company: customer service, finance, tech, and HR, and the culture could therefore serve as an explanation to why HR's work with training initiatives is conducted in the way it is.

6. Discussion

6.1. An interpretative perspective on the research field

We contribute to research on personnel controls by adding an interpretative perspective of personnel control in organizations. Within this field of research, it's common to use training as a proxy to measure the level of personnel controls existent within an organization (Abernethy & Brownell, 1997; Kleine & Weißenberger, 2014; Monteiro et al., 2022). In this study, we have found that whilst the purpose of training initiatives *can* be to increase the ability and thereby to increase the levels of personnel controls (Merchant & Van der Stede, 2017), this is not always the case. Some training initiatives are described, both by those designing them and those participating in them, as serving the purpose of attracting and retaining talented employees. We therefore argue that simply using the amount of training as a proxy to measure levels of personnel controls misses the complexity of the subject.

Seeing training as a form of compensation aligns well with arguments that employees should not be conceptualized as assets that are to be controlled by the company, but rather as investors who require a certain return/compensation on the human capital they invest (Welpé & Rachbauer, 2006). Even though this view presents an alternative perspective compared to that of much of research on personnel controls and human capital, its reasoning is still based on a positivistic research tradition (Saunders et al., 2019) where employees are described as *either* assets *or* investors of capital.

By using an interpretive approach and applying the theory of cognitive frames (Porac & Thomas, 2012; Smith & Tushman, 2005; Walsh, 1995) we show that both an asset-frame and a capital-frame can be deployed within an organization at the same time, and what frame being deployed can vary

both between training activities and between employees. There are many studies pointing to the positive relationship between company training initiatives and firm performance (Abernethy & Brownell, 1997; Bapna et al., 2013; Kleine & Weißenberger, 2014; Monteiro et al., 2022; Trivedi & Srivastava, 2023) and our study provides an understanding for how this relationship comes about. While existing research on personnel controls aligns well with the asset-frame, our study points to the need for more research where the capital-frame is also taken into consideration.

6.2 Implications for training design and measurement

Our study also contributes to practitioners working with matters related to the design and evaluation of an organization's training initiatives. We argue that within an organization, multiple cognitive frames (Porac & Thomas, 2012; Smith & Tushman, 2005; Walsh, 1995) will co-exist at the same time. Since what cognitive frames people deploy affects how they evaluate outcomes (Oblak et al., 2018), this difference in frames deployed can lead to different perceptions regarding the success of training initiatives within the company. Our findings suggest that when an asset-frame is deployed, people will consider a training initiative successful if it leads to increased ability to perform. With this view, training can be seen as a way to increase levels of personnel controls, a part of the management control system used by managers to achieve organizational goals (Hartmann et al., 2021; Merchant & Van der Stede, 2017). When a capital-frame is deployed, people will consider a training initiative successful if it increases the desire of employees to stay at the company, increases the employee retention rate, or strengthens the work with employer branding. With this view, training becomes a form of compensation that the company provides to the employees alongside e.g., financial compensation to be victorious in the “war for talent” (Welpé & Rachbauer, 2006).

With these two frames existing in the company, the evaluation of training initiatives becomes more complex. If a training initiative is discontinued because it is considered not successful enough in increasing personnel control levels, while at the same time being perceived by some as a form of compensation, then the discontinuation might lead to negative overall effects for the company.

In this thesis, we have found that in some instances frames are aligned and training initiatives are solely interpreted using an asset-frame or a capital-frame. In these cases, there is a general agreement on whether the activity should be evaluated on its efficiency in increasing the level of personnel controls or on its ability to attract and/or retain talents to the company. However, in many cases, the same training initiative is interpreted using different frames. In these cases, we find that

training initiatives are considered successful when they match the content of both the asset-frame and the capital-frame. We find that the occurrence of paradoxical frames (Smith & Tushman, 2005) within those responsible for designing training initiatives plays a vital role in ensuring that the company has training activities that successfully match both the asset-frame and the capital-frame.

Lastly, we point to the difficulty in establishing causal links between training activities and quantitative measurements. Based on our study of Telecom we find that this applies both to those evaluations derived from an asset-frame and those derived from a capital-frame. Despite the lack of causal links, usage of these quantitative measurements seems to play a role in ensuring the successful matching with both frames over time, especially when complemented by alternative methods for evaluation. Other potential success factors in maintaining paradoxical frames when it comes to training activities that we have found include the organizational size and hierarchy, the company culture, and an ongoing reference to research. To fully understand the interrelation between these aspects, further research is needed, and we hope that future studies can provide additional insights.

6.3 Limitations & further research

6.3.1 Limitations

A couple of limitations in relation to this study must be acknowledged. Firstly, the scope of the study as being a bachelor thesis should be mentioned. We were limited in how much time we could spend at the company in focus and in how many interviews we could conduct, which results in a risk of not revealing all aspects of the studied topic. For instance, there is a risk that we have not reached enough data saturation from the interviewees (Guest et al., 2006) and further interviews with employees in other departments of the company, might have deepened and widened our understanding. It should however be noted that there are researchers arguing that data saturation is not necessarily a marker of quality, that it might not be a realistic target when researching using an inductive approach, and that findings can be valid even though further exploration of the subject is possible (O'Reilly & Parker, 2013).

Another limitation that should be mentioned is the abductive approach used when analyzing the empirics. As mentioned in the method part of this paper, we had certain theories in mind when doing the first round of coding. This may have imposed some bias into the coding even though we tried to stay open-minded to not miss important perspectives (Skjott Linneberg & Korsgaard, 2019). For the scope of this thesis, we felt that this was a necessary approach.

Since we used coding when analyzing the data, it should also be noted that Skjott Linneberg and Korsgaard discuss criticism towards the subjectivity of coding and the risk of missing a holistic approach. To reduce these risks, we continuously reflected upon our perspectives and the overall understanding of the subject (Skjott Linneberg & Korsgaard, 2019) by alternating between individual coding and joint discussions on findings, obstacles, and reflections encountered.

6.3.2 Further research

Several of our interviewees point to organizational size and organizational culture as key factors for Telecom's successful work with training, both from an asset-frame/personnel control perspective and from a capital-frame/compensation perspective. Future research could expand this knowledge by studying e.g. larger organizations or organizations that don't have as clear a focus on organizational culture. Also other industries where recruitment potentially is harder or easier than at Telecom would be interesting to study for the same reasons. Since Sweden is a country with for example tuition free universities (SFS 2010:543), a high degree of unionized employees (Lund University, 2023), and competence development opportunities somewhat regulated in collective agreements (Unionen, n.d.) – it is not unreasonable to think societal factors and public policy affects training within companies. It would therefore be beneficial to look at similar companies (preferably also awarded for their employer branding) in other countries in future studies to discover potential differences.

All these aspects make us suggest conducting dual case studies or cross-sectional studies on the topic in the future to be able to reveal deeper insight into the themes provided in this paper.

In this thesis, we have argued that not all training initiatives are intended to increase the level of personnel controls. Yet it is common to use training as a proxy to measure the levels of personnel controls within a company (e.g. Abernethy & Brownell, 1997; Kleine & Weißenberger, 2014; Monteiro et al., 2022). Future research could look deeper into what training initiatives are most suitable for use as a “personnel control proxy”. This could help in advancing future quantitative research studies within the field. On a similar topic, future research could also study organizational activities other than training, such as initiatives for physical health, and what cognitive frames are in use in the interpretation of these. An office gym can for example be interpreted both as an opportunity to get employees with physical ability and focus enough to perform, as well as something that makes employees stay within the company rather than leaving for a competitor.

We have argued that one organizational scenario that makes training initiatives being perceived as successful is when the training is interpreted through the same frame by all actors. Future research could look deeper into how this frame alignment in views on training initiatives is created and enforced. We have also argued that another scenario making training initiatives being perceived as successful is when the training initiatives match the content in both an asset-frame and a capital-frame, and that an important precursor for this is the use of paradoxical frames by those designing the training. Further research could investigate how and when the use of paradoxical frames in the interpretation of training initiatives occurs.

7. Conclusion

Having an interpretative epistemological stance in the research field of human capital and personnel controls has enabled a deeper and more nuanced understanding of training activities, their design, and their evaluation than we consider possible with the positivistic view where employees are seen as *either* assets *or* investors of capital, predominant in other research within the field. Using the theory of cognitive frames as a theoretical lens, this study shows that different frames create different perceptions of the purposes of training activities within a company and that both asset-frames that focus on employees' ability to perform and capital-frames that focus on employee retention and employer branding co-exist within an organization. What frame is deployed might vary both between organizational actors and training activities. This infers complexity when it comes to evaluating training initiatives, as well as in designing them purposefully.

We suggest two scenarios that make training activities being perceived as successful. The first we call "frame-alignment" and refers to those instances where only one, either the asset-frame or the capital-frame, is deployed by all actors when interpreting a training activity. The second scenario we call "multiple frame matching" and refers to when the content of a training activity is fulfilling expectations derived from both an asset-frame and a capital-frame. Our study further argues that the existence of these two scenarios is facilitated by people responsible for the design and evaluation of training activities possessing paradoxical frames. Finally, we suggest that factors such as culture, organizational size and structure, and leadership focus, favor both the possibility of frame alignment and of maintaining paradoxical frames.

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9. Appendix

Fig 1

Role	Date	Length	How	Works with HR?	Has responsibility for subordinates
Head of Development and Training	18/10 – 2023	1 h 8 min	On-site	Yes	Yes
Development and Training partner #1	24/10 – 2023	1 h 1 min	On-site	Yes	No
Key account manager	31/10 – 2023	47 min	On-site	No	No
Service Administrator	1/11 – 2023	45 min	On-site	No	No
Team Manager	2/11 – 2023	51 min	On-site	No	Yes
HR Director	7/11 – 2023	48 min	Digital	Yes	Yes
Development and Training partner #2	9/11 – 2023	53 min	On-site	Yes	No
Head of Controlling	9/11 – 2023	37 min	On-site	No	Yes
Development and Training partner #3	15/11 – 2023	49 min	Digital	Yes	No

Fig 2

- Manager from HR with strategic responsibility
- Manager from Finance with strategic responsibility
- Manager from operations (ideally 2 or 3)
- Employees who have participated in a training program (ideally 2 or 3)
- Someone working at D&T
- Someone working with employer branding

Fig 3

Personal Development Program 2021 – half time evaluation
Personal Development Program 2021 – full time evaluation
Personal Development Program 2022 – full time evaluation
Informal Leader Program 2022 – full time evaluation
Informal Leader Program 2021 – qualitative interview evaluation 1
Informal Leader Program 2021 – qualitative interview evaluation 2
Informal Leader Program 2021 – follow up after three months
Informal Leader Program 2020 – full time evaluation
Program for Nominees – feedback module 1
Program for Nominees – feedback module 2
Program for Nominees – feedback module 3
Program for Nominees – feedback module 4
Program for Nominees – feedback module 5
Three digital training sessions used in onboarding
Digital training used in manager onboarding
Three onboarding pages sent to new employees before starting