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The Future of Work: Exploring Management Control and Employee Well-being in a Hybrid Workplace

A qualitative case study on management control and employee well-being in the context of a hybrid work environment

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Abstract

This thesis explores how the use of management control (MC) in a hybrid work environment impacts employee well-being. The study is conducted through a qualitative single-case study at a well-established Bank and Insurance company in Sweden, which since the end of the COVID-19 pandemic has adopted a hybrid work model. The research develops a theoretical framework based on Merchant and Van der Stede's (2007) Object-of-control framework and Grant et al.'s (2007) three dimensions of employee well-being. The findings reveal that certain control measures, such as mandatory in-office meetings and personal feedback sessions enhance employee well-being. Conversely, increased monitoring and the cessation of home-office resources, are identified as having an adverse impact on the well-being of employees. Notably, the introduction of an activity-based office represents a well-being trade-off, improving and hindering employee well-being simultaneously.

Keywords: Management Control, Employee Well-being, Hybrid Work, Information Communication Technology, Activity-based Office

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1. Introduction

1.1 Background and Problematization

The COVID-19 pandemic (hereafter referred to as the pandemic) profoundly and unexpectedly triggered a disruptive change across various dimensions of human activity. One significant area of change relates to how work is conducted and controlled (Carr & Jooss, 2023; Delfino & Van der Kolk, 2021; Noto et al, 2023). While companies have experimented with remote work arrangements since the 1970s, the outbreak of the pandemic catalysed a widespread shift to remote work in numerous firms globally (Leonardi, 2021). The shift was facilitated by Information Communication Technologies (ICTs) like Zoom and Microsoft Teams, enabling real-time communication and collaboration between employees despite physical separation (Leonardi, 2021).

Remote work defined as: “organizational work performed outside of the normal organizational confines of space and time” (Olsson, 1993, p. 182), can be structured in two primary forms: a full-time arrangement or a hybrid model (Bailey & Kurland, 2002). The latter, combining onsite and remote work, is progressively being embraced as the “new normal” in many organisations (Hooijberg & Watkins, 2021). In step with these prominent changes, organisations are presented with challenges, particularly in the realm of management control (MC). Historically, offices have been viewed as vital cornerstones for instilling accountability and control within organisations (Parker, 2020). However, with the shift to remote and hybrid work, traditional face-to-face meetings, informal conversations and direct observation become less feasible (Delfino & van der Kolk, 2021). Hence, the need to adapt and implement new control practices becomes apparent (Carr & Jooss, 2023; Delfino & van der Kolk, 2021; Noto et al., 2023).

Previous literature on MC and remote work have predominantly focused on alterations in MC in the midst of the pandemic (Carr & Jooss, 2023; Delfino & Van der Kolk, 2021; Noto et al., 2023). Delfino and Van der Kolk (2021) and Noto et al. (2023) studied how professional service firms adapted their MC practices in response to the shift to remote work, examining employee- and managerial perspectives respectively. Similarly, Carr and Jooss (2023) took a temporal approach, scrutinising the patterns of MC change within remote and hybrid work settings. Common to these studies is their exploration of the involuntary amendments to MC

amid the pandemic (Delfino & Van der Kolk, 2021; Noto et al, 2023; Carr & Jooss, 2023). As safety restrictions by governments were eased, many companies have voluntarily adopted (or maintained) a hybrid work model (Oppong, 2024).

Moreover, there is a notable research gap in studies exploring the relationship between MC and employee responses (Hall, 2016), especially in the context of remote work. Hall (2016) emphasises the importance of bridging organisational-level accounting with individual-level effects and advocates a stronger focus on emotions in management accounting studies to broaden the scope of accounting research. He contends that it is important to investigate how management accounting practices, like MC, can create emotional responses. While Delfino and Van der Kolk (2019) have explored how MC affects motivation and Bedford et al. (2020) have focused on how MC impacts emotional exhaustion, these studies covered only certain forms of psychological responses to MC. An employee response that has become increasingly important to organisations as the work landscape evolves is employee well-being. While remote work allows employees the flexibility to decide where to work, increased workloads and demands pose important challenges to well-being (Derks & Bakker, 2010). Thus, it becomes essential for managers to carefully implement MC practices that optimise employee well-being. The imperative for organisations to prioritise the well-being of employees primarily arises from its positive impact on performance (Grant et al., 2007).

Further, both studies outlined above were conducted during the pandemic (Bedford et al., 2020; Delfino & Van der Kolk, 2019), so investigations of the relationship between MC and employee responses in remote work settings post-pandemic are scarce. The growing importance of examining how MC is practised in organisations that voluntarily adopt hybrid work models after the pandemic, coupled with the imperative for organisations to prioritise employee well-being, reveals an intriguing research gap that presents an interesting avenue for further investigation.

1.2 Purpose

To address the identified research gap, the study will answer the following research question:

How does the use of Management Control (MC) in a hybrid work environment impact employee well-being?

The purpose of this study is to examine how a company's use of MC impacts employee well-being in the context of post-pandemic hybrid work. To achieve this objective, a qualitative single case study is carried out at StockCo, a well-established Swedish banking and insurance company. StockCo serves as a compelling case company because of its adaptation to the widespread trend described earlier: it underwent a significant shift from on-site to remote work during the pandemic and subsequently adopted a hybrid work model post-pandemic.

1.3 Contributions

This study makes two main contributions. First, it contributes to existing literature on MC and remote work by offering a post-pandemic perspective on how MC is exercised in a company that has voluntarily adopted a hybrid work model after the pandemic. Second, by examining how the use of MC impacts employee well-being, the study addresses Hall's (2016) call to bridge organisational-level accounting with the level of individuals and to enhance the focus on emotions in accounting studies.

2. Literature Review

2.1 Domain Theory

The purpose of the study is to first investigate how MC is exercised in a hybrid work environment in order to then be able to assess its impact on employees' well-being. To achieve this goal, the first part of the domain theory reviews literature on MC in remote and hybrid work environments. Afterwards, research on MC and employee responses is presented.

2.1.1 Management Control

Management control (MC) can be defined as: “*all the devices and systems managers use to ensure that the behaviours and decisions of their employees are consistent with the organisation's objectives and strategies*” (Malmi & Brown, 2008, p. 290). Merchant and Van der Stede (2007) differentiate MC from strategic control and define it as the process of managing employee behaviour. They argue that because employees cannot be trusted to

always act in the best interests of an organisation, MC assumes a pivotal role in increasing the likelihood of achieving organisational objectives (Merchant & Van der Stede, 2007).

Merchant and Van der Stede's (2007) Object-of-control framework is frequently adopted in MC studies to conceptualise control mechanisms (Carr & Joss, 2023; Delfino & Van der Kolk, 2021; Vélez et al., 2008). The framework encompasses result controls (e.g. KPIs), action controls (e.g. monitoring), personnel controls (e.g. job design and provision of necessary resources), and cultural controls (e.g. norms and values) interacting as components in a Management Control System (MCS) (Merchant & Van der Stede, 2007). This study will adopt the Object-of-control framework to guide the research narrative, enabling a holistic examination of MC and providing clear, distinguishable categories for guidance (Merchant & Van der Stede, 2007).

Although MC aims to influence employee behaviours (Merchant & Van der Stede, 2007), its psychological effects on employees has received little research attention. The relationship between MC and employee responses is recognised as an important area for future study (Hall, 2016), and hybrid work, regarded as the future of work environments (Hooijberg & Watkins, 2021), provides a unique context to investigate this relationship. Therefore, the following section will concentrate on how MC is practised in remote work settings before delving into the link between MC and employee responses.

2.1.2 Management Control in Remote Work Settings

The widespread shift to remote work amid the pandemic, necessitated firms to adjust their MCSs to accommodate the new environment (Carr & Jooss, 2023; Delfino & Van der Kolk, 2021; Noto et al., 2023). As physical offices play an important role in instilling control in organisations, exercising MC in remote work environments poses numerous challenges (Parker, 2020), including communication barriers, lack of oversight and trust issues (Delfino & Van der Kolk, 2021; Noto et al, 2023). Traditional control mechanisms like face-to-face meetings, informal conversations and direct observation became unfeasible in the remote-setup and had to be altered (Delfino & Van der Kolk, 2021).

Previous literature on MC and remote work have predominantly focused on alterations in control practices amid the pandemic (Carr & Jooss, 2023; Delfino & Van der Kolk, 2021; Noto et al, 2023). Noto et al. (2023) take a managerial perspective, exploring changes in

cultural controls with the shift to virtual teams. In virtual settings, managers tend to adopt a Management by Objectives (MBO) approach, prioritising goal achievement over micromanaging intermediary processes (Leclercq-Vandelannoitte et al., 2014; Groen et al., 2018). Trust plays a pivotal role for the success of this approach, and cultivating it requires the adoption of cultural controls (Noto et al., 2023). However, there are limited opportunities to leverage cultural controls (e.g. socialisation) in the absence of physical proximity. Hence, to foster trust and a strong organisational culture, managers turned to administrative controls such as ICTs to enable virtual socialisation (Noto et al., 2023).

Moreover, Carr and Jooss (2023) identified significant changes in cultural- and personnel controls during the shift to remote- and hybrid work amid the pandemic. They found that firms established new norms, emphasised the tone of top management and redesigned workspaces. For instance, many companies adopted activity-based offices and helped employees create virtual workspaces at home, expecting these personnel control changes to endure with the anticipated shift to hybrid work post-pandemic. Additionally, Carr and Jooss (2023) found that action controls were strengthened through heightened managerial oversight, while result controls incorporated more informal feedback and shifted toward a holistic view of performance, rather than relying solely on hard metrics.

Furthermore, Delfino and Van der Kolk (2021) highlight changes in MC and subsequent employee responses. Their primary findings underscore a surge in action controls, such as video calls, serving as a substitute for face-to-face meetings. The heightened ICT surveillance created a fear of constant managerial supervision, prompting employees to engage in "voluntary visibility practices" such as working overtime to demonstrate productivity. These behaviours were amplified by the economic downturn and job insecurity during the crisis, resulting in increased stress and decreased motivation among employees (Delfino & Van der Kolk, 2021). Although this study addresses Hall's (2016) call to connect organisational-level accounting with individuals, it focuses on one particular form of psychological response, namely employee motivation.

Common to these studies is their exploration of the involuntary amendments to MC amid the pandemic (Carr & Jooss, 2023; Delfino & Van der Kolk, 2021; Noto et al., 2023). With the pandemic's end, numerous companies voluntarily adopted a hybrid work model (Oppong, 2024). As organisations transition from fully remote- to hybrid work, there remains scarcity

of research on how MC adapts within these environments, highlighting an intriguing gap for future research.

2.1.3 Management Control and Employee Responses in Remote Work Settings

Various disciplines have examined employee responses to remote work (Felstead & Henseke, 2017; Molino et al., 2020; Shirmohammadi et al., 2022). Felstead and Henseke (2017) found that remote workers experience greater work-related well-being, organisational commitment, and job satisfaction than office-based colleagues, but face challenges in delineating work-life boundaries. Furthermore, Mazmanian et al. (2013) reveal that remote workers often face an *autonomy paradox*, where the perceived autonomy gained by working anywhere at any time paradoxically reduces workers' autonomy in practice, as they find themselves constantly connected to work. More recent research reveals that the adverse effects of remote work, including blurred work-life boundaries, were amplified during the pandemic (Molino et al., 2020; Shirmohammadi et al., 2022).

In the accounting domain, some studies have begun to explore employee responses to MC in remote work settings (Bedford et al., 2020; Delfino & Van der Kolk, 2021). Bedford et al. (2020) found that tighter budget controls during the pandemic resulted in emotional exhaustion among employees due to heightened role ambiguity. Both Bedford et al. (2020) and Delfino and Van der Kolk (2021) answer Hall's (2016) call to investigate the relationship between MC and employee responses, exploring emotional exhaustion and motivational effects respectively. These studies were conducted during the pandemic, however research on this relationship in remote work settings post-pandemic remains limited.

While motivation and emotional exhaustion are important employee responses, other dimensions require further investigation (Hall, 2016). Hall (2016) advocates for a heightened focus on emotions in management accounting studies to broaden the scope of accounting research. He draws on Fredrickson's (2001) research, highlighting that positive emotions can facilitate employees' development of psychological, physical and social resources. When reading the words "psychological", "physical" and "social", it reminded us of the three dimensions of well-being (Grant et al., 2007). Prioritising employee well-being has become increasingly important in step with changes in the context and nature of work. While

technological advancements offer opportunities for flexible work and task automation, higher workloads and demands pose important challenges to well-being (Derks & Bakker, 2010). These factors must be considered by organisations when adopting managerial practices such as MC (Grant et al., 2007). Hybrid work, seen as the future of workplaces (Hooijberg & Watkins, 2021) presents an opportunity to investigate the link between MC and employee well-being, addressing Hall's (2016) call.

2.2 Method Theory

The method theory consists of two sections. First, we introduce a holistic view on well-being in line with the definition by Grant et al. (2007). Thereafter, the theoretical framework is presented combining insights from the Object-of-control framework (Merchant & Van der Stede, 2007) and the three dimensions of work-related well-being (Grant et al., 2007).

2.2.1 A holistic view on well-being

The evolving work landscape has necessitated a heightened emphasis on employee well-being (Guest, 2017). As white-collar jobs become more common, there is a risk of exploitation and reduced work-life balance due to constant availability expectations (Grote & Guest, 2016). Furthermore, ICT use and remote work pose ergonomic risks requiring employers to provide adequate home-office equipment (EU-OSHA, 2023). These concerns have been amplified by the pandemic and the widespread adoption of remote work arrangements (Monica et al., 2020; Shirmohammadi et al., 2022).

Employee well-being is critical to organisational performance as it promotes a productive and satisfied workforce with higher engagement and lower absenteeism and turnover rates (Guest, 2007). This paper focuses on work-related well-being defined as: “the overall quality of an employee’s experience and functioning at work” (p. 52), encompassing psychological, physical and social functioning (Grant et al., 2007).

Psychological Well-being

Psychological well-being centres around individuals' subjective experiences and is categorised into two categories; hedonic and eudaimonic well-being (Ryan & Deci, 2001). Within work-related research, hedonic well-being is represented by job satisfaction, specified

as: “employees’ subjective judgements about their work situations” (Grant et al., 2007, p.4). Eudaimonic work-related well-being, on the other hand, involves experiences of fulfilment and purpose in work efforts (Wrzesniewski et al., 2003). Autonomy is a factor that can enhance job satisfaction and enable employees to find their work more meaningful (Grant et al., 2007).

Physical Well-being

Physical well-being concerns employees' bodily health and functionality (Grant et al., 2007). It is assessed through a combination of objective measures and subjective experiences (in this qualitative study, only subjective measures is considered). Positive indicators of physical health encompasses feelings of energy, while negative physiological signs include injuries, illnesses, and feelings of stress or exhaustion in the workplace. To reduce the risk of adverse employee outcomes, companies commonly provide protective equipment and ergonomic support, which aim to improve the physical aspects of the organisational environment (Grant et al., 2007).

Social Well-being

Moreover, social well-being relates to relational experience and social functioning (Grant et al., 2007). While previous dimensions focus on the individual employee, social well-being emphasises interactions between employees. Some important factors defining social well-being are cooperation, coordination, social support, leader-member exchange and perceptions of fairness and trust (Grant et al., 2007).

2.2.2 Theoretical Framework

To address the research question and create a clear theoretical framework for structuring the empirics, we integrate the object-of-control framework with the method theory on well-being outlined above. More concretely, the Object-of-control framework (Merchant & Van der Stede, 2007) will be used to examine how the use of MC impacts the three dimensions of employee well-being identified by Grant et al. (2007). The Object-of-control framework allows us to analyse MC as a system (Merchant & Van der Stede, 2007), aligning with Choi's (2020) insight that studying individual controls in isolation can yield inaccurate conclusions. Furthermore, a holistic view of well-being acknowledges the interconnectedness of the three

dimensions, underscoring the necessity of addressing all aspects to enhance employee well-being (Grant et al., 2007).

It is important to note that managerial practices, such as MC, can have beneficial (adverse) effects on multiple dimensions of well-being simultaneously, creating positive (negative) well-being synergies (Grant et al., 2007). For example, physical arrangements (cultural- and personnel controls) aimed at promoting employee socialisation can positively impact both the social and psychological well-being of employees by facilitating quality relationships and enhancing job satisfaction. Conversely, excessive monitoring (action control) or strict targets (result control) can lead to negative well-being synergies, diminishing employees' autonomy and increasing stress levels, thereby adversely affecting both their psychological and physical well-being. There are also situations where trade-offs may arise, meaning that while safety equipment rules (action control) can foster physical well-being through reducing the risk of injury, it can undermine psychological well-being as employees' autonomy to decide themselves diminishes. Given the prevalence of well-being synergies and trade-offs, it is imperative for managers to carefully implement controls that optimise employee well-being overall, ensuring a delicate balance across all three dimensions.

Through this theoretical framework, we integrate well-being into accounting research, thereby broadening the lens used when examining an organisation's MCS, particularly in a hybrid work environment. This extension is in line with Hall's (2016) emphasis on the importance of recognizing emotions and connecting individual- and organisational levels in management accounting studies.

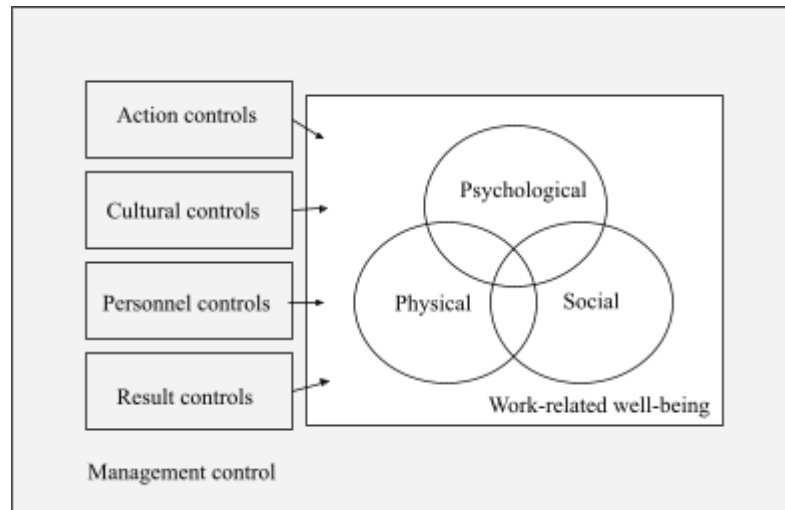


Figure 1: The Theoretical Framework

3. Method

This section presents the systematic planning and implementation of the empirical study. It starts by outlining the research design and explaining the rationale behind the chosen methodology. It then provides a comprehensive description of the methods used for collecting and analysing the data.

3.1 Research Design

The rationale for choosing a single case study stems from the specific characteristics of this research. Given that the study aims to explore how MC is practised and its impact on employee well-being within a hybrid work environment, the exploratory nature of the study favours a qualitative, single-case study methodology. In qualitative case studies, interviews are recognised as a central and valuable source of data (Yin, 2003). Interviews make it possible to explore complex phenomena in-depth and gain insights into the perspectives, experiences and behaviours of the interviewees. Given the research question, which is largely based on employee thoughts and opinions, interviews stand out as the primary source of information.

Notably, existing research in the field predominantly consists of multi-case studies. While one might argue that it would be better to conduct a multi-company study for broader generalisability, analysing a single company has the potential to yield deeper insights (Dyer

& Wilkins, 1991; Siggelkow). Considering the latter and constraints such as limited time and resources, the single-case study is the most suitable option for this research study.

3.2 Data Collection

3.2.1 Selection of case company

When selecting the case company, the goal was to find an organisation capable of offering empirical findings relevant to effectively answer the research question. To guide the selection process, three criterias were set out. The primary criterion was to identify an organisation that had undergone the transition from on-site to remote work during the pandemic, and that post-pandemic adopted (or maintained) a hybrid work model. Second, given that the ability to work remotely varies across industries, emphasis was placed on the service sector where services could continue to be delivered remotely (Noto et al., 2023). Finally, to enable a thorough analysis of the company's use of MC, preference was given to companies with a sufficient degree of control practices in place. Following research efforts, we came into contact with a well-established bank and insurance company, which since the pandemic has adopted a hybrid work model to provide its services. Since the selected case company belongs to the financial sector, it naturally grapples with a number of stringent MC measures (Haw et al., 2010). Consequently, the selected organisation fulfils all the relevant criteria and is deemed as a suitable case company for this study.

3.2.2 Primary Data

The primary source of data stems from nine semi-structured interviews, each lasting approximately one hour. Detailed information about the date of the interviews, the interviewees' positions and the length of each session is presented in Appendix A.

As the study focuses on employee responses to MC, the interviews concentrated on employees *subjected* to MC, such as financial analysts and insurance advisors. Nevertheless, three managers were also interviewed, recognizing that they are the ones implementing the controls and acknowledging potential divergent views, between managers and employees, on specific types of controls (Tessier & Otley, 2012). Gathering empirical data from both employees and managers allows for a balanced and comprehensive view of MC and its subsequent impact on employees. Moreover, we chose respondents who work remotely, at

least once a week (i.e. regularly), to ensure their experiences directly relate to the hybrid work context under investigation.

To gather diverse respondents from the various divisions and positions at StockCo, we used *snowball sampling*. The advantage of snowball sampling is the convenience of recruiting additional respondents through referrals (Atkinson & Flint, 2001). The first three respondents were contacted through an acquaintance, who then referred 3-4 of their colleagues each. In total we reached out to 15 employees, of whom 9 (60%) agreed to participate. The interviews were concluded after the ninth interview, upon observing theoretical saturation, marked by a repetition of themes in responses (Weller et al., 2018).

3.2.2.1 Interview Context

During the interviews, an interview guide with open-ended questions was used (see Appendix B for details). Semi-constructed interviews offer the opportunity to ask follow-up questions and delve deeper into topics brought up by the interviewees (Leavy, 2020). This approach also enables a certain level of comparability across the data collected. However, as argued by Marginson (2004), the practical difficulties with semi-structured interviews relate to interpreting the data and asking pertinent follow-up questions within the theoretical framework of the study. To address this issue both authors were present at all the interviews. One author primarily asked the interview questions outlined in the guide, while the other carefully listened to the responses and posed relevant follow-up questions.

The interview guide was tailored according to the respondents' professional roles and iteratively refined throughout the interview process as new themes and insights arose (Hirst & Koonce, 1996; Westermann et al., 2014). The initial guide was piloted with a remote-working acquaintance to ensure question relevance and clarity (Kallio et al., 2016). Based on the feedback received, we enhanced the effectiveness of the guide by refining and adding interview questions.

All interviews were conducted in-person at the headquarters of the case company and were held in Swedish, their mother tongue. By conducting the interviews in Swedish, rather than English, respondents felt more confident and unrestricted by linguistic barriers. Lastly, interviews were audio-recorded and transcribed in compliance with GDPR guidelines and with the consent of each respondent.

3.2.3 Secondary Data

The interviews were supplemented with a review of publicly available documents such as StockCo's annual report and internal contracts on, for example, recently established guidelines for hybrid work at the case company. The secondary data sources provided valuable background and deepened our understanding of existing control measures.

3.3 Data Analysis

After conducting the interviews, the next step involved transcribing them—a time-consuming task. Transcribing the interviews provided us with the opportunity to delve into the data, leading to a richer understanding (O'Dwyer, 2004). Given the volume of transcriptions, we adopted a structured approach by initiating a coding process aligned with the methodology outlined by Williams and Moser (2019). Our aim was to identify recurring themes in the transcribed documents to organise the data into categories and subthemes. This systematic categorisation offered several advantages. Firstly, it facilitated the identification of patterns and contradictions in the data (e.g. between employees and managers), which enhanced our ability to discern nuanced insights. Lastly, a well-organised dataset made it easier for us to find and use the right information, smoothing the analysis process (O'Dwyer, 2004). Notably, interview quotes were translated from Swedish to English for reporting consistency.

4. Empirical Findings

In this section, the empirical findings from the data collection are presented. It begins with an introduction to the case company, which provides background for the subsequent analysis. The data is then structured into four subsections, each focusing on findings related to a specific control within the Object-of-control framework. Furthermore, within each subsection, the impacts of these controls on employee well-being are explored, weaving together insights on the relationship between MC and employee well-being within a hybrid work environment.

4.1 Background and Context

The case company, StockCo, stands as one of several units spread across different regions in Sweden, together forming the well-established banking and insurance corporation InsCo. With approximately 6,000 employees and roots dating back to the early 19th century, InsCo has succeeded in building a strong brand, well-known for its accessibility and proximity to customers.

StockCo, which is under investigation in this study, operates in region X and has approximately 400 employees. The company offers a comprehensive range of banking, insurance and pension services tailored to individuals and businesses of all sizes in its region. All divisions at StockCo function independently, yet there is an overarching expectation for each division to actively seek opportunities to grow their client's business across the various divisions.

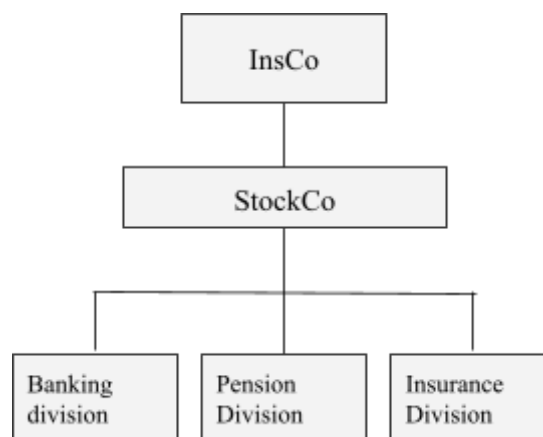


Figure 2: The Divisional Structure of StockCo

Before the onset of the pandemic, working exclusively in the office was the norm at StockCo. However, the pandemic forced a shift to remote work, prompting the company to embrace new technologies, such as Microsoft Teams, to deliver services remotely. Towards the end of the pandemic, StockCo moved from its old premises to a smaller activity-based office. Moreover, after the pandemic, in 2022, StockCo voluntarily adopted a hybrid work model. These changes took place to accommodate employees' desire to continue working from home while addressing challenges related to reduced opportunities for socialisation and collaboration during the pandemic.

Manager C: "During the pandemic, we started working remotely and moved to an activity-based office. After the pandemic, we introduced a hybrid work model. These changes responded to employees' requests to still be able to work from home while managing some difficulties that were common during the pandemic, such as collaboration and socialisation."

With the vision to become the most liked bank and insurance company in the region, StockCo realises that work starts from within the company (StockCo's Annual Report, 2023). The company is dedicated to fostering a workplace culture that encourages engagement, idea-sharing, and customer-centricity. To realise this vision, the top management at StockCo advocates the "3 days at the office and 2 days at home" policy. This policy remains flexible and is tailored to individual roles, group schedules and client needs.

Manager D: "We have said three days [in the office]. We have that as a benchmark for all divisions at StockCo, but then of course it can vary based on the person's role, the group and client needs."

4.2 Action Controls

In the spring of 2020, the case company was compelled to go from working exclusively in the office to working remotely on a full-time basis. This shift represented significant changes for StockCo, not least in how MC was exercised. One notable alteration in MC was the heightened emphasis on action controls.

Since managers could not observe their employees physically in the remote setup, they felt a heightened need to monitor their actions through the use of various ICTs to make sure that they were working, aligning with the findings of Delfino and Van der Kolk (2021). Managers enabled virtual surveillance by tracking employees' activity status on Microsoft Teams and by maintaining continuous communication through phone calls.

Manager G: "In the beginning I was calling around and sitting on the phone talking to my employees all day. (...), I checked their status on Teams, if it lit green or not, just to make sure they were working."

Employee A, old hire: "During the pandemic she [the manager] had a greater need for control. She could call me and say "hey, what are you doing?" two or three times a day".

Following the pandemic, managers and employees alike describe that monitoring was scaled back for those employees who have been working remotely for an extended period of time (i.e. old hires*) and "proven" their ability to perform according to set expectations, even when working from home. In this manner, managers can rely on historical performance and feel confident knowing that regardless of whether the employee works on-site or remotely, they will fulfil their job duties.

Employee B, old hire: "Then [during the pandemic] she called a bit more often and she was a bit more careful to monitor my actions. But now when she has seen that I have performed well in year 2 and now in year 3, I feel that she does not call as often and does not follow up as closely."

Nevertheless, the interviews reveal that monitoring practices differ between those who had worked remotely at StockCo during the pandemic (old hires) and for those who joined StockCo after the pandemic (new hires). All managers interviewed explain that they employ an MBO approach for old hires, prioritising the final outcome over micromanaging intermediate processes. This approach is made possible due to a high level of trust between managers and the old hires, as emphasised by manager G.

Manager G: "For the [old hires], it is more about goal management. Then, of course, you have to follow up on those you do not trust. It is a lot about trust."

Manager D further exemplifies this trust relationship by expressing unwavering confidence in her two old hires' ability to deliver on target regardless of where they work. She therefore refrains from closely monitoring their activities when it comes to, for example, how many meetings they conduct. For the new hires, on the contrary, she reports monitoring their actions more closely (e.g. by tracking how many cases they handle and how many leads they send) until trust is established.

** "Old hires" refer to employees who worked remotely at the company during the pandemic period (2020-2022), while "new hires" is used to describe those employees who were employed after the pandemic when StockCo adopted a hybrid work model, specifically after 2022.*

Manager D: "With the two [old hires] who have worked remotely for approximately 3 years, I do not need to monitor how many meetings they have or how they work because I know they deliver. But for the [new hires], I focus more on the processes, for example how many cases they handle and how many leads they send, and not just the end result, until I can feel certain that they will deliver."

The feeling of not being trusted by your manager was reported by most new hires as stressful, since they felt compelled to continually validate their productivity. Managers' distrust induced patterns of overwork among this group, with new hires working longer hours and taking on additional tasks to demonstrate their commitment in the remote work environment.

Employee E, new hire: "I often feel compelled to report what I do when I work at home, which can feel a bit stressful. To prove that I really work on the days I am not in the office, it often happens that I work overtime or take on more work."

Employee F, new hire: "He [the manager] often calls me and asks what I am doing, it feels a bit like he does not trust my ability to perform when I work at home. Thus, I often feel the need to do something extra, for example, work longer hours to show my effort. When I work in the office he comes by and checks on me, but the 'check-ins' are not as frequent as when I work at home."

When we asked employees about their thoughts on the hybrid work model, the vast majority of the old hires' expressed a positive attitude. Old hires emphasise that the ability to work from home has improved their work-life balance and overall well-being. They report that the hybrid work model has given them greater flexibility as they can plan their time around their personal lives and commitments. More specifically, employees, especially those who live farther from the office, appreciate the time saved by not having to commute, and those with younger children express gratitude for having time to drop them off at school. A majority of interviewees equate flexibility with autonomy. Old hires note that the hybrid work model has not only afforded them greater flexibility, but also enhanced autonomy in managing their work responsibilities—an important element of job satisfaction (hedonic psychological well-being).

Employee B, old hire: "The best thing about the hybrid work model is the freedom. I have a greater opportunity to choose when and where I work. I really appreciate the

flexibility it has given me and I feel I can balance my personal life and work life much better.”

Employee H, old hire: "The flexibility for me, who lives 1 hour from work, means that I save a lot of time by not having to commute. It also means that I can adjust my work to better fit my life in general. The fact that I now have time to drop my children off at school on Wednesdays and Fridays, just a small thing like that makes life much more convenient.”

While ICTs have played a major role in enabling employees to work from home, they also increase managers' ability to monitor them—a double-edged sword. As portrayed earlier, new hires describe that on the days they choose to work from home, they work more and find it difficult to disconnect from work due to the close supervision of their managers. One of the new hires describes that her computer is always open on the kitchen table and that she is often so caught up in her work that she forgets to take sufficient breaks. Similarly, another new hire (employee F) expresses that she works significantly more at home, compared to when she is in the office, because of the intense virtual supervision.

Employee E, new hire: “The computer is always open on the kitchen table, I am always available. I often forget to take pauses because I am so focused on getting the job done on time. These things take away from all the upsides of hybrid work”.

Employee F, new hire: “I sometimes joke that when I am in the office, I work 50% and when I work from home, 150%.”

Furthermore, the interviews reveal that one of the employees finds it difficult to call in sick when she is feeling unwell. Instead, she usually continues working from home even when she is sick. According to her, the reluctance to take sick leave stems from the accessibility of remote work and the pervasive monitoring. These factors combined creates a sense of obligation to be available and productive at all times. Consequently, this blurs the lines between personal well-being and professional responsibility, making it difficult for her to prioritise her health over work demands.

Employee E, new hire: “It is difficult for me to call in sick when I am actually sick. Even if I am ill I continue working as I can do it all from my computer and I kind of feel responsible to get the job done.”

The heightened supervision reported by most new hires creates an autonomy paradox, where the flexibility of hybrid work, theoretically aimed at increasing autonomy, paradoxically reduces their autonomy in practice as they find themselves constantly connected to work. As a result, the perceived autonomy from the hybrid work model fails to translate into actual benefits for these workers. The interviews reveal that the increased supervision of new hires not only affects the psychological well-being of new hires in terms of reducing their autonomy, it also puts a strain on their physical well-being as they face increased performance demands, leading to elevated stress levels.

Finally, in terms of action control, StockCo has initiated mandatory in-office meetings on Mondays where all employees must be physically present. Apart from functioning as a way for managers to ensure that all employees are aware of the weekly agenda, interviewees reveal that it serves as important informal “well-being reviews” where managers and employees are allowed the time to catch up on matters unrelated to work. These occasions are described by managers as vital for assessing how employees are doing, as it can be harder to detect if employees are unwell when working from home. Assessing employee well-being is said to be part of a manager’s responsibility according to manager C.

Manager C: “I do not know, is that person stressed or not? Are they feeling well? I can certainly follow-up in the system and see what is happening, if there are customer meetings and so on. But I cannot monitor their work environment. Neither the physical nor the psychosocial, which is also my responsibility.”

Manager G: “It is the little things: “how did it go with your son who was sick?”, “how is it going with the dog?”, or “how is it going with the house?”. That is something you easily lose track of. Because you forget about it when you call, as you call with a specific purpose. It is at the coffee machine on Mondays or when you go to lunch that you talk about everything else, that is the whole picture of how people are feeling.”

Like managers, employees found it difficult to detect if their colleagues were feeling down during the pandemic. Therefore, they appreciate the mandatory meetings as these gatherings have restored the opportunity to connect, care for and notice each other's well-being. This is important because it allows employees to get more help and support from both managers and colleagues in challenging times.

Employee H: "During the pandemic, I had no idea that my colleague was going through a divorce, for example. If I had known, I would of course have supported her. Similarly, my colleagues did not know how I was feeling during this time. Therefore, I think that these mandatory meetings are extremely important in the sense that we can support each other much better."

To conclude, this subsection examines the impact of monitoring practices and mandatory meetings on employee well-being. Through the interviews, it becomes evident that monitoring practices vary between old- and new hires. While monitoring of old hires has been reduced, allowing for greater autonomy, newer employees face heightened scrutiny, resulting in overwork, stress, and a reluctance to take sick leave. Additionally, StockCo's mandatory Monday meetings serve a two-fold purpose: they ensure awareness of the weekly agenda and offer the opportunity for "well-being reviews" especially important in hybrid work environments where illnesses can be harder to detect.

4.3 Result Controls

After the case company adopted the hybrid work model, there has been an increase in the frequency of personal feedback sessions, a form of result controls, between managers and employees. These sessions have become more prevalent after the pandemic, in contrast to the period during the pandemic when they were somewhat neglected. The involuntary shift to remote work during the pandemic created an unfamiliar and stressful environment, leading to a greater focus on action controls and micromanagement as opposed to personal feedback.

Employee H: "After the pandemic, we started having more personal feedback sessions. During the pandemic, they kind of fell off because everything was chaotic with the new way of working [remote work]."

However, as the case company transitioned out of the pandemic, these feedback sessions resumed and even intensified. Both managers and employees have observed the positive impact of these sessions on employee motivation. The monthly and annual follow-up meetings are found to be sufficient. During these meetings, employees can tell the manager about their ambitions and development goals, which are then reviewed together with

organisational goals. This allows for a degree of autonomy and self-direction, important elements of employees' hedonic psychological well-being.

Employee E: "We have monthly follow-ups and annual reviews. In the annual review, you can put in your ambitions, what you want to develop. We also set targets and objectives that should be met during the year. This, along with our personal goals, should be followed up every month during the monthly follow-up meetings [feedback sessions]. Here, you also have to take personal responsibility; I have to tell her what I want so that she can support me."

By providing a forum for open communication and constructive feedback, these sessions have helped employees to better understand the value of their contributions and how it aligns with organisational goals. As employees can see how their efforts translate into the bigger picture, it consequently enhances the meaningfulness of their efforts (i.e. improves their eudaimonic psychological well-being). These feedback sessions have, according to employees, been particularly valuable in the hybrid setup, as it is easier to lose track of the organisational goals and objectives when working from home.

Employee B: "I really like these feedback sessions; they show us how our work fits into the big picture and let us know if we are doing things right. Especially now, with hybrid work, we do not have a manager constantly reminding us of the organisation's goals, so these sessions keep us aligned."

Despite the overall positive reception of these feedback sessions, not all of the employees view them in the same light. One senior employee, for instance, perceives these sessions as somewhat unnecessary and time-consuming. She already has a clear sense of her goals and contributions to the company, and she feels that the structured feedback sessions add little value to her current understanding.

Employee A: "Yeah, I do not really see the point of these sessions. I mean, I have been working here for many years and I already know what I am doing, so it feels like a bit of a waste of time."

In this subsection, we explore how the post-pandemic adoption of a hybrid work model has led to a resurgence in personal feedback sessions, fostering communication and alignment between managers and employees. While some view these sessions as unnecessary, the overall impact on employee motivation and goal alignment has been positive.

4.4 Personnel Controls

During the pandemic, the case company underwent significant shifts with their personnel controls. The case company transitioned its entire workforce to a 100% remote work setup. Recognizing the critical importance of establishing functional home work environments for the employees, the case company took proactive measures to support its workforce during this transition period. They conducted ergonomic assessments and provided employees with essential resources such as desks, screens, chairs and laptop stands, to ensure comfort and productivity while working remotely.

Employee B: "During the pandemic it was mandatory to work from home, so they were very generous in sending out office furniture. You could buy what you needed and get paid for your expenses. They wanted you to have a good home office."

Amidst these adaptations, one prominent change related to the design of workspaces, both onsite and virtual ones. The case company made the strategic decision to move to a smaller, activity-based office with no assigned desks. This adjustment aimed to align with the anticipated future of a lasting hybrid work model with a reduced number of employees working onsite.

Manager C: "During the pandemic, we updated our office layout to adapt to the changing times. We shifted to a flexible setup without assigned desks, preparing for the transition to a hybrid work model."

While the activity-based office space with non-assigned desks remained an integral part of the hybrid work model, the case company ceased providing employees with necessary resources for remote work when the pandemic ended. This decision, perceived by some of the interviewees as a means of exercising control, sparked discontent among employees, especially those who work from home more often.

Employee A: "The policy says everything should be returned now, and I think it is a form of control. They [top management] do not want it to be too comfortable at home so that people choose to stay at home more than at the office."

Several employees think that the case company should be responsible for facilitating the resources needed to create a favourable work environment, even in a hybrid model where remote work is optional.

Employee H: "Now with the hybrid model, it feels a bit like they [top management] have freed themselves of the responsibility to help organise a home office. Even though working from home is voluntary, I think the responsibility should be on the employer."

One manager (manager C) explains that the reason for not providing resources, for setting up virtual offices at home, anymore, is because they now offer a place for everyone in the office. Moreover, another manager (manager G) states that the non-provision of equipment is a way of steering the employees back to the office, similar to what was stated above by employee A. She goes on to explain that StockCo has invested a lot of resources in advanced technology in the new office and would prefer that employees use these resources when interacting with customers, believing that it would increase the overall quality of the meetings and leave a professional impression.

Manager C: "They [employees] do not receive anything now; instead, everyone must arrange everything themselves. No office furniture, nothing like that. Instead, we say this: We offer a palace for everyone at the physical office, so they always have the option to come in."

Manager G: "I think it is a way to direct employees back to the office. StockCo has invested a lot of resources in advanced technological equipment in the office. Of course, we want employees to use these in contact with our clients to give a professional impression."

Further, some employees report physical discomfort, such as back pain from inadequate seating and sore eyes from small laptop screens instead of the larger in-office ones, underscoring the adverse effects of the resource deprivation on their physical health. Moreover, one employee mentioned that the small laptop screen hampers their productivity as they prefer to view different files at the same time, which is more difficult to do with a small

laptop screen.

Employee I: *“My eyes hurt when I work with my small laptop. Having big screens is not only more productive as you can have several files open simultaneously, but it is also better for my eyes.”*

These limitations impede the practical flexibility of several employees who would have preferred to work from home, but refrain from doing so because they are not provided the necessary resources.

Employee A: *“The kitchen chair at home is nowhere near as comfortable as the chairs here at the office. While I love the idea of working from home, these things act as “barriers” for me.”*

While the lack of equipment provision not only undermines the physical well-being of employees, it also negatively impacts their hedonic psychological well-being, particularly in terms of their autonomy. By neglecting to provide the resources necessary for remote work, the company restricts employees' ability to create a healthy work environment, thereby diminishing their sense of control and autonomy in their decision whether to work from home or not.

Furthermore, while the activity-based office setting fosters an opportunity to socialise with colleagues, appreciated by many employees, some of them have voiced concerns about noise and heightened activity levels in the open-space area. This has, according to some of the employees, led to heightened fatigue after a full day of working on-site. Two of the interviewees report experiencing increased exhaustion levels when working onsite, indicating that it may be due to the fact that they have gotten used to working in the “silent environment” at home. While the redesign of the office space promotes improved socialisation, enhancing employees' social well-being, it also results in some employees feeling more physically exhausted, indicating a negative impact on their physical well-being.

Employee H: *“The home environment is dead silent; I do not get distracted in the same way. Before the pandemic, I felt I could switch off when I was in the office. I had the ability to tune out the noise and the buzz around me. I have gotten worse at that, so on the*

days I work in the office, I feel twice as tired. When I am home after a full day at the office, I am completely exhausted."

This subsection concludes by looking at employee discontent over the company's decision to cease the resource provision of home-office equipment, seen as a form of personnel control. This has led to physical discomfort, hindered productivity, and undermined employee's autonomy in choosing to work from home. Additionally, concerns about noise and fatigue in the office compared to the silence of home-offices are noted.

4.5 Cultural controls

Amidst the challenges posed by the pandemic, the case company struggled with maintaining socialisation between co-workers, similar to that discussed by Noto et al. (2023) who highlight the difficulty of leveraging cultural controls in the absence of physical proximity. Managers tried implementing new ways of socialising through the use of ICTs, such as virtual coffee breaks, though they were not successful. The virtual coffee breaks were eventually stopped, because the employees felt that it was too awkward and artificial.

Employee B: *"During the pandemic, we would have fika together via Teams. I was sitting eating a bun all alone, while staring at everyone in the group through the screen. It was so awkward! It was so dreadful! Nobody had anything to say. It felt so artificial. It was terrible. It could not replace this [a physical meeting]."*

However, with the post-pandemic introduction of the hybrid work model, there emerged renewed opportunities for socialisation as face-to-face interactions became viable again. Thus, managers implemented new cultural controls adapted to the hybrid work style in an attempt to improve the socialisation between employees that was lost during remote working. Recognizing that nothing could truly substitute for the value of in-office formal and informal meetings, initiatives such as mandatory Monday meetings and optional Tuesday and Friday breakfasts were introduced. The mandatory Monday meetings represent a form of action control that facilitates the implementation of cultural controls like intra-organizational transfers and socialisation.

Employee I: "On Mondays everyone has to come in. We have the weekly meeting and we start off the week together, it is mandatory that you are there. If you have obstacles, however, there is an opportunity to join via teams."

Manager C: "On Tuesdays and Fridays we offer breakfasts to everyone at the office. These days there are so many people here, there is hardly any room. But I think it is so important because we all get a chance to meet and talk more informally."

These initiatives have aided managers in gathering more employees back to the workplace, thereby strengthening the transmission of organisational culture. The positive reception of these new implementations is evident among the interviewees, with employees expressing appreciation for the increased socialisation opportunities. Some of the employees even suggest implementing more mandatory in-office meetings to further enhance social connections.

Employee B: "More mandatory physical meetings would improve that aspect (socialisation). Absolutely. We had a mandatory virtual coffee break that we removed, we did not like that. But absolutely adding more in-person meetings."

Another cultural control introduced (simultaneously a personnel control), already during the pandemic, was the transformation into an activity-based office. This strategic move aimed to promote a sense of belonging and a community among colleagues, when working onsite, ensuring its longevity despite geographical distances. By implementing the activity-based office space, employees are given the opportunity to interact and collaborate with their team and other divisions, thereby enhancing cooperation and socialisation among all colleagues.

Employee A: "When we changed offices, one of their goals was to ensure that we [employees from different divisions] mixed more."

Employee I: "We have a modern office that is activity-based, which means we do not have fixed seats. The reason for adopting this new way of working is to facilitate greater networking opportunities. I can sit with an insurance advisor one day, a pension advisor another day, and with my team on a third day. So it is completely optional."

The importance of collaboration across divisions is crucial, especially as one of the key objectives at the case company is to broaden clients' business across the various divisions: *banking, insurance and pension*. One employee explains that if the workers have a customer who is exclusively engaged with the bank division, employees are encouraged to recommend supplementary services like life-insurance.

Employee F: "We do not work in isolation with just corporate banking services. I need to work based on the whole picture, with all of the customer's needs. I can identify that they have certain banking needs, but also that they have needs for insurance, for example, or that they also need to become private customers."

The challenges of maintaining divisional collaboration were exacerbated during the pandemic, as the connections between the different divisions (bank, insurance and pension) weakened in comparison to the more frequent communication seen within teams of the same division. This underscores the importance of the activity-based office in fostering stronger inter-divisional connections to facilitate seamless communication, service delivery and collaboration.

Employee A: "It is much harder to network across departments with just Teams. When we worked 100% from home and did not meet physically, we did not get to know them [employees from other divisions] the same way. When I wanted to channel deals [to colleagues at the other divisions], it was obviously more difficult. Today, my boss prefers that the 2-3 days I am in the office she wants me to network. She does not want me to sit in the exact same place every time, but to try to sit with other colleagues, that is the whole purpose of the office we have now."

Moreover, cultural controls not only improve socialisation but also play a pivotal role in fostering trust—a cornerstone of social well-being—among colleagues and between leaders and their teams. As previously mentioned, managers expressed that they lacked trust when working remotely, leading to a heightened use of actions controls. By introducing the cultural controls, the case company has set a ground for a new environment where trust can be built between managers and employees. This trust building would possibly enable managers to adopt the MBO approach for new hires as well (Noto et al, 2023), which is essentially what managers say they want.

Manager D: "Following up employees closely is not my preferred leadership style, I would much rather trust the process, be there if they need guidance and then evaluate the results with them. But this is what I have to do until I build up enough trust, just like I did with my [old hires]. I know it would take longer [to build trust] if we worked 100% remotely, so I appreciate the hybrid model."

This subsection has delved into StockCo's response to the pandemic's socialisation challenges and how cultural controls have been adapted to the hybrid work model. It presents empirical data on how the introduction of the hybrid work model along with the shift to an activity-based office enable managers to leverage cultural controls more effectively. Initiatives like mandatory meetings and the activity-based office have facilitated increased socialisation and collaboration. These initiatives not only enhance social well-being but also pave the way for trust-building and the adoption of more effective management approaches.

5. Discussion

In this section, we will delve deeper into the empirical findings, analysing and extending them according to our theoretical framework. The discussion will introduce the paper's two contributions to the current literature. Initially, we address the contributions related to MC and remote work. Thereafter, the implications of MC on employees' well-being is discussed, representing our second contribution.

5.1 MC in Remote Work Settings

As mentioned in the introduction, studies exploring the use of MC in remote and hybrid work environments are scant, especially in the post-pandemic era. Therefore, this study contributes to existing research on MC and remote and hybrid work (Delfino & Van der Kolk, 2021; Carr & Jooss, 2023; Noto et al., 2023), by offering a post-pandemic perspective. Specifically, it examines the use of action, personnel, result and cultural controls within a company that has voluntarily adopted a hybrid work model after the pandemic.

During the pandemic, managers at StockCo increased the use of action controls, such as phone calls and virtual check-ins, to compensate for the lack of direct observation. This adjustment is consistent with the findings of Delfino and Van der Kolk (2019). After the

pandemic, monitoring at StockCo has been reduced for old hires, as these employees have worked remotely during the pandemic, and thus proved their ability to deliver on target while working from home. As opposed to closely monitoring their work processes, managers focus on the final results—a practice consistent with the MBO approach (Leclercq-Vandelannoitte et al., 2014; Groen et al., 2018). This approach is facilitated by a high level of trust between managers and old hires (Noto et al., 2023), which gives them increased autonomy in managing their work responsibilities. Conversely, monitoring remains intense for new hires, as the trust relationship has not yet been established. These findings relate to previous literature that highlights trust as a key factor influencing employee exposure to action controls (Delfino & Van der Kolk, 2019; Noto et al., 2023). However, the empirical findings in this study further illustrates how an employee's tenure affects this dynamic, showing a shift from intensive monitoring of new hires to reduced monitoring of old hires with demonstrated remote work experience. Thus, this study provides insight into how monitoring practices may differ between old and new hires in the post-pandemic era.

In addition, after the pandemic, BankCo introduced rules on mandatory meetings in the office. Both Delfino and Van der Kolk (2019) and Noto et al. (2023) describe that in-person gatherings were unlikely during the pandemic due to prevailing security measures. At StockCo, these were revisited with the adoption of the hybrid work model. The mandatory in-office meetings on Mondays not only serve as a way to ensure employees are kept informed of the weekly agenda, but also function as "well-being checks" where managers can gauge how employees are doing—filling a gap that was evident during the pandemic.

Furthermore, StockCo significantly altered their personnel controls during the pandemic, aligning with the findings of Carr and Jooss (2023). Carr and Jooss (2023) found that numerous firms re-designed their onsite workspaces and assisted employees with setting up virtual workspaces at home. Consistent with these findings, StockCo made the strategic decision to move to a smaller, activity-based office without assigned desks. Additionally, since working from home was mandatory during the pandemic, they conducted ergonomic assessments and made sure to equip employees with the necessary resources (e.g. chairs, laptop stands, desks, etc.) to maintain comfort and productivity in the remote work environment. Carr and Jooss (2023) anticipated these changes in personnel control (i.e. the provision of resources and the redesign of the office) to be enduring, given the expectation

that the hybrid work model would persist post-pandemic. However, contrary to Carr and Jooss's (2023) expectations, the empirics of this study reveal that although the activity-based office remained an integral part of the hybrid work model, StockCo ceased the provision of home-office resources when the pandemic ended. StockCo justified this change in personnel control by emphasising that with the hybrid working model, they now offer a place for everyone in the office. This was seen by several managers and employees as means of control to steer the employees back to the office.

Further, previous literature has explored how cultural controls have changed following the adoption of remote work arrangements (Carr & Jooss, 2023; Noto et al., 2023). Noto et al. (2023) found that the absence of physical proximity, in remote work settings, makes it harder for organisations to leverage cultural controls. This was also evident at StockCo, where maintaining socialisation among coworkers during the pandemic was difficult. To foster trust and a strong organisational culture during the pandemic, managers at StockCo used ICTs to enable virtual socialisation in the form of virtual coffee breaks, aligning with the observation of Noto et al. (2023). The coffee breaks did not last long, though, because the employees were not fond of the virtual socialising opportunities. However, when StockCo adopted a hybrid work model, it facilitated increased opportunities for face-to-face interactions, allowing managers to more effectively leverage cultural controls.

While Carr and Jooss's (2023) findings emphasise the importance of the tone at the top from senior management as an important form of cultural control in hybrid work settings, we discovered that the remaining two categories; physical arrangements and intra-organisational transfers are mainly used to leverage cultural controls at StockCo. The activity-based office provides employees with an environment that promotes socialisation and collaboration which are important to create norms, shared beliefs and values. Moreover, the intra-organisational transfers during mandatory in-office meetings and corporate breakfasts are also important to cultivate and transmit the organisational culture.

The last control in the object-of-control framework, result controls, have been studied in remote work contexts by Carr and Jooss (2023), who revealed a shift in the evaluation practices for employees. Rather than solely relying on hard metrics, there was a movement toward embracing a more holistic view of performance. These findings are evident in the

practices of the case company as well, where feedback sessions nowadays extend beyond mere quantitative measures (e.g. KPIs) and place heightened emphasis on the interactions between managers and employees.

Finally, Carr and Jooss (2023) note that the pandemic accelerated a shift to informal feedback sessions. Contrary to these findings, we observed that the case company's feedback sessions were marginalised during the pandemic due to the stress and unfamiliarity of the situation. However, following the pandemic and with the adoption of the hybrid work model, both managers and employees recognized the importance of reinstating the feedback sessions. This indicates a renewed emphasis on feedback sessions as an important component of performance evaluation and employee development in the post-pandemic era of hybrid work.

5.2 MC and Employee Responses in Remote Work Settings

The second contribution of this study lies in its exploration of the relationship between MC and employee well-being. By examining how StockCo's use of MC in a hybrid work environment impacts employee well-being, it addresses Hall's (2016) call to increase the focus on emotions in management accounting studies and to establish links between organisational-level accounting and the individual. Through a qualitative single-case study, we show how MC, according to employees' subjective experiences, affects their well-being.

As described earlier, the primary aim of MC is to influence employees so that they act in accordance with organisational goals and objectives, ultimately ensuring optimal organisational performance (Merchant and Van der Stede, 2007). Additionally, existing research underscores the importance of prioritising employee well-being, recognizing its significant impact on organisational performance (Grant et al., 2007). Managerial practices, such as MC, can affect employee well-being in different ways, resulting in well-being synergies and trade-offs. Therefore, to optimise the performance of an organisation, it becomes imperative to ensure that employee well-being is achieved (Grant et al., 2007).

The action controls identified at StockCo, which involve monitoring through the use of ICTs, have different impacts on the well-being of new and old hires as their exposure to these controls differ. For new hires, the remote work environment features intense monitoring,

prompting them to engage in overwork to demonstrate commitment, consistent with Delfino and Van der Kolk's (2019) findings on *voluntary visibilising practices*. Delfino and Van der Kolk (2019) observed that the economic downturn during the pandemic amplified these behavioural responses, as employees feared losing their jobs. Although job insecurity is not a prominent issue in this study, managers' intense monitoring and mistrust still induces patterns of overwork and feelings of stress among these employees. Furthermore, heightened managerial oversight not only prompts new hires to work longer hours and take on additional tasks, as noted by Delfino and Van der Kolk (2019), but it also results in a reluctance to take sick leave.

The situation of new hires reveals an *autonomy paradox*, as described by Mazmanian et al. (2013), where increased monitoring paradoxically reduces the autonomy that hybrid work arrangements are intended to promote, thereby preventing new hires from reaping the benefits of hybrid work. New hires struggle with constant connectivity and blurred boundaries between work and life, in line with observations from previous research (Felstead & Henseke, 2017; Molino et al., 2020; Shirmohammadi et al., 2022). Ultimately, the monitoring of new hires promotes *negative* well-being synergies, as defined by Grant et al. (2007). The findings suggest that as autonomy is eroded, new hires experience lower job satisfaction thus diminishing their hedonic psychological well-being. At the same time, heightened work demands and stress endanger their physical well-being and can lead to burnout overtime.

On the other hand, old hires are less subject to these action controls and therefore view the flexible work arrangements positively. The hybrid work model has provided them greater autonomy and thereby enhanced their job satisfaction, reflecting the positive benefits of remote work described by Felstead and Henseke (2017). Grant et al. (2007) suggest that autonomy to manage one's work responsibilities can increase job satisfaction thereby improve employees' hedonic psychological well-being, something that was noted in the empirics provided by old hires.

In addition, the mandatory meetings introduced at StockCo, which double as well-being catch-up sessions, ensure that employees receive the social support they need from managers and colleagues. Social support at the workplace is described by Grant et al (2007) as crucial for employees' social well-being. Additionally, these sessions were described by managers as

essential to detect potential health problems, such as alcohol addictions or the like, before they escalate and cause detrimental effects also for employees' psychological and physical well-being.

The empirics reveal that managers at StockCo reinitiated their monthly and annual feedback sessions, following the pandemic, as a form of result control. It could be seen that these sessions have a positive impact on Grant et al's (2007) outline of psychological well-being of employees. Through these sessions, employees have the opportunity to express their ambitions and development goals. This allows for a sense of autonomy and self-direction among employees, both of which are crucial for hedonic psychological well-being (Grant et al., 2007). In addition, the feedback sessions serve as a channel for employees to understand the importance of their individual efforts in relation to broader organisational goals, thereby enriching the meaningfulness of their work experiences. This understanding fosters a sense of purpose and fulfilment, aligning personal values with organisational goals. Furthermore, in remote work arrangements where the lines between personal and professional life can blur (Felstead & Henseke, 2017), these sessions play a critical role in maintaining employee engagement and focus on their contribution to the company. By strengthening a connection between remote workers and the organisational mission, these sessions support a sense of purpose and fulfilment derived from making meaningful contributions, which promotes eudaimonic well-being.

As highlighted in previous research, the hybrid work environment and the use of ICT pose health risks for employees, underscoring the importance of organisations to provide adequate and ergonomic equipment in these settings (EU-OSHA, 2023). The amendments in StockCo's personnel control, specifically their decision to discontinue ergonomic assessments and cease the provision of resources for remote workers, has resulted in negative well-being synergies (Grant et al., 2007). The lack of equipment provision for remote workers not only puts strain on employees' physical well-being, leading to issues such as back-pain and sore eyes, but it also negatively impacts their psychological well-being. In the interviews, employees expressed dissatisfaction towards the deprivation of home-office resources and felt that managers used it as a way to direct the employees back to the office. By failing to provide the resources required for remote work, StockCo impedes the practical flexibility of employees who would prefer to work from home but cannot due to the lack of adequate

equipment. This reduction in autonomy diminishes employees' job satisfaction, which is an essential aspect of hedonic psychological well-being (Grant et al., 2007).

In addition, the redesign of the on-site workplace (i.e. personnel- and cultural control) into an activity-based office promotes enhanced opportunities for socialisation, showing positive influences on employees' social well-being. However, the noise and high activity levels in the open-space area have left some employees feeling exhausted after a full day at the office, suggesting a negative impact on their physical well-being. This situation represents a well-being trade-off, as defined by Grant et al. (2007).

In addition to influencing social well-being, trust plays an important role for a successful adoption of the MBO approach, as described by Noto et al. (2023). As previously mentioned, managers expressed a lack of trust in new hires when working remotely, which led to an increased use of action controls. To scale back these action controls and enable the adoption of MBO even for new hires, fostering trust through cultural controls is essential. This approach can increase autonomy among new hires and potentially lead to lower levels of stress, improving their physical and hedonic psychological well-being. However, it is important to note that while old hires appreciate the autonomy associated with the MBO approach, other disadvantages could follow with this management style as well (e.g increased stress due to more autonomy).

Moreover, the mandatory in-office meetings (action controls) also facilitate intra-organisational transfers and socialisation (cultural controls), which are essential for employees' social well-being and to strengthen the organisational culture. It is evident that cultural control initiatives aimed at promoting social interactions between employees have a positive influence on their social well-being, as defined by Grant et al. (2007). The introduction of mandatory Monday meetings and optional Tuesday and Friday breakfasts emphasises the importance of valuable in-office interactions and serves as a place where employees can socialise and get social support—factors important to social well-being (Grant et al., 2007). They further strengthen relationships, foster trust and promote the quality and quantity of social interactions—key elements essential for promoting social well-being.

Moreover, the implementation of an activity-based office space aims to promote collaboration and cooperation among colleagues. Through the improved collaboration and cooperation,

there is an increased sense of belonging and community which transcends the physical location of employees. Together, the cultural controls at StockCo counterbalance the negative effects of hybrid work such as social isolation and lack of communication between employees. Fostering a sense of community and facilitating stronger relationships impacts multiple dimensions of work-related well-being. Not only does it enhance the social well-being of employees as they feel supported and have a place to socialise, it also improves their psychological well-being since better work relations enhances job satisfaction. As noted in previous research, this often leads to a productive and happy workforce, which tends to be more engaged and have lower absenteeism and turnover rates (Guest, 2007).

Finally, it is worth mentioning that because the three dimensions of well-being are interconnected, we recognise that these controls potentially have a much broader impact than covered above. However, the analysis has focused on the main effects of these controls on the three dimensions of well-being.

6. Conclusion

6.1 Conclusion

This empirical case study has examined how the use of MC in a hybrid work environment impacts the three dimensions of employee well-being, as defined by Grant et al. (2007). The findings of the study demonstrate that specific MC measures at StockCo, such as monitoring, feedback sessions, cessation of home-office resources, and socialisation efforts, have varying impacts on the well-being of employees, giving rise to both well-being synergies and trade-offs.

First, the study identifies that the use of action controls, specifically monitoring, differs between old and new hires due to varying degrees of trust. New hires report that the distrust and intense monitoring from managers are stressful, as they feel compelled to continuously validate their productivity. The increased surveillance leads to work intensification and contributes to an autonomy paradox, preventing new hires from enjoying the flexibility that hybrid work arrangements theoretically aim to enhance. The reduction in autonomy negatively impacts new hires' psychological well-being as it reduces job satisfaction, and the feelings of stress risk having adverse effects on their physical well-being. Old hires, on the

other hand, are less subject to these action controls and therefore view the flexible work arrangements positively. We found that old hires experience higher job satisfaction due to the heightened autonomy granted from hybrid work, which is an important part of hedonic psychological well-being.

Furthermore, the interviews reveal that the changes in personnel control, i.e. the cessation of home-office resources, give rise to negative well-being synergies. The lack of equipment provision not only puts a strain on employees' physical well-being, it also negatively affects their hedonic psychological well-being, especially in terms of autonomy. By neglecting to provide the resources necessary for remote work, StockCo restricts employees' ability to create a healthy work environment, thereby diminishing their sense of control and autonomy in their decision whether to work from home or not.

Moreover, the shift to an activity-based office serves a dual purpose, significantly impacting both personnel and cultural controls. While numerous employees appreciate the opportunity to socialise with colleagues across different divisions in the activity-based office, the noise and high activity levels in the open-space area have led to some employees reporting feelings of exhaustion, representing a tradeoff between social and physical well-being. Further, the implementation of mandatory meetings, an action control facilitating the implementation of cultural controls, also serve as well-being reviews. These reviews enable social support, socialisation and intra-organisational transfers, which is positive for employees' social-well-being. Thus, the hybrid work model enables the company to leverage cultural controls more effectively as face-to-face meetings become more prevalent. It has a clear positive impact on social well-being, however, it also indirectly impacts the psychological dimension by impacting job satisfaction through enhanced work relations, representing a positive well-being synergy.

Finally, in terms of result control, the increased frequency of feedback sessions helps employees to more clearly see their contributions to the company. It also enables them to express their development goals and aspirations. This positively affects both the hedonic and eudaimonic psychological well-being of the employees.

Overall, this study underlines the fundamental importance of ensuring a careful implementation of MC in hybrid work settings to optimise employee well-being and achieve

a delicate balance across all dimensions. While some control measures such as intense monitoring and the cessation of home-office resources influence employee well-being negatively, other measures including mandatory meetings and feedback sessions enhance the well-being of employees. Finally, the initiation of the activity-based office is found to simultaneously improve and hinder employee well-being.

6.2 Limitations

Nevertheless, we acknowledge that the study is not without limitations. The first limitation is that this is a single-case study focusing exclusively on one company—StockCo. Although this methodological approach allows for an in-depth exploration and detailed insights into StockCo's use of MC and its impact on employees, the findings may be context-specific thus the applicability to other organisational settings is limited. Hence, it is essential to carefully consider potential variations in organisational contexts if applying the results elsewhere. Second, since the primary data in this study stems from interviews, there is a risk of subjectivity on our part as the authors. The problem of subjectivity is inherent in all qualitative studies and cannot be completely eradicated. However, it is important to be aware of it, to minimise the effects. We attempted to address this issue throughout the thesis process by, for example, asking open-ended questions and having both authors present during all interviews. The third limitation is that the control mechanisms investigated at StockCo are relatively new implementations, so the study may have only captured the short-term effects of MC on well-being. Studying StockCo at a later stage could therefore have further enriched the contributions of this study.

6.3 Future Research

In terms of future research, it would be interesting to conduct a longitudinal study to explore the long-term effects of how the use of MC in a hybrid work environment affects employee well-being. This approach would provide insight into potential changes in well-being indicators over time in response to evolving MC practices. Furthermore, although this study has provided some managerial insights, the main focus has been on the perspective of employees. Therefore, to broaden the understanding of organisational dynamics, it would be intriguing to explore how managerial intentions shape the adoption of control practices that are beneficial or detrimental to employee well-being.

7. References

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8. Appendix

8.1 Appendix A: The Interviews

Respondent*	Position	Old/New Hire**	Date	Duration
A	Senior Financial Analyst	Old	16-03-24	71 min
B	Junior Insurance Advisor	Old	16-03-24	58 min
C	Pension Manager	—	25-03-24	53 min
D	Banking Manager	—	25-03-24	67 min
E	Junior Pension Advisor	New	25-03-24	49 min
F	Senior Financial Advisor	New	26-03-24	50 min
G	Insurance Manager	—	26-03-24	56 min
H	Junior Insurance Advisor	Old	03-04-24	47 min
I	Senior Financial Analyst	New	04-04-24	51 min
				$\mu = 56$ min

* The real names are substituted with a randomised letter to protect the identities of the interviewees.

** "Old hires" refer to employees who worked remotely at StockCo during the pandemic period (2020-2022), while "new hires" is used to describe those employees who were employed after the pandemic when the company adopted a hybrid work model, specifically after 2022.

8.2 Appendix B: Interview Guide

Interview Guide*

Background:

- Can you describe your current role and responsibilities within the organisation?
- How many days per week do you usually work from home?
- In what situations is it necessary for you to work in the office and why?
- How is the distribution between work at home/office decided?
- What do you think of the distribution between remote and office work in your current role?
- Do you feel that all employees have the same opportunity for flexible work? Or are there any injustices?

General questions:

- How has your experience of the transition to a hybrid work model been? What works well and what works less good in your opinion?
- What are the main challenges of working hybrid?

Management Control:

Action Control:

- What tools or systems are used to monitor and follow up work performance and goals in the hybrid work environment?
- Do you feel monitored in the digital environment where the employer can follow your activity? (if so, how does it affect you?)
- Do managers prioritise monitoring work processes or that you reach your goals?
Why?
 - Clarification: is it important that your managers e.g. know how many customer meetings you have, i.e. that they measure the activity/what you do during the days?
- How would you describe the difference in your experience of control and autonomy in your work today? (and what impact do you think it has on your well-being?)

Result Control:

- How are goals and expectations communicated in the hybrid work environment? Do you feel that the lack of physical presence affects the effectiveness of the communication?
- What differences have you noticed in how results and achievements are assessed today compared to before?
- How does the hybrid work environment affect the frequency and communication of feedback?

Personnel Control:

- What resources and support does the employer offer to enable you to perform as well as possible in the hybrid work environment?
- Are there training programs for how to work effectively in the hybrid environment? If so, what do they look like?

Cultural Control:

- How has the organisation's cultural work been adapted to support and promote a successful hybrid work model?
- How do you feel that the organisation works to communicate and reinforce the organisation's values for employees who work both in the office and from home?
- What strategies are used to foster a sense of belonging and community among employees who are dispersed across locations?

Communication and collaboration:

- What technological tools and systems are provided to facilitate communication and collaboration between team members working both in the office and from home?
- How is collaboration in the group affected by the hybrid work model?

The Individual:

- How does your manager support you with personal growth and development?
- Is it harder to feel seen by your manager when you work remotely? Does this hinder your development and your work?
- How do you feel that hybrid work has affected your overall well-being and balance in life? (positive/negative - why?)

- If you had been in a tougher period in your life, how do you think the hybrid work model would have helped/made your situation more difficult?
- How has the introduction of hybrid work affected the boundaries between your private and work life? (example?)
- In what way does your employer support you in maintaining a balance between your work and private life? Can you give some examples?
- How has the ability to work from home affected the workload? (do you feel like you are working more/less? Why?)
- How has hybrid work affected socialisation based on the fact that you work more at home and do not see colleagues as often?

Suggestions for improvement:

- Are there any changes in Management Control that you think would have a positive impact on employee well-being in the hybrid work environment?

Closing:

- Do you want to add something that is missing in our conversation?

*When managers were interviewed, the questions were tailored to suit their positions.