

# **Integrating Autonomy and Control: Implications of New Work Adoption on Management Control Systems**

BAUMGÄRTNER, SARAH  
KERBACH, JAN

SUPERVISOR  
Heinzelmann, Rafael

**University of Agder, 2024**  
School of Business and Law  
Department of Economics and Finance  
Course Code: BE-509

## **Preface**

This thesis with the topic “*Integrating Autonomy and Control: Implications of New Work Adoption on Management Control Systems*” was written by Jan Kerbach and Sarah Baumgärtner under the supervision of Rafael Heinzelmann. It was completed from January 2024 to June 2024 to fulfil the requirements for the master’s degree in International Business at the University of Agder, Norway.

Our interest in the topic of managerial control emerged during the Management Control Systems course we attended as a part of our master’s program. While we had not encountered this topic in our previous studies, we had firsthand experience with it in our professional lives, with some companies we worked for adopting stricter controls while others implemented looser control systems. Therefore, the question arose as to how the theoretical concepts we learned at university could be applied in practice, particularly in regard to New Work. New Work is a buzzword especially prevalent in Germany and describes a more flexible and autonomous way of working that has risen in popularity since the COVID-19 pandemic, which forced many companies to adopt remote working. Although the concept is not new, it has gained traction in recent years, highlighting the need for research into its different aspects in the managerial context. This relevance and topicality of the subject along with our interest in flexible working and management control motivated us to explore it further. During the course of the thesis, we gained valuable insights both academically and methodologically. Academically, it was interesting to dive deeper into the topics of flexible working and management control, allowing us to hear different perspectives and shape our own opinions. Methodologically, we learned about qualitative research, analyzing qualitative data, and structuring a thesis to present a common thread. In the course of this thesis, Autotekst, an AI-based tool, was used to generate the initial transcripts of the conducted interviews (OpenAI, 2024a). Subsequently, these transcripts were manually revised by the authors to enhance their accuracy. Additionally, GPT UiO, an AI-based language model, was utilized for proofreading and grammatical improvements to ensure comprehensibility and clarity (OpenAI, 2024b).

We would like to extend our sincere gratitude to our supervisor Rafael Heinzelmann, whose timely and valuable support facilitated the development of the thesis. Furthermore, we would like to express our great appreciation to our interview partners for sharing their insights, without which this thesis would not have been possible.

## **Abstract**

This thesis investigates the impact of New Work adoption on management control systems. New Work describes a flexible and autonomous way of working that has gained traction in recent years after the COVID-19 pandemic. Despite entailing several advantages, flexible work arrangements present challenges for organizations in general and organizational control in particular. This along with the topic's recency and popularity calls for more research that takes a holistic look at job autonomy and management control rather than focusing on specific aspects like remote working. To expand the existing literature, this study employs a qualitative approach conducting six structured interviews with individuals from Norwegian startup companies and analyzing them using the Gioia method. It demonstrates that while organizations acknowledge the importance of balancing autonomy and control, they tend to adopt a limited and varied set of formalized performance management approaches. This suggests that traditional control methods may be more difficult to implement and may be perceived as coercive in the context of New Work. Instead, findings show a shift towards employee-oriented management control with a focus on trust as a control mechanism, establishing the foundation for an enabling management control system that supports autonomy while still ensuring organizational control. While the study's focus on startups may limit generalizability, its findings can facilitate the acceptance and implementation of job autonomy by demonstrating that autonomy and control do not have to be mutually exclusive.

**Table of Contents**

- 1. Introduction..... 1
- 2. Theoretical Framework..... 4
  - 2.1 New Work..... 4
  - 2.2 Management Control Systems..... 8
- 3. Literature Review..... 11
- 4. Methodology and Research Design ..... 25
- 5. Empirical Analysis ..... 30
  - 5.1 Detailed Analysis of Empirical Categories..... 34
  - 5.2 Detailed Analysis of Each Empirical Category ..... 35
- 6. Discussion ..... 43
  - 6.1 Theoretical and Practical Implications ..... 57
  - 6.2 Limitations..... 58
  - 6.3 Recommendations for Future Research..... 59
- 7. Conclusion ..... 61
- 8. References..... 63
- 9. Appendix..... 72

## List of Figures and Tables

<b>Figure 1:</b> Typology of Management Control Systems as a Package (Malmi & Brown, 2008, p. 291).....	9
<b>Table 1:</b> Emerging Themes from Data Analysis.....	33
<b>Table 2:</b> Detailed Breakdown of “Collaborative Governance Approach or People-Oriented Management Control” Overarching Theme .....	36
<b>Table 3:</b> Detailed Breakdown of “Variability in Performance Management Approaches” Overarching Theme.....	39
<b>Table 4:</b> Detailed Breakdown of “Importance of Balancing Autonomy and Alignment” Overarching Theme.....	41
<b>Table 5:</b> Comparison Between Prior Literature and Research.....	50
<b>Table 6:</b> List of Interviewees .....	74

## 1. Introduction

The nature of work has developed considerably over the last decades, being driven primarily by technological advancements and changing values. In the 1980s, the philosopher Frithjof Bergmann brought forward the so-called New Work theory, being influenced by societal and economic conditions, especially in terms of the transition from the industrial economy towards the knowledge-based one, and the advancements in the technology sector (Väth, 2016). Those advancements, marked by the enhancement of IT hardware and software, digital communication, and automation, have allowed for new opportunities and restructuring of the workplace and processes at the time. The concept's objective was to acknowledge human needs like the pursuit of competence, meaning, and autonomy—values Bergmann claims were not considered by traditional capitalism (Schermuly, 2020). While the pillars of the theory are perceived as utopian nowadays, its values provide a framework for the development of more practical New Work theories (Väth, 2016). The empowerment theory by Spreitzer (2008) and the New Work Charta, for instance, establish principles like autonomy, a sense of purpose, competence, and impact, accompanied by social responsibility as crucial elements of modern work life (Schermuly & Meifert, 2023; Väth et al., 2019). The practical relevance of these rather hands-on theories has gained significance over time. Increasing job autonomy and more flexible work arrangements, such as remote working, have become an important element of the working world and traits that individuals seek when looking for a job. Furthermore, employees increasingly seek decentralized and transparent leadership, an open feedback culture, together with a trustful relationship between employees and managers (Schermuly & Meifert, 2023). All the mentioned practices and preferences are something that in the past did not come to the fore within the workplace and were not widely recognized as important, marking a shift in preferences and dynamics.

New Work is gaining popularity as organizations increasingly recognize the benefits associated with flexible and autonomous work practices brought by the concept (Carr & Jooss, 2023). These include an increase in employee performance, heightened commitment, and greater work satisfaction, as well as a decrease in turnover rates (Lewis et al., 2019). In addition, particularly remote work arrangements allow organizations to make use of global expertise, creating a competitive advantage (Ferreira et al., 2021). The foundations of New Work showcase similarities with the current trends towards work-life balance and sustainable practices, not

focusing solely on profits but also the impact the organizational actions have on a wider scale. An additional reason for the rising recognition of New Work is the generational change. Historically, the so-called Baby Boomers constituted the majority of the workforce, embodying values such as commitment and a willingness to work hard (Petroulas et al., 2010). Meanwhile, a new generation, Generation Z - those born after 1995 - displays a shift in values towards openness, trust, and flexibility, which will contribute significantly to the growing relevance of New Work (Aggarwal et al., 2022). Even though many organizations acknowledge New Work, a considerable number does not have a detailed plan for operationalizing this change, which could lead to detrimental effects (Carr & Jooss, 2023). Remote working, if implemented wrongly, can, for example, negatively impact employee motivation and identification with the organization, leading to lower performance and higher turnover rates (Flassak et al., 2023). In addition, coordination challenges along with struggles with time management can occur not just in remote work settings but also in flexitime arrangements (Downes & Koekemoer, 2011; Ferreira et al., 2021). Flexible work arrangements, characterized by an increased level of autonomy and openness, increase the need for control systems that ensure that employees work towards organizational goals. Likewise, self-determination is an organizational control challenge. Employee autonomy and management control seem to be diametrically opposed, suggesting that organizations may need to make compromises in their control systems to be able to build a trust-based culture and grant autonomy to their employees (Lewis et al., 2019).

Based on this tension between the potential benefits of the New Work concept and the challenges associated with its implementation, our master thesis aims to address the research question: *What implications does the adoption of New Work have for the design and use of Management control systems?*

On the one hand, New Work emphasizes employee empowerment in various aspects and offers advantages such as increased job satisfaction or productivity. On the other hand, the practical implementation of such practices presents a challenge, putting pressure on the redesigning of the management control systems frameworks with the wider adoption of the New Work practices. This research targets this challenge, and its findings are particularly relevant for the Norwegian startup scene as the thesis works directly with inputs from multiple Norwegian startups. The outcomes of the thesis hold significance for managers as they originate from practical case studies and gather inputs from senior employees experienced in the subject

matter. Moreover, it identifies strategies and offers insight into how organizations integrate the New Work practices while maintaining a level of management control.

To conclude, the research contributes to the field by providing insights into how organizations can effectively integrate New Work practices with management control systems. The findings are relevant for startups and other dynamic, collaborative environments where employee empowerment is key. By exploring the balance between autonomy and control, the study offers practical recommendations for designing management control systems that support both organizational objectives and employee well-being.



## **2. Theoretical Framework**

### **2.1 New Work**

New Work has its origins in a socio-philosophical theory developed by philosopher Frithjof Bergmann in the 1980s. Witnessing the decline of the automobile industry in the USA, Bergmann argued that capitalism negatively affects humanity and the environment (Väth, 2016) by neglecting human needs such as autonomy, competence, and purpose (Schermuly, 2020). He identified wage labour in particular as the fundamental problem promoting financial and psychological dependency, ultimately leading to dissatisfaction and fear. In response to these observations, Bergmann established the Center of New Work with the aim of transforming capitalism and exploring alternatives to wage labour. This resulted in the development of his New Work theory, which is based on three pillars: the reduction of wage labour, the pursuit of one's professional calling, and the promotion of self-sufficiency (Väth, 2016). Bergmann suggested limiting wage labour to two to three days a week, allowing workers to use the remaining days to follow their vocational aspirations. In addition, he proposed a model where individuals would autonomously produce essential goods, thereby fostering skill development and facilitating the discovery of their professional calling. In sum, Bergmann aimed at creating work that empowers people and helps them to live more fulfilling lives (Schermuly, 2020). Even though this radical approach is perceived as utopian nowadays, it builds the foundation for more pragmatic New Work theories (Väth, 2016).

Gretchen Spreitzer, for instance, expanded upon Bergmann's idea in her empowerment theory (Schermuly, 2020). She described two different approaches to workplace empowerment: the social-structural and the psychological. While social-structural empowerment revolves around the fair distribution of power, information, and resources across all levels of the organizational chart, psychological empowerment focuses on four psychological elements that shape an employee's work experience, reminding of Frithjof Bergmann's New Work theory. These elements include meaning, which is the alignment of an employee's role and their beliefs; competence, reflecting an employee's skills and capabilities; self-determination, indicating the level of autonomy over one's own work processes; and impact, meaning the level of influence an individual has on work outcomes (Spreitzer, 2008). Similarly, Väth et al. (2019) established five principles in their New Work Charta that aim to provide philosophical guidance for the management of modern work life. These principles encompass the freedom to try out alternative

ways of working; enhancing corporate social responsibility; establishing and fulfilling a sense of purpose; promoting growth and learning; and implementing autonomy and self-organization (Väth et al., 2019). What all theories have in common is their emphasis on self-determination, competence, and a sense of purpose as the main elements of New Work. Consequently, New Work can be defined as work characterized by a high degree of flexibility, virtualization, and interconnectedness, accommodating evolving employee expectations regarding participation, autonomy, and meaning (Hofmann et al., 2019).

Applying these theoretical concepts in practice, measures of New Work can be divided into three distinct categories: organizational structure, corporate culture, and flexible work arrangements.

### Organizational Structure

New Work initiatives advocate for a re-evaluation of organizational hierarchies, including flattened structures, decentralized operations, and increased agility, thereby democratizing responsibility and decision-making processes (Schermuly, 2020). By fostering employee self-organization and the creation of a participative work environment, organizations enhance autonomy, flexibility, and learning opportunities. Potential organizational forms include a holacracy, sociocracy, or the use of elected leaders to distribute power more equitably (Hofmann et al., 2019).

### Corporate Culture

Leadership plays a pivotal role in integrating New Work practices. Leaders should embody transparency, transformation, and empowerment, and inform, coach, and develop their team. They should serve as role models and empower employees to take on responsible tasks while reducing excessive control measures (Schermuly & Meifert, 2023; Spreitzer, 2008). Open task feedback further promotes employee competence and autonomy (Spreitzer, 2008). Central to this is the cultivation of trust in the manager-employee relationship, as New Work prioritizes trust over control (Hofmann et al., 2019). Corporate culture also influences employees' sense of meaning, a cornerstone of New Work, by incorporating environmental, social, and economic goals in the organization's purpose (Handelsblatt Research Institute, 2021). Moreover, job tasks should inherently possess meaning and be aligned with the organization's and employee's values (Hofmann et al., 2019; Schermuly, 2020).

## Flexible Work Arrangements

Flexible work arrangements are an integral part of New Work, including working time autonomy, workplace autonomy, task autonomy, and flexible forms of employment (Aroles et al., 2019; Handelsblatt Research Institute, 2021; Hofmann et al., 2019). Working time autonomy describes the flexibilization of schedules, incorporating practices such as trust-based hours, flexitime, and alternative work arrangements like part-time or shorter work weeks (Hofmann et al., 2019). Workplace autonomy is characterized by a decentralization of work (Handelsblatt Research Institute, 2021), enabling employees to work from home or remotely from anywhere (Hofmann et al., 2019; Schermuly & Meifert, 2023). Additionally, flexible employment models like zero-hour contracts or freelancing (Aroles et al., 2019), along with flexible work structures like job sharing or job rotation, are fundamental principles of New Work (Handelsblatt Research Institute, 2021).

To facilitate an in-depth analysis, this thesis focuses on the aspect of job autonomy in the context of New Work, encompassing concepts such as working time autonomy, workplace autonomy, and task autonomy, because according to Hofmann et al. (2019), these aspects of New Work are most prominent in contemporary work environments.

The popularity gain of job autonomy stems from a variety of reasons. For once, organizations are increasingly recognizing the benefits of flexible and autonomous working arrangements (Carr & Jooss, 2023). Job autonomy is positively related to reduced job stress (Kubicek et al., 2017; Lewis et al., 2019; Spreitzer, 2008) and fosters better compatibility of work and family life (Downes & Koekemoer, 2011; Ferreira et al., 2021; Kubicek et al., 2017; ter Hoeven & Zoonen, 2015). Moreover, autonomous work environments can promote employees' skill and knowledge acquisition, stimulating personal growth (Kubicek et al., 2017; Lewis et al., 2019). Ultimately, this leads to increased job satisfaction and improved mental and physical health while mitigating the risk of burnout (Ferreira et al., 2021; Kubicek et al., 2017). These employee-related benefits positively affect the organization as well. Employees with greater autonomy regarding when, where, and how to work display higher levels of motivation, contributing to increased productivity and performance (Downes & Koekemoer, 2011; Ferreira et al., 2021; Lewis et al., 2019; Spreitzer, 2008), as well as enhanced customer satisfaction. Likewise, they demonstrate heightened loyalty and commitment, which results in reduced absenteeism and turnover rates. In addition, the implementation of job autonomy serves as an

incentive for attracting, recruiting, and retaining employees (Downes & Koekemoer, 2011), making use of global expertise, and creating a competitive advantage (Ferreira et al., 2021).

Another factor for the increasing popularity of job autonomy is the generational shift that is taking place within the workforce. In the last few decades, baby boomers have constituted the majority of the labour market. Characterized as career-oriented and loyal (Barhate & Dirani, 2022), they believe that sacrifice and hard work are necessary for success (Petroulas et al., 2010; Tolbize, 2008). Furthermore, Baby Boomers are described as process- rather than result-oriented and obedient to authority. However, younger generations with different values are beginning to take over. Their emphasis lies on flexibility, independence, and the achievement of a work-life balance. In contrast to previous generations, they are less loyal and more result-oriented, appreciate open feedback, and do not feel intimidated by authority figures (Tolbize, 2008). Especially the latest generation entering the workforce, Generation Z, expects job flexibility and freedom to be able to concentrate on their personal lives (Barhate & Dirani, 2022). Consequently, organizations need to adapt to changing expectations (Aggarwal et al., 2022).

Besides that, the COVID-19 pandemic, urging organizations to change their work patterns, contributed significantly to the rise of flexible work arrangements (Carr & Jooss, 2023). Statistics from the European Union, for example, reveal a significant increase in remote work, with the percentage of people working from home increasing from approximately 5.5% in 2019 to 13.5% in 2021 (Eurostat, 2022).

With the rising popularity of flexible and autonomous working arrangements, however, more and more downsides become apparent. Employees working autonomously often report a higher workload and an intensification of their work efforts (ter Hoeven & Zoonen, 2015). This can lead to time management problems and the inability to disengage from work (Downes & Koekemoer, 2011), negatively impacting the employee's personal life. Moreover, job autonomy imposes challenges on work relationships, making workers feel isolated from their colleagues and detached from the organization, ultimately lowering motivation and engagement levels and decreasing performance and productivity (Ferreira et al., 2021). Additionally, flexible work arrangements can cause communication and coordination problems with both colleagues and clients, as well as impose challenges on training and monitoring processes (Downes & Koekemoer, 2011; Ferreira et al., 2021).

## 2.2 Management Control Systems

The concept of management control systems has evolved significantly since its inception at the beginning of the 20th century (Barros & Ferreira, 2019; Hared et al., 2013). Henri Fayol is credited with first associating controls with the management field in 1916 in France (Dunlevy, 1965). However, it was not until 1965 that Anthony coined the definition of management control, primarily focusing on the usage of resources and their application to achieve organizational goals (Carenys, 2013; Hared et al., 2013; Otley et al., 1995; Simons, 1990). As industry and technological advancements progressed, so did management control systems. Kaplan (1992) and Otley (1994) proposed that the earlier developed controls were applicable to large-scale manufacturing organizations and thus should be reassessed to address current challenges. In 1994, Otley argued that the traditionally understood management control systems had become narrow due to changes in organizational structures (Otley, 1994). Today, management control systems play an important role in organizations by indicating whether performance aligns with strategic goals (Brand, 2013). As the landscape of management control systems evolved alongside organizational structures and technological advancements, the need for an updated framework became prevalent.

Recognizing the added value of the management control systems on organizational performance, scholars have made efforts to map and structuralize the framework. One such concept has been introduced by Malmi and Brown (2008), who proposed a comprehensive framework of controls and categorized them into five areas: cultural, planning, cybernetic, reward and compensation, and administrative controls. Nonetheless, as the authors stress, the idea of the framework is not to view those categories as separate units, but rather as an interconnected package. Malmi and Brown (2008, p. 290) claim that management control systems are designed to ensure the employees' actions are “*consistent with the organization's objectives and strategies*”. The concept was selected due to its multifaceted nature as it “*synthesized the empirical results of the last four decades*” (Hared et al., 2013, p. 4), and encompasses various control types. Today, this framework is considered to be among the most universal and encompassing ones (Hared et al., 2013).

<b>Cultural Controls</b>						
Clans		Values			Symbols	
<b>Planning</b>		<b>Cybernetic Controls</b>				<b>Reward and Compensation</b>
Long range planning	Action planning	Budget	Financial Measurement Systems	Non Financial Measurement Systems	Hybrid Measurement Systems	
<b>Administrative Controls</b>						
Governance Structure		Organisation Structure			Policies and Procedures	

**Figure 1:** *Typology of Management Control Systems as a Package (Malmi & Brown, 2008, p. 291)*

The following section will delve into the specifics of each control type as defined by Malmi and Brown (2008) in their work.

### Cultural Controls

Cultural norms are characterized by collective and shared values and beliefs that shape the way employees within an organization act. This alignment ensures that employees' actions are in line with the organizational objectives (Flamholtz, 1983). The cultural controls are viewed as essential in relation to other types of control as they directly support and are a basis for other controls (Malmi & Brown, 2008). A challenge in the context of the startup scene is maintaining the defined culture as the startup expands and grows from its original size (Denison, 1990).

### Planning Controls

The authors state this form of control refers to future events more than the role of determining the path an organization should take, as well as activities that will allow it to reach its strategic objectives. It also serves a motivational aspect as it facilitates a sense of commitment to these activities. Through establishing goals, organizations are able to guide employees' actions. The authors distinguish between two main approaches to planning, dividing it into action planning, which are short-term objectives and activities enduring up to 12 months, and long-range planning, goals of medium to long term range. According to the authors and their mapping of the controls within the package, planning controls serve as a baseline for cybernetic controls. Planning controls, in terms of New Work, are advocated to be inclusive and agile (Malmi & Brown, 2008; Rigby et al., 2016).

### Cybernetic Controls

The result controls, also known as output controls, are designed to make employees responsible for their performance at the workplace. The application of cybernetic controls is underpinned by being able to quantify individual or group performance in order to assess organizational goals. This is dependent and closely tied to the controllability principle, drawing on the premise that individuals should be able to influence what is being asked of them. An employee should not be reprimanded for what is beyond their control. Similarly, in the case of companies, its performance should generally be taken into account in the event of extremely negative market and economic conditions. Cybernetic controls can be measured in different ways. It can be, for instance, measured through customer satisfaction measures, budgeting, financial measures (e.g. profit measures), non-financial measures (e.g. on-time delivery), and hybrids (e.g. Balanced Scorecard) (Malmi & Brown, 2008).

### Reward and Compensation Controls

When composing the reward and compensation controls section, the authors drew particularly from the work of Bonner and Sprinkle (2002) titled “The Effects of Monetary Incentives on Effort and Task Performance”. The authors see the added value of this category mainly in the enhancement of motivation and performance, as well as the possibility of influencing employee efforts. Similarly to cultural controls, the reward and compensation package and incentivization element can motivate the employees to align their actions with the organizational goals (Bonner & Sprinkle, 2002; Malmi & Brown, 2008).

### Administrative Controls

The authors distinguish between three types of administrative controls: organization design and structure, governance structures within the firm, and procedures and policies. This type of control aims to coordinate employee behaviour within the organization, monitor it, and establish a common ground in regard to certain processes. A practical example of this control is the organization's structure and design, or procedures and policies. This definition reveals that administrative controls can be perceived as standards in the form of formal arrangements, serving a purpose of the technical aspects of administrative controls. Alternatively, there is also an accompanying aspect of administrative control, which encompasses a conceptual dimension, reflecting employees' mindset and perspectives toward the established controls, playing a significant role in adherence to this type of control (Malmi & Brown, 2008).

Otley (1994) conducted a study suggesting the structure of organizations is changing together with the management control systems in place, and despite them still being necessary, they are evolving and differ from the ones used in the past. The author continues and proposes an empirical study to be conducted to bring light to the changes happening in this matter. Although the study is relatively old, the rationale of changing organizations is still valid today, supported by Barros and Ferreira (2019) who take into consideration the aspect of innovation and also propose further research through a qualitative approach.

This work does not expand on the theoretical concept proposed by Malmi and Brown but rather utilizes it as a concept and structure in exploring how the Norwegian startup ecosystem applies New Work practices in contemporary settings. Thereby, it enhances the theoretical understanding and, based on the outcomes of the study, proposes practical implications for managers and organizations in terms of the design and implementation of management control systems in connection to New Work practices.

### **3. Literature Review**

Traditionally, management control in organizations has been primarily implemented through a top-down system where workers adhered to what had been prescribed by their supervisors (Alvesson & Kärreman, 2004; Gilbert & Sutherland, 2013). Based on their presence and visibility in the workplace, employees' actions were easily observable and guidable (Felstead et al., 2003). There was significant emphasis on organizational hierarchy, resulting in clear goal setting, formal face-to-face feedback, and extrinsic, individual performance rewards like bonuses, promotions, or public recognition (Petroulas et al., 2010).

Today's flexible and autonomous working world however imposes challenges on the traditional way of exercising management control. For one thing, flexible working arrangements remove employees from physical workspaces and therefore present obstacles to visibility and presence. The lack of visibility undermines managers' ability to directly observe and communicate with their staff and thereby guide and monitor their actions, whereas reduced presence challenges an organization's cultural controls. Socialization practices like face-to-face meetings and informal gatherings are no longer available (Flassak et al., 2023; Noto et al., 2023), diminishing the possibility for team integration, cultural reproduction, and peer surveillance (Bispe &



Sivabalan, 2017; Felstead et al., 2003; Flassak et al., 2023). In addition, informal learning, trust development (Kurland & Cooper, 2002), and the feeling of recognition (Newman & Ford, 2021) are impeded. For another thing, autonomy and control are generally viewed as being diametrically related, meaning that the more control an organization applies, the less job discretion is possible, because management control tends to be perceived as coercive, rigid, and restrictive (Gilbert & Sutherland, 2013; Langfred & Rockmann, 2016; Lewis et al., 2019).

Nevertheless, due to the downsides of job autonomy outlined in Section 2.1, the need for effective management control systems is even more important for organizations embracing New Work principles. As Simons (1995b, p. 163) notes: “...*empowerment requires greater control...*”, highlighting the necessity for supervisors to grant job discretion to workers while at the same time coordinating their efforts and ensuring that they act in line with the organization’s objectives (Carr & Jooss, 2023; Gilbert & Sutherland, 2013; Langfred & Rockmann, 2016; Lewis et al., 2019). To be able to give up control without losing it, managers have to redesign and adapt their existing control systems. By using a combination of management control methods, organizations can either maintain the presence and visibility of their employees despite their flexible work arrangements, or they can make presence and visibility as pillars for management control redundant (Felstead et al., 2003). Leaders can create a structure that supports and holds employees accountable while simultaneously providing a framework within which autonomy can be exercised. Thereby, control and self-determination can co-exist and be optimized by effective management (Gilbert & Sutherland, 2013).

Still, research on this topic is limited. Despite the growing popularity of New Work, the majority of studies in the field of management control focus on traditional, formal settings or concentrate on specific aspects of job autonomy, predominantly remote work (Downes et al., 2023). It is, however, crucial to examine the topic of job autonomy holistically to be able to offer guidelines for organizations that want to operationalize the transition toward novel work arrangements (Carr & Jooss, 2023). In the following section, existing management control literature is used to map how control systems provide both direction and boundaries to employees, while at the same time facilitating the adoption of job autonomy. In addition, this review serves as the foundation for the empirical part of this thesis. Recognizing the need for combining various control mechanisms to effectively manage autonomous workers, the subsequent section draws upon the management control systems package proposed by Malmi and Brown (2008), which has been described in detail in Part 2.2.

## Cybernetic Controls

When adopting job autonomy, a special emphasis is placed on result controls (Carr & Jooss, 2023). This means that the focus shifts from evaluating inputs such as hours worked, processes, behaviours, and outputs to measuring the achievement of targets (Downes et al., 2023; Felstead et al., 2003; Groen et al., 2018; Noto et al., 2023; Pianese et al., 2023). Thereby, employees are controlled indirectly (Gilbert & Sutherland, 2013). The emphasis on outcomes is especially suitable for implementing New Work as the opportunity for direct observation of behaviour is limited while monitoring outcomes remains possible. By holding employees accountable for results rather than processes, a high level of control can be maintained despite the loss of visibility and presence (Groen et al., 2018). What is more, result controls afford flexibility and autonomy to workers by allowing them to independently determine how they achieve specified performance goals while still providing them with direction and feedback (Lewis et al., 2019; Spreitzer & Mishra, 1999). At the same time, supervisors can assess whether important organizational objectives have been accomplished (Speklé et al., 2014).

To be able to focus on outcomes, the creation of agreed-upon short- to medium-term objectives is critical. Following the SMART method, goals should be “*specific, measurable, actionable, realistic and time-limited*” (Newman & Ford, 2021, p. 3). Examples of performance targets include levels of customer satisfaction, sales or profit goals (Downes et al., 2023) as well as participation rates in meetings (Felstead et al., 2003). Another model that can be used to establish a wide variety of organizational and employee metrics is Kaplan and Norton’s Balanced Scorecard (Gilbert & Sutherland, 2013; Malhotra et al., 2007). The Balanced Scorecard contributes to goal setting within a flexible environment by evaluating both financial as well as non-financial performance indicators across four dimensions - financials, customers, internal processes, and learning and growth - derived from the organization’s strategy. This approach leads to a common understanding of objectives and expectations, consequently aligning employees’ autonomous efforts with the strategic direction of the company (Kaplan & Norton, 1996).

In addition to facilitating goal setting, the Balanced Scorecard is understood as a valuable tool for monitoring and feedback purposes. It provides a balanced view of performance and therefore constitutes a fair framework for evaluating employees, monitoring deviations, and implementing corrective action (Kaplan & Norton, 1996). Flexible work arrangements, in particular, require more frequent, timely, and informal feedback compared to traditional settings

to ensure continuous oversight (Carr & Jooss, 2023). This can entail regular review meetings (Newman & Ford, 2021), evaluation of self-reports (Noto et al., 2023), and performance measurement tools like cost management systems (Mundy, 2010). Moreover, work outcomes can be monitored using project management software, enabling employees to record completed tasks, and making their results visible to managers as well as team members (Bispe & Sivabalan, 2017; Malhotra et al., 2007).

However, there is a consensus in the literature that a pure reliance on outcomes in an autonomous work environment is not sufficient. Firstly, there is the risk of employees manipulating the data used to report their results (Downes et al., 2023; Simons, 1995a). Secondly, outcome controls tend to be short-term focused and can hinder workers' skill development and professional growth. Shifting the focus away from inputs can hamper learning, a process that is already challenged by flexible working arrangements (Kurland & Cooper, 2002). Therefore, cybernetic controls should be reinforced by cultural controls (Carr & Jooss, 2023; Downes et al., 2023), which support social interaction and build the trust necessary for implementing result controls (Noto et al., 2023).

### Cultural Controls

Cultural controls play a vital role in disseminating corporate values, general principles, and beliefs within an organization. This fosters the alignment of employees' goals with organizational objectives, ensuring that workers identify with the organization and exhibit desired behaviour (Costa & Bijlsma-Frankema, 2007; Newman & Ford, 2021; Zhang et al., 2007). Furthermore, belief and value systems serve as inspiration and guidelines for employees (Heinicke et al., 2016; Mundy, 2010). Therefore, it is especially important to use cultural controls when implementing job autonomy and flexible work arrangements because a strong corporate culture can mitigate the disadvantages arising from the difficulty of directly observing workers and the limitations associated with relying mainly on result controls (Downes et al., 2023; Zhang et al., 2007), fostering employees' willingness to behave in accordance with organizational objectives despite the lack of direct control (Pianese et al., 2023). In addition, cultural controls allow for an enhanced level of flexibility and autonomy, because instead of prescribing specific behaviours, they afford employees the freedom to determine their actions independently, as long as they are consistent with the organizational values and beliefs (Heinicke et al., 2016).

However, the adoption of New Work also imposes challenges on traditional cultural controls. Due to the lack of physical visibility and proximity in flexible work arrangements, several forms of cultural control, such as socialization, face-to-face meetings, peer control, or informal communication and learning are becoming less practicable. Therefore, it becomes necessary to modify an organization's cultural controls (Carr & Jooss, 2023; Noto et al., 2023).

To foster the alignment between employee goals and organizational objectives in flexible work environments, establishing and communicating an organization's vision, values, and beliefs is crucial. This can be achieved by consistently reminding workers about the values during meetings and presentations or by using visual cues like displaying the vision statement as wallpaper on corporate computers or featuring it on the front page of documents (Bispe & Sivabalan, 2017; Newman & Ford, 2021). Besides serving as guiding principles, organizational values can also form the basis for setting outcome targets and measuring the performance of cybernetic controls (Mundy, 2010). Alongside the establishment of organization-wide values and beliefs, the formulation of group norms within teams can promote peer control, a horizontal control mechanism where workers in a team control each other based on their contribution to the team's objectives (Bispe & Sivabalan, 2017; Lewis et al., 2019). Internalizing an organization's vision and values can also facilitate workers' self-control, enabling them to set their own goals and monitor their progress to some extent (Pianese et al., 2023; Zhang et al., 2007).

Besides continuously communicating the belief and value system, it is crucial to recruit workers who share the same values and goals with the organization from the beginning (Heinicke et al., 2016; Spreitzer & Mishra, 1999). Moreover, recruiters should look for employees who possess key characteristics like responsibility, experience, maturity, and strong communication skills to ensure that they are capable of working autonomously (Downes & Koekemoer, 2011; Downes et al., 2023; Gilbert & Sutherland, 2013; Kurland & Cooper, 2002). What is more, hiring a so-called team integrator, a manager who fosters interpersonal relationships within the organization and ensures that the organization and employees share a congruent understanding, can aid in implementing cultural controls (Noto et al., 2023). By selecting employees who are not only skilled but also fit culturally, organizations can build a solid foundation for a flexible and autonomous work environment. To further develop a shared culture and common language and values, it is essential to arrange continuous employee training (Metallo et al., 2022). As suggested by Newman and Ford (2021), learning modules should be made available on demand

to accommodate job flexibility. Training content can cover a variety of topics, including professional skills such as executive training or guidance on working autonomously, as well as personal skills like stress management. What is more, training and education can foster employee's understanding of expectations and organizational goals, contributing to aligned decision-making (Johnson, 2004; Kurland & Cooper, 2002; Newman & Ford, 2021).

The second main role of cultural controls in the context of New Work is concerned with improving organizational identification through socialization because working autonomously outside the traditional office environment can lead to feelings of isolation and lower team cohesion (Noto et al., 2023). To counteract these challenges, it is crucial to arrange regular virtual meetings that cover both job-related as well as personal topics. For instance, at the beginning of the meeting, each employee can tell a personal anecdote to reconnect with other team members (Malhotra et al., 2007). To further build connections with other employees, virtual socialization events like virtual after-work gatherings or team-building activities can be organized (Noto et al., 2023; Pianese et al., 2023).

Aside from relationship-building between employees, a supportive, trust-based, and empathetic relationship between manager and subordinate plays a crucial role in promoting organizational identification as well. Open, clear, and timely communication is especially critical when nonverbal and informal interactions are limited. Actively listening to workers and understanding their personalities is equally important (Newman & Ford, 2021). Additionally, leaders are required to adopt the role of coaches and team integrators, balancing job-focused instructions on the one hand with informal communication on the other hand to reduce distance and boost morale (Noto et al., 2023; Pianese et al., 2023). According to Pianese et al. (2023), a leadership style particularly suitable for New Work integration is transformational leadership, an approach focused on encouragement, inspiration, values, and visions. Transformational leadership has the potential to enhance employee motivation and engagement, ultimately leading to improved performance (Pianese et al., 2023).

### Role of Trust

By fostering relationship-building, promoting a sense of belonging, and ensuring alignment, the cultural control mechanisms outlined above significantly contribute to the development of trust between managers and subordinates (Noto et al., 2023). Trust, as defined by Bispe and Sivabalan (2017, p. 14), is “...a psychological state comprising the intention or willingness of

*a person to accept vulnerability based upon positive expectations of the intentions or behaviour of another person and stemming from assessments of that person's trustworthiness, irrespective of the ability to monitor that other person*". This implies that managers have confidence in their employees' ability to make decisions and exhibit behaviour in accordance with organizational goals, based on their belief in the employees' competence, reliability, and alignment with the values of the organization (Spreitzer & Mishra, 1999). Due to the lack of direct observation in a flexible work environment, trust is considered a key lever of control by many scholars that promotes autonomy and performance (Felstead et al., 2003; Gilbert & Sutherland, 2013; Noto et al., 2023; Pianese et al., 2023; Spreitzer & Mishra, 1999). It increases employee commitment, motivation, and compliance by improving the manager-subordinate relationship (Bispe & Sivabalan, 2017), thereby reducing the manager's risk associated with granting autonomy to employees (Spreitzer & Mishra, 1999). Still, developing trust in flexible settings is challenging, because traditionally, trust has been built based on face-to-face interactions facilitated by presence and visibility. Flexible work arrangements therefore often lead to a lack of references on which trust can be based (Bispe & Sivabalan, 2017). For this reason, it is crucial to adopt cultural controls when implementing New Work practices to foster socialization and an alignment of employee objectives and organizational objectives, which in turn cultivates trust as a control mechanism.

However, there is disagreement within the literature regarding whether trust can be conceived as a substitute or complement to management control. The substitution perspective argues that an inverse relationship between trust and control exists, implying that the higher the level of trust, the lower the need for formal controls, because trust acts as a control mechanism, increasing the predictability of future behaviour (Costa & Bijlsma-Frankema, 2007; Gilbert & Sutherland, 2013; Long & Sitkin, 2006; Noto et al., 2023). Some scholars even argue that control and trust are mutually exclusive because the employment of formal control mechanisms like observation and prescribed rules indicates opportunistic behaviour and mistrust. In contrast, the complementary perspective assumes that trust is a form of control and that the two concepts are mutually reinforcing, both contributing to organizational performance. Certain controls, such as outcome targets or shared beliefs, have the ability to build and strengthen trust by establishing a common understanding and a performance record that can be used as a foundation for the assessment of an employee's trustworthiness (Bispe & Sivabalan, 2017; Costa & Bijlsma-Frankema, 2007; Felstead et al., 2003; Long & Sitkin, 2006). Furthermore, relying solely on trust as a control mechanism is risky because it leaves organizations vulnerable to

betrayal and disappointment (Costa & Bijlsma-Frankema, 2007). In addition, trust is a fragile construct that takes time to develop and can easily be destroyed. Therefore, it is recommended that organizations combine trust with other forms of management control to improve effectiveness and ensure goal achievement (Long & Sitkin, 2006; Spreitzer & Mishra, 1999).

To effectively adopt cultural control mechanisms in a flexible setting characterized by limited visibility and presence, the use of administrative controls becomes essential. Administrative controls, such as communication and collaboration technology, along with standardized procedures, facilitate virtual socialization, strengthen organizational culture and employee identification, and provide the infrastructure necessary for implementing cultural controls (Noto et al., 2023; Pianese et al., 2023).

### Administrative Controls

Implementing New Work in the form of job autonomy requires a heightened focus on formal communication and interaction to aid information sharing, coordination, and support for workers because the lack of visibility and presence makes informal information exchange, such as conversations in the office hallways, impractical (Carr & Jooss, 2023; Noto et al., 2023; Pianese et al., 2023). This can be achieved through virtual meetings, allowing managers to participate in their subordinates' decision-making processes, stay informed about opportunities and threats, and openly discuss problems (Mundy, 2010; Simons, 1995a). The objectives of these virtual meetings include the communication of goals and performance feedback based on established result controls (Newman & Ford, 2021) along with the alignment and motivation of employees (Malhotra et al., 2007). Furthermore, meetings constitute a valuable opportunity for fostering team spirit and socialization, supporting the enablement of cultural controls (Felstead et al., 2003; Noto et al., 2023). Having a well-defined agenda as well as sharing meeting minutes and key takeaways afterwards keep the meetings concise while at the same time providing crucial information to employees who might not have been able to attend (Malhotra et al., 2007). Increasing the frequency of virtual meetings can further counterbalance limited interaction opportunities and help maintain regular communication. However, it is important to organize meetings at times that are convenient for employees. This ensures that they can participate while accommodating their flexible schedules (Newman & Ford, 2021).

The use of information and communications technology (ICT) plays a crucial role in enabling the implementation of regular virtual meetings and helps to exercise management control

remotely (Aroles et al., 2019; Carr & Jooss, 2023). Video call and instant messaging platforms facilitate communication and information exchange, while applications like cloud services or project management software support collaboration within a flexible work environment (Newman & Ford, 2021; Noto et al., 2023). These tools help to manage work tasks, track project progress, and get an overview of employee availability (Bispe & Sivabalan, 2017; Downes & Koekemoer, 2011). Additionally, technology can assist in the implementation of cultural controls, because electronic communication helps to maintain contact with coworkers, promoting a sense of connection, and organizational belonging, and fostering engagement (Felstead et al., 2003; Pianese et al., 2023). Besides the social aspects, ICT facilitates employee monitoring. Electronic Performance Monitoring systems can track digital activities and computer usage, including login times, availability, or time spent on specific applications (Bispe & Sivabalan, 2017; Felstead et al., 2003). Even software originally designed for purposes other than management control, such as Customer Relationship Management platforms, can be repurposed to monitor activities and measure productivity and task progress toward objectives (Aroles et al., 2019; Felstead et al., 2003; Pianese et al., 2023). Furthermore, technology enables the monitoring of employee communication and attitude. Due to the difficulty of monitoring behaviour directly, communication logs provide insights into work activities, individual and team morale, and mood. Understanding employee attitudes is crucial for interpreting performance-related issues and job satisfaction (Downes et al., 2023). Overall, the integration of ICT not only facilitates remote working but also enhances management control in flexible work settings.

Another important administrative control involves the implementation of policies and procedures that prescribe behaviour and thereby align the goals of employees with those of the organization (Pianese et al., 2023). This is especially suitable in settings where direct observation of employee behaviour is difficult (Flassak et al., 2023). There is, however, a dissonance in the literature regarding the effectiveness of standard operating procedures in autonomous work environments. Standardization implies the definition of specific behaviours that employees should exhibit to achieve desired organizational outcomes. To specify these behaviours, managers must understand the relationship between actions and results. The behaviour itself or indicators that this behaviour has occurred can then be monitored and assessed (Downes et al., 2023; Groen et al., 2018; Kurland & Cooper, 2002). Examples of standardization include communication rules, for example about response time and meeting participation, the formalization of tasks and roles, or behavioural norms (Kurland & Cooper,



2002; Lewis et al., 2019; Newman & Ford, 2021). A large majority of scholars agree that standardization is necessary in flexible settings. For one thing, standard procedures clarify expectations. When employees know what is expected from them, they can act accordingly, which increases managerial trust (Malhotra et al., 2007; Newman & Ford, 2021). Additionally, policies act as guidelines that support employee decision-making, provide targets and structure (Herbert, 2009; Langfred & Rockmann, 2016; Mundy, 2010; Newman & Ford, 2021; Pianese et al., 2023; Spreitzer & Mishra, 1999), and reduce the need for frequent meetings (Flassak et al., 2023). For another thing, formalized rules promote employee alignment by establishing shared values, objectives, and a vision. In sum, standardization can lead to higher performance (Pianese et al., 2023) and enable employees to self-control by providing guidance (Zhang et al., 2007).

Some researchers, however, argue that excessive formalization restricts flexibility and should therefore be reduced. Nevertheless, they also recognize the necessity of establishing boundaries that limit and guide behaviour (Groen et al., 2018; Simons, 1995a, 1995b). To balance this need for guidance with maintaining employee autonomy, they suggest developing guidelines that clearly define limits and forbidden behaviours, instead of prescribing permitted behaviour in standard operating procedures (Simons, 1995a, 1995b; Speklé et al., 2014). According to Herbert (2009, p. 239), this means that organizations should transition “...*from a position whereby everything is forbidden unless permitted...to a more professional and supportive environment whereby everything is permitted unless forbidden...*”. This approach grants workers the freedom to act autonomously without close, direct supervision, but within certain boundaries (Heinicke et al., 2016). A policy suitable for this approach is, for example, a code of conduct that prohibits behaviours like accepting bribes or disclosing confidential information (Simons, 1995a).

While there is consensus in the literature regarding the benefits of administrative controls in controlling autonomous workers to a certain extent, it is apparent that a strong reliance on these mechanisms can create tensions with cybernetic and cultural controls. The implementation of policies and rules like regular mandatory meetings with cameras turned on or strict behavioural constraints can reduce the perceived sense of independence and flexibility established by outcome controls and communicated by the organization’s culture (Noto et al., 2023). As stated by Noto et al. (2023), it is therefore recommendable to prioritize the facilitation of socialization and communication when introducing administrative controls in the context of New Work.

### Planning Controls

Closely linked to administrative controls are planning controls. Plans and budgets are particularly important in flexible settings because they communicate the organization's mission, establish priorities, and provide guidance to employees while at the same time allowing them autonomy in how to achieve the organization's objectives. Offering clarity and direction, strategic plans reduce uncertainty and thereby improve decision-making and employee judgment. By translating the plans into measurable targets that can be used in the context of result controls, the organization's strategy is linked to distinct goals, making it more tangible and actionable (Mundy, 2010). Moreover, planning controls contribute to fostering motivation. Particularly financial forecasts depicting anticipated financial results can serve as a source of excitement, confidence, and engagement for employees, helping to compensate for any potential negative implications of autonomous working on employee motivation (Bispe & Sivabalan, 2017).

The introduction of ICT as an administrative control can significantly support planning processes within organizations. By providing a mutual platform for planning project agendas, aligning work tasks, setting deadlines (Bispe & Sivabalan, 2017), and sharing work schedules (Downes & Koekemoer, 2011), ICT supports coordination, communication, and knowledge integration among team members while facilitating the monitoring of projects and allowing the adjustment of plans if necessary (Bispe & Sivabalan, 2017).

Furthermore, to address the challenge of limited direct observability in flexible work environments, managers should actively involve workers in the strategic planning process. By doing so, employees not only receive direction and familiarity with organizational goals but also feel engaged in the organization's decision-making, resulting in higher motivation (Flassak et al., 2023). What is more, planning participation can reduce knowledge gaps that may arise from working outside the traditional office setting and are caused by the lack of informal face-to-face communication with superiors and colleagues (Mundy, 2010). Budgetary participation is equally beneficial. Involving employees in the budget-setting process results in the creation of more realistic budgets that are adequate for the task requirements because employees can incorporate their experiences and insights. This fosters an understanding of and commitment to both the budget and the organization in general, ultimately enhancing motivation and performance (Nouri & Parker, 1998).

However, the literature on planning controls in the context of flexible and autonomous work arrangements is much more limited compared to research on the use of cybernetic, cultural, and administrative controls. This suggests that planning controls may not be perceived as essential for the implementation of New Work as other control mechanisms.

### Reward and Compensation Controls

Likewise, it becomes apparent from the literature that reward and compensation systems have not received extensive attention in the context of New Work, despite their potential to align the interests of both the organization and employees by linking employee success to organizational success (Heinicke et al., 2016; Spreitzer & Mishra, 1999). For flexible work environments, the literature suggests that performance-based rewards and compensation, grounded in the targets established through cybernetic controls, are particularly suitable. These systems establish a direct connection between reward and effort, thus having a positive influence on motivation and performance (Bispe & Sivabalan, 2017; Gilbert & Sutherland, 2013; Johnson, 2004). Besides serving as a means of control, performance-based pay and rewards possess, similar to result controls, an informational effect that directs workers' actions while allowing them the freedom to determine how they achieve performance goals. At the same time, this compensation structure represents a feedback system for employee performance (Balkin et al., 2015).

However, performance-based compensation and rewards can be perceived as controlling, particularly when targets are overly challenging or narrowly defined, leading to an external locus of control (Balkin et al., 2015). What is more, it may encourage employees to focus solely on achieving performance outcomes, potentially resulting in inferior decision-making or satisficing (Mundy, 2010). To ensure that performance-based compensation and reward schemes support employee autonomy, it is essential to balance the informational aspect with the controlling element. For one thing, not determining the details of remuneration, such as its form or amount, beforehand but rather basing it on actual performance attained can reduce the focus on pay. For another thing, letting employees self-direct the timing and amount of their rewards, for example by offering skill-based rewards earned after achieving specific competencies, enhances autonomy by giving employees a sense of control over their pay. Generalizing performance goals by providing outcome ranges or comparative targets also fosters autonomy, allowing employees flexibility in how they perform the task. Additionally, incorporating small but frequent rewards for good performance reinforces positive behaviour and strengthens the informational and feedback aspects of the compensation systems while

decreasing the feeling of control (Balkin et al., 2015). Besides basing incentives solely on the achievement of results, Heinicke et al. (2016) suggest that reward systems can also take into account the extent to which an employee acts in conformity with the organization's values. Similarly, Zhang et al. (2007) propose that rewarding autonomy and self-control creates a more holistic approach to performance-based pay and rewards.

Adapting incentive systems to offer a variety of both monetary and non-monetary rewards promotes autonomy as well. Flexible reward systems that incorporate incentives such as monetary bonuses, promotions, sabbaticals, additional vacation time, or training opportunities enable employees to choose rewards that align with their individual preferences and needs (Johnson, 2004; Petroulas et al., 2010; Stone & Deadrick, 2015). In addition, providing social rewards like appreciation and recognition, for example in the form of praise during a meeting, is crucial as well because it reinforces positive behaviour and promotes the relationship between manager and employee. This is particularly important in flexible work settings where employees may struggle with organizational identification, commitment, and a potential sense of not feeling seen (Carr & Jooss, 2023; Metallo et al., 2022; Newman & Ford, 2021).

To summarize, management control systems play a vital role in the adoption of New Work by providing guidance and monitoring performance while at the same time establishing a foundation for autonomy and flexibility (Gilbert & Sutherland, 2013; Lewis et al., 2019; Simons, 1995b; Speklé et al., 2014). This is achieved, as suggested by Malmi and Brown (2008), through a combination of various control mechanisms into a management control package (Downes et al., 2023; Heinicke et al., 2016; Pianese et al., 2023). Cybernetic controls, administrative controls, planning, and compensation and reward systems are essential for administrative purposes and boundary setting, while cultural controls are central to enhancing motivation and organizational identification (Zhang et al., 2007). The different control mechanisms are mutually reinforcing, creating an information-rich environment that fosters understanding and motivation. This setting allows for autonomy and flexibility while at the same time preventing the loss of control (Speklé et al., 2014). Existing controls can be adapted and emphasized to a varying degree, without necessarily establishing novel controls (Groen et al., 2018). Despite its synergies, however, tensions exist between different control mechanisms that have to be addressed by coordinating and balancing their elements (Noto et al., 2023).

While Malmi and Brown (2008) focus on the design of an organization's management control system, it is equally important to consider the mode of control. This is particularly crucial when researching the relationship between New Work and management control because it helps to balance the above-mentioned tensions between the different mechanisms (Janka, 2021). Adler and Borys (1996) differentiate between coercive and enabling formalization, highlighting the two distinct roles of management control: decision-influencing and decision-facilitating (Janka, 2021). Coercive formalization involves top-down regulations and procedures focused on control, aspiring to force employees into compliance and goal alignment. In contrast, enabling formalization encompasses systems and rules that facilitate employee work and improve their performance by providing information, enhancing decision-making, and supporting problem-solving rather than solely functioning as control (Ahrens & Chapman, 2004; Hoy & Sweetland, 2000; Janka, 2021; Wouters & Wilderom, 2008).

Enabling control measures are characterized by specific design features. Firstly, they are flexible, allowing employees to modify them and deviate from procedures when necessary while staying aligned with organizational goals. This includes active improvement and adjustment of established guidelines in the case of contingencies, contributing to the so-called repair process. Moreover, internal and global transparency are crucial, helping employees understand the rationale behind specific control mechanisms as well as their role in the broader context of the organization (Ahrens & Chapman, 2004; Janka, 2021; Wouters & Wilderom, 2008). Research shows that while coercive management control systems may be perceived as constraining and unsupportive, consequently leading to estrangement rather than loyalty, enabling control measures enhance employee motivation, satisfaction, and commitment, ultimately contributing to employee autonomy. Therefore, implementing the management control systems package in an enabling manner is beneficial when adopting New Work principles (Hoy & Sweetland, 2000; Wouters & Wilderom, 2008). This implies that existing control methods should be designed in way that facilitates flexibility and repair, meaning that employees can modify and improve the measures when necessary. Furthermore, ensuring transparency by collaborating with employees in the design process fosters involvement and lays the ground for autonomous decision-making (Wouters & Wilderom, 2008).

Exploring the operationalization of enabling management control in the context of New Work in more detail, research primarily focuses on the design of cybernetic and administrative controls (Janka, 2021). Cybernetic controls should be developed in cooperation with

employees, based on their experiences. This approach ensures the creation of a transparent and relevant control system that meets employees' needs and facilitates their work and problem-solving by providing a framework of information and feedback. Employing a dynamic design and implementation process, where performance measures are established incrementally through testing and modification, further contributes to the development of an understandable, flexible, and accurate cybernetic control system (Wouters & Wilderom, 2008). Transparency and flexibility are also essential in designing formalized administrative control measures. According to Janka (2021), standards should be formulated as flexible guidelines rather than rigid rules, allowing employees to deviate from existing regulations when necessary. This design approach is facilitated through cultural controls fostering a trusting and transparent work environment that accepts failures and mistakes (Janka, 2021). In conclusion, by designing control methods in an enabling manner while utilizing cultural controls as a framework, organizations can balance job autonomy with organizational oversight.

#### **4. Methodology and Research Design**

This work is guided by the widely agreed theory that in today's dynamic landscape, the modern work environment and management practices are continually evolving and are expected to continue to do so. Born and Drori (2015) argue that this is mainly associated with three factors: technology, globalization, and the multi-generational workforce. Among those, technological advancement has been especially visible in recent years and accelerated the change within organizations and the skills desired in the workplace (Lewis, 2020). To prepare for future work challenges, organizations need to recognize how each of the factors will affect the skill sets and retention of their adequate workforce (Born & Drori, 2015). All these factors shape the New Work environment and necessitate a re-evaluation of the management control systems to leverage the best practices of each mentioned sphere. Given the context, this research aims to understand the interplay between management control systems and New Work in terms of contemporary organizational dynamics and will explore how management control systems are adapting to the transition towards New Work environments.

To examine the research objective, the work will employ the inductive approach, a method that involves observing a specific empirical phenomenon. This methodology facilitates the generation of new theories and concepts grounded in empirical data, rather than testing existing

theories, which is particularly advantageous when exploring understudied areas (Bougie & Sekaran, 2016). For example, Patton (2014) emphasizes the value of the inductive approach in qualitative research for its flexibility in understanding complex human behaviours and the contexts within which they occur. This approach is also well-suited for investigating the dynamic, collaborative, and agile environment fostered by the New Work paradigm, especially in the context of startups, where employee empowerment is particularly relevant. The inductive approach is the most appropriate for addressing the proposed research question, given that the topic is relatively little explored. This stance is supported by Thomas (2023), who argues that the inductive approach is particularly effective in new research areas where specific hypotheses have not yet been formulated, allowing for the emergence of patterns, themes, and categories from the data itself. The New Work concept and employee empowerment are especially relevant to startups, as they foster a dynamic, collaborative, and agile environment.

Qualitative data collection in regard to management topics is essential for uncovering the organizational processes, supervision experience, and the overall implementation and adoption of management control systems in connection with the New Work practices. The qualitative methodological approach offers a solution to elaborate and test theories within the management field and help the progress within the management knowledge field (Bluhm et al., 2011; Lee, 1999). Furthermore, this approach allows for an exploration of the "how" and "why" questions regarding the functioning and adaptation of management control systems (Hollweck, 2014). This method will allow us to explore the perceptions and beliefs of chosen participants, which will gain a more profound understanding compared to a quantitative approach.

Good research is typically characterized by a degree of generalizability, validity, and reliability (Heinzelmann, 2012). Stemming from the nature of the qualitative method, these factors are deemed to be more challenging to acquire as researchers do not possess any tangible and hard data they can gain through statistical techniques, which are deemed credible by and of themselves (Noble & Smith, 2015; Siggelkow, 2007). Nonetheless, Morse et al. (2002) suggest various verification strategies to enhance the reliability and credibility of qualitative research. Key among these strategies are the recognition and management of personal biases that could affect qualitative interpretations, and keeping a rigorous documentation for the data analysis. Siggelkow (2007), on the other hand, argues that what can make research more persuasive is having a sufficient sample size and being able to collect high-quality data.

Validity within qualitative research can be divided into two levels, internal and external. The internal validity of the research mainly concerns the accurate analysis and representation of the collected data (Johnson, 1997). External validity, on the other hand, mainly refers to whether the conclusions and consequences of the research can be applied and transferred to other settings (Kleven, 2008). In terms of reliability, Kassirjian (1977) put forward concepts of interjudge and category reliability in terms of qualitative research. The concept of interjudge reliability relates to the level of consistency of coders of the data collected. We plan to engage in both data collection and analysis together, therefore minimizing the risk of personal bias. Furthermore, the number of interviews and quality of data collected will be considered diligently to the point when it is clear the theoretical saturation has been reached. The category reliability relates to the degree to which the researcher can keep objectivity and define the categories so it is clear what belongs in each category (Kassirjian, 1977).

The primary objective of the qualitative interviewing is to collect valuable perspectives and experiences from the participants who are closely related to the proposed topic. The interviews are aimed to acquire a more extensive understanding of the attitudes towards implementing management control systems that support employee empowerment, as well as to contextualize the influence it might have on the management control systems with a special focus on result controls within startups. This research will use the multiple case study approach and six interviews will be conducted. The added value of this approach, in comparison to a single case study, is the possibility of comparison across different organizations and increased robustness of findings as they do not rely on a single organization and its specifics (Gustafsson, 2017).

As the work aims to explore management control systems and New Work paradigm practices within the startup landscape in Norway, an initial phase was the familiarization and understanding of the Norwegian startup ecosystem, including the exploration of the roles played by various stakeholders such as venture capitalists, accelerators, or incubators operating in Norway. The initial startup search began through the exploration of portfolio sections on websites of active Norwegian venture capital firms. In the following phase, the search continued by registering on Seedtable, a European startup database, through which we were able to access a list of Norwegian startups with their specifics, allowing us to determine their eligibility for our study. The selection approach was sector-agnostic, meaning the selection of startups was not limited to a specific industry, as the proposed subject matter is not directly impacted by operating in a given industry. The initial step involved obtaining formal permission regarding



the research objectives and intentions from Sikt, the Norwegian Agency for Shared Services in Education, to be able to conduct the interview process. Subsequently, we reached out to potential interview participants through email. Similarly to startup specifics, the Seedtable database allowed us to obtain contact information for the purpose of scheduling an interview. The message introduced the researched subject matter, and explained the role of the participant including their rights, while emphasizing the confidentiality and voluntary nature of their participation.

In their chapter on field interviews, Mahama and Kha (2017, p. 322) argue that field interviews are "*one of the most widely used strategies for gathering qualitative data in accounting research*", which uncovers the importance of the method in the management control systems field. The authors further claim that particular insights and values help explore the topic on a deeper level and allow us to learn about things that cannot be easily seen or counted (Mahama & Kha, 2017).

Mahama and Kha (2017) propose that the management control systems field can range from unstructured to semi-structured, although the second type is the most widely used. The process of deciding on the type of data collection method was guided by the belief of McCracken who argues that an "*exhaustive and reflective review of the relevant literature*" is the appropriate preliminary step to the successful creation of subsequent interview guidelines (McCracken, 1988, as cited in Mahama & Khalifa, 2017, para. 12). Thorough literature review and gained knowledge set the stage to decide that semi-structured interviews are suitable for the proposed research. The rationale for this method is due to the exploratory nature in the context of management control systems and New Work, semi-structured interviews stand out as an effective technique for gathering data as it is crucial to provide interviewees with a degree of space to elaborate on their responses, allowing them the flexibility to diverge from the strict confines when compared to fully structured interviews (Gill et al., 2008).

A suitable interviewee for this study is a professional occupying a senior role within a startup that employs more than five individuals and has maintained a stable market presence for over a year. This criterion implies that the startup is likely to have encountered New Work practices, particularly those related to remote working and flexible scheduling. Thus, the perspectives and experiences of such an interviewee are expected to be of significant value to the subsequent

analysis and enhance the contribution to the research subject matter. The interviews are going to be recorded and transcribed for the subsequent analysis.

In the pursuit of understanding the dynamics of management control systems in connection with New Work practices, this work will use the Gioia method for analysis and reporting, a process outlined by Dennis Gioia and his co-founders in 2013 (Gioia et al., 2013). The Gioia method was preferred over the grounded theory approach, whose objective is to develop a new theory (Vollstedt & Rezat, 2019). The Gioia method has become popular in recent years, especially after Gioia's work called *Organizational Research Methods*, presenting the method in depth (Mees-Buss et al., 2020). The method is suitable for primarily qualitative research due to its observational characteristics, placing emphasis on the knowledgeable participant and giving them freedom of expression, and deriving findings from the comprehensive analysis of the subject matter (Gioia et al., 2013; Mees-Buss et al., 2020).

According to Gioia et al. (2013), the initial data analysis step, assuming research design and data collection have been conducted, is the coding process that aims to ensure the integrity of the interview participants' reflections. The coding analyses the text sentence by sentence to enhance objectivity and be able to capture new and interesting information equally (Rivas, 2012). While breaking down the large number of concepts mentioned in the interview process, the objective of the coding is to form first-order themes. Within this stage, Gioia suggests that in-depth acquainting with the data happens and that the researchers understand the dynamics of the overall data. Once established, restructuring the first-order themes occurs into theory-centric second-order themes (Gioia et al., 2013). At this step, Gioia believes that researchers should be able to determine whether the second-order themes approach the observed phenomena. At this still theoretical point, the focus shifts towards the topics that so far lacked a theoretical background from the literature review in the studied domain. As a last step of the Gioia process, only possible if deemed possible, is the formulation of a few overarching themes takes place, ultimately organizing the second-order themes into an overarching and key theme. Once the coding and themes are identified, a data structure can be conducted. The idea of this phase lies in displaying the reduced data and showcasing the complex information in a simplified manner, highlighting important relationships (Verdinelli & Scagnoli, 2013). This can be done in various ways, for instance by using charts, graphs, matrices, or diagrams. Following this process, drawing on and verifying the identified themes and dimensions takes place. This is done by discussing in detail the newly identified emergent ideas (Gioia et al., 2013).

In regard to the qualitative data collection, several possible biases were identified and mitigated to the possible extent. Firstly, it has been the selection bias that by definition the qualitative research includes (Messner et al., 2017). A limitation of our study is its cross-sectional nature, which means it provides a one-time measurement from the selected sample. This approach involves data collection at a specific point in time, capturing a snapshot of the characteristics and attitudes of the selected sample (Burns & Veeck, 2019). Due to the time constraints of this thesis, it is not possible to conduct a longitudinal study, which would potentially be able to apprehend a change over time and offer more reliable data (Messner et al., 2017). The bias was addressed by selecting several different organizations from the startup landscape of Norway, to not be reliant on only one respondent, as proposed by Messner et al. (2017).

## **5. Empirical Analysis**

This chapter aims to present the empirical analysis from our study undertaken with Norwegian startups. The objective of the analysis is to systematically and logically present the data that has been derived from the qualitative interviews and analysed using the Gioia method (Gioia et al., 2013). This will lay the ground for the subsequent discussion section which will elaborate based on those findings.

The Gioia method has been used for the analysis of the patterns and themes emerging from the interview process with management-level personnel across Norwegian startups. Those interviews were semi-structured and explored the experiences of implementing Management Control Systems within the New Work concept. This allowed the interviews to explore the niche areas in depth and go beyond the asked questions. Before the interview process began, the interviewees agreed for the interview to be recorded, transcribed, and used for subsequent anonymized analysis. The Gioia method process was divided into several steps, namely: first-order themes, second-order themes, and overarching themes. This will provide the necessary structure and context for the walkthrough of the empirical analysis.

The foundation of the qualitative data analysis process and a needed prerequisite is to have a high-quality input, which splits into several steps. Once all planned interviews have been completed and the deemed data saturation reached, the process of anonymization begins. Interviews themselves were recorded with the participants' consent, which allowed for

transcription, the first step of data preparation. To comply with all necessary standards for the processing of personal data in research and ensure the confidentiality of research participants, all personal and sensitive information has been removed directly from the transcripts. Each participant has been assigned a code that replaced their identity and traceability but still allowed for a reference for a case of verbatim. This step has been followed by data cleaning, where any irrelevant content, such as off-topic discussions or repeating words, has been removed. The last step of the data preparation process has been the transcript and data organization, serving as a preceding step of the coding process as well as iterative coding, allowing for the organization of large amounts of gathered data. Lastly, before the coding process began, an initial and thorough understanding of the gathered data took place.

Table 1 visually represents the data structure, providing an organized outcome of the data analysis process. The table serves as a roadmap to navigate the coding process. The section on first-order themes represents the identified codes from the interviews, essentially being the rawest data within the table. Second-order themes are then synthesized concepts derived from first-order themes, representing a more abstract theory. Lastly, the overarching themes represent a fundamental aggregation of the second-order themes into consolidated dimensions.

First-Order Themes	Second-Order Themes	Overarching Themes
Trust as Fundamental Principle; Trust and Management Control Systems; Trust and Communication; Trust in Employment Context; Remote and Digital Trust; Trust and Reciprocity; Trust and Responsibility	Trust as an Essential and Core Principle	Collaborative Governance Approach or People-Oriented Management Control
Meeting Dynamics and Structures; Communication Channels and Tools; Regular Meetings; Communication Transparency and Openness; Responsibility and Control in Communication	Emphasis on Regular and Transparent Communication	
Shared Vision and Goals; Communication of Company Strategy and Values; Autonomy and Transparency; Team Building; Shared Work Culture; Organizational Alignment through Meetings	Building Organizational Culture, Alignment, and Common Purpose	
Qualities and Skills of Ideal Candidates; Significance of Hiring Process; Employee Onboarding and Training	Autonomy-Focused Hiring Approach	
Unified Vision and Shared Goals; Emphasis on Transparency and Trust; Location Independence in Goal Achievement; Organizational Alignment Through Regular Alignment Meetings; Alignment on Purpose; Common Goals Among Management and Employees; Invested in the Same Goal; "Being on the Same Boat"	Importance of Aligning Employees and Management Towards the Same Goal	

Goal Orientation and Flexible KPIs; Consistent Task Monitoring and Process Control; Diverse Performance Evaluation Methods; Employee Autonomy with Result-Based Focus; Strategic Data Utilization	Variety of Approaches to Performance Measurement, Monitoring and Review	Variability in Performance Management Approaches
Compensation Structures and Reward Systems; Impact of Salary on Employee Motivation and Performance	Varying Use of Reward Systems	
Iterative and Experimental Management Processes; Adapting to Swift Changes; Finding Balance; Department-Specific Operations; Expectations Depending on Seniority	Management Control as an Iterative Process	Importance of Balancing Autonomy and Alignment
Rejection of Micromanagement and Emphasis on Autonomy; Flexible Work Arrangements; Remote Work Benefits; Democratic and Egalitarian Workplace Culture; Advantages of Remote Hiring; Operational Efficiency	Importance of Autonomy	
Acknowledgement of Individual Work Styles; Adapting to Personal Needs and Remote Settings; Core Working Hours with Full Accessibility; Technology for Planning and Coordination; Role-Specific Management and Autonomy Levels; Remote Work Lowers Personal Interactions; Concerns Over Job Commitment	Importance of Control in New Work	
Differing Views on the Impact of New Work on Monitoring and Control	Implications of New Work for Management Control	

**Table 1:** *Emerging Themes from Data Analysis*

## 5.1 Detailed Analysis of Empirical Categories

### Introduction to Overarching Themes

As indicated by Table 1, the coding process reveals a total of three overarching themes, each covering a distinct side of management control systems in connection to New Work practices. Namely, it is the Collaborative Governance Approach or People-Oriented Management Control; Variability in Performance Management Approaches; and the Importance of Balancing Autonomy and Alignment. The brief overview serves as a structural framework before delving into each category in greater detail.

### Collaborative Governance Approach or People-Oriented Management Control

This dimension emphasizes the combination of management control with the importance of human factors and a collaborative approach. This indicates a management style that acknowledges the value of employee engagement and participation (Wang et al., 2022). Second-order codes that led to the creation of this aggregate dimension pivot around a human-centric management approach, which proved to be of great importance throughout the interview process. The shift towards this approach can also indicate that it can foster innovation (Koen, 2015).

### Variability in Performance Management Approaches

This dimension captures the variety of approaches startups use in the context of performance measurement, monitoring, review, and reward systems. It is visible that in the dynamic and changing environments today's startups operate, there is not a single and static approach to those matters that works for all, indicating a need for flexibility and adaptability.

### Importance of Balancing Autonomy and Alignment

This dimension acknowledges the importance of autonomy in today's environment but also ties the matter back to the overall alignment within the organization and understanding of the common goal and objective.

## 5.2 Detailed Analysis of Each Empirical Category

First-Order Themes	Second-Order Themes	Overarching Themes
Trust as Fundamental Principle; Trust and Management Control Systems; Trust and Communication; Trust in Employment Context; Remote and Digital Trust; Trust and Reciprocity; Trust and Responsibility	Trust as an Essential and Core Principle	Collaborative Governance Approach or People-Oriented Management Control
Meeting Dynamics and Structures; Communication Channels and Tools; Regular Meetings; Communication Transparency and Openness; Responsibility and Control in Communication	Emphasis on Regular and Transparent Communication	
Shared Vision and Goals; Communication of Company Strategy and Values; Autonomy and Transparency; Team Building; Shared Work Culture; Organizational Alignment through Meetings	Building Organizational Culture, Alignment, and Common Purpose	
Qualities and Skills of Ideal Candidates; Significance of Hiring Process; Employee Onboarding and Training	Autonomy-Focused Hiring Approach	
Unified Vision and Shared Goals; Emphasis on Transparency and Trust; Location Independence in Goal Achievement; Organizational Alignment Through Regular Alignment Meetings; Alignment on Purpose; Common Goals Among	Importance of Aligning Employees and Management Towards the Same Goal	



Management and Employees; Invested in the Same Goal; "Being on the Same Boat"		
---	--	--

**Table 2:** *Detailed Breakdown of "Collaborative Governance Approach or People-Oriented Management Control" Overarching Theme*

The above-outlined dimension suggests the significant role of a collaborative governance approach that considers and fosters a mutual collaboration between management level and employees. The Norwegian startups, operating in fast-paced environments, are still capable of ensuring a human-oriented approach and employee participation in the workplace.

Trust plays an essential role in this and is considered vital and a fundamental element in the workplace. Participant 3 notes that trust can replace rigid control mechanisms and stated, “*the only way to manage and run a company is to have trust in people*”. The participants discuss the importance of trust from various aspects, nonetheless, they stress that trust should be demonstrated from the top down, enabling a transparent and trustworthy workplace environment. Participant 3 specifically points out that for them, trust means having confidence “*in other people's competencies and field of expertise*”. Participant 4 continues this matter and indicates that trust promotes a sense of responsibility because of which employees feel a sense of value and capability. Nonetheless, participant 3 in this regard mentions that trust “*still needs to have a control factor*” and that “*blind trust*” is not always beneficial. Some interviewees also mention that trust is an enabler of open communication both ways (#5). This control mechanism plays a significant role and is considered a core value, and in some cases even a substitute for control mechanisms altogether (#1 and #3). Therefore, employee autonomy is not possible without trust in place.

This is directly related to the following second-order concept of emphasis on regular and transparent communication. All the participants unanimously agree that this topic is essential, especially in remote settings. Participant 5 reports that they appreciate transparent communication, meaning the organization encourages employees to speak openly, as well as upstream communication, supporting proactive communication from the employee to the management level. Consistent and proactive communication is facilitated through various forms of meetings, some of which are daily standups, regular weekly, bi-weekly, and monthly meetings, or less frequent all-hands alignment and strategic meetings. Variety also occurs in where those meetings are held, and participants mention a range of platforms. Frequently mentioned ones are Slack, Telegram, Discord, WhatsApp, or Google Meet. While some participants report no issues regarding hybrid meetings, some of them prefer them to be held fully in person, not to lose a personal touch.

The elements of trust and communication alone are not sufficient cornerstones. Building on those established values, the next second-order concept explores the proposition of building organizational culture and common purpose. Or in other words, as both participants 2 and 4 describe this, “*being on the same boat*”. A repeating pattern can be noticed among the interview participants with many of them mentioning that having employees on board, sharing common values, and knowing what the objectives are to achieve the goal as a team, brought a great added value to the organization. Similarly to transparent communication, an active advocacy of organizational strategy, purpose, and values is also vital in order to have “*the entire picture*” (#6). Fostering organizational identification and culture seems to be easier in small organizations, even if working hybrid or remotely. This is the same in terms of Key Performance Indicators (KPIs), where communication of shared common goals and creation of value is dominant. Furthermore, all interview participants report some sort of effort in bolstering the organizational culture through team-building activities and common gatherings outside of the workplace. An example of such activities are leisure activities, team dinners, attending sports events, or cabin trips.

The last second-order concept concluding the first aggregate dimension delves into the autonomy-based hiring approach. This suggests that organizations acknowledge the importance of the hiring process and look for individuals who can work with minimal supervision. Participants describe the “*total package*” (#4) employee as an individual who is smart, self-directed, motivated, and willing to learn (#2 and #3). Participant 2 elaborates that they try to incubate such employees internally through internship programs and that the proposition of the New Work concept is the ability to “*tap into global resourcing*” and therefore not being restricted to the headquarter’s city. Organizations tend to have standardized onboarding processes that typically take place on-site, with more flexibility in the later stages of employment. In summary, it is essential to hire the right and trustworthy individuals by ensuring they are a good cultural fit and understand the organization's goals to get them on board. When trust in them is established, the need for control diminishes or even becomes obsolete.

The last second-order concept considers the importance of aligning employees and management towards the same goal and creating a sense of togetherness, as a direct response to the downsides of the challenges regarding New Work implementation. Participants stress the need for having clear and shared goals that align with organizational objectives. Trust and commitment still play a pivotal role in the establishment of the common goal. This is a

precondition for remote work and autonomy, as mentioned by interview participants. These claims can be supported by the statement of participant 3, who claims “as long as people are working towards the goal of the company, it doesn't really matter in which environment it is”, similarly by participant 5 who says “I need to trust them. I need to make sure that we are on the same side. We're doing the same priorities.”, as well as participant 1, who advocates for a team evaluation rather than individual targets.

First-Order Themes	Second-Order Themes	Overarching Themes
Goal Orientation and Flexible KPIs; Consistent Task Monitoring and Process Control; Diverse Performance Evaluation Methods; Employee Autonomy with Result-Based Focus; Strategic Data Utilization	Variety of Approaches to Performance Measurement, Monitoring and Review	Variability in Performance Management Approaches
Compensation Structures and Reward Systems; Impact of Salary on Employee Motivation and Performance	Varying Use of Reward Systems	

**Table 3:** Detailed Breakdown of “Variability in Performance Management Approaches” Overarching Theme

The following section explores the specifics of the second overarching theme dedicated to the variability in performance management approaches and will focus specifically on two second-order concepts related to approaches to performance measurement, monitoring and review, and the use of reward systems. It will showcase the diverse strategies Norwegian startups employ to manage their daily practices.

The second-order concept variety of approaches to performance measurement, monitoring, and review reflects on the different approaches Norwegian startups implement into their daily operations. A variety is witnessed in terms of formal control mechanisms as organizations use different approaches to evaluate the performance of teams and individual employees. While some organizations report doing regular one-on-one feedback or peer reviews (#2), some engage in 360 performance reviews (#4), and some do not perform any performance reviews at

all (#3 and #6). The frequency of reviews also varies, ranging from continuous feedback on a weekly basis up to quarterly reviews. Participants mention a variety of perspectives and differences are spotted based on the size of the organization. Larger startups have experience with KPIs or Objectives and Key Results (OKRs), smaller and younger startups do not engage in them or moved away from them and rather put an emphasis on standardization, regular meetings, or training and education with the objective of having quality outputs and reaching a shared goal. Participant 1 supports this by explaining that KPIs are deemed as demotivating for employees as they only focus on targets, effectively leading to dissatisfaction and lower performance. This is a sign of increased autonomy, trust, and freedom as it allows employees to deliver on their own. Both participants 1 and 4 go as far as describing this as *“it is free as long as you deliver”*.

Diversity is also indicated in the use of reward systems among the interviewed organizations. While some organizations incorporate incentives linked directly to KPIs as a notable part of the compensation package, other organizations stick to traditional salary-based without additional incentivization in the form of bonuses. Participant 2 explains that the compensation package becomes especially important when working fully remotely and that after an iterative process, the organization moved towards a more incentivized salary package system to keep the drive and motivation high. They further explain that hiring fully remote employees presents a risk, as they may tend to take on multiple jobs simultaneously. Another correlation with the size of the organization is visible in terms of formal rewards with smaller companies typically not having formal systems in place. The variability in performance management approaches suggests that there might be changes toward more flexible and dynamic approaches to cater to the fast-paced environment the Norwegian startups operate in.

First-Order Themes	Second-Order Themes	Overarching Themes
Iterative and Experimental Management Processes; Adapting to Swift Changes; Finding Balance; Department-Specific Operations; Expectations Depending on Seniority	Management Control as an Iterative Process	Importance of Balancing Autonomy and Alignment
Rejection of Micromanagement and Emphasis on Autonomy; Flexible Work Arrangements; Remote Work Benefits; Democratic and Egalitarian Workplace Culture; Advantages of Remote Hiring; Operational Efficiency	Importance of Autonomy	
Acknowledgement of Individual Work Styles; Adapting to Personal Needs and Remote Settings; Core Working Hours with Full Accessibility; Technology for Planning and Coordination; Role-Specific Management and Autonomy Levels; Remote Work Lowers Personal Interactions; Concerns Over Job Commitment	Importance of Control in New Work	
Differing Views on the Impact of New Work on Monitoring and Control	Implications of New Work for Management Control	

**Table 4:** Detailed Breakdown of “Importance of Balancing Autonomy and Alignment” Overarching Theme

The Norwegian startup scene operates in an ever-evolving landscape, where the importance of autonomy and alignment stands out as a last aggregate dimension within our data collection. The theme explores how organizations navigate and find the stability between granting autonomy, as part of the New Work concept, while maintaining alignment as a whole and ensuring that organizational goals are met. This balance is especially important for employee satisfaction, establishing a supportive environment, and ensuring the organization stays agile and competitive.

Several participants indicate the adaptive and iterative nature of finding the management control practices that suit them the best. Some continue explaining that to achieve the optimal balance, continued monitoring and refinements of such practices are needed, to find what works and what does not. Participant 2 mentions that the creation of a strategy for remote work and *“improving throughout progression”* proved to be a way to find the right balance in the model they wanted to pursue. They go further and describe it as an experimental process where they *“test different things, different operating models, just to see what works, what doesn't work”*, indicating the iterative process and trial and error method of identifying the most effective strategies.

All the interview participants mention that they are aware of the substance of autonomy and its value in the modern workplace. On a similar note, some participants express their dislike towards micromanagement, describing it as *“dangerous”* (#3) and *“rigid”* (#4). Instead, all the participants support autonomy in various ways. Participant 4 elaborates on this topic with an example, explaining that one of the organization's employees, despite the time zone differences, was able to work from another continent while delivering the same quality outputs, and that this arrangement was successful due to the employees' commitment because of the given trust and autonomy from the management level, underscoring the effectiveness of New Work practices in today's workplace. Although connected more to management control systems, a different level of autonomy can be noticed based on the seniority of employees, as senior roles tend to have more autonomy and emphasis on the delivery of results, in comparison to the more junior staff. Participant 4 comments on this matter as follows *“So it doesn't really matter if they work in the day time, nighttime, take all the week off and work on the weekend. And if you know the product gets developed and released at certain deadlines. So, it depends on which role you are in and how much freedom you can have.”* The approach of giving autonomy fosters job

satisfaction, and empowers employees to contribute their best while organizing other aspects of their personal lives, thereby creating a more egalitarian workplace.

Although autonomy is key in the New Work concept, participants also recognize the value of maintaining a certain level of management control. The pressure on having such control can also be external, as participant 1 suggests, stating that having no control mechanisms is not good from an investor's point of view as there is often no concrete data to point out. The balancing of autonomy and control can be witnessed in a few organizations. A creative approach has for example been introduced by the so-called core working hours, a period when employees are expected to be reachable, supporting synchronization and alignment. A need for planning and coordination is described as a pre-condition to autonomy. Nonetheless, a contradiction in working location can be witnessed. While some interview participants mention that employees get more work done working remotely, especially in the technology sector, on the contrary, other participants mention they like to see their key employees in the office as they bring invaluable experience. Furthermore, the risk of losing the connection between people and missing human daily interactions is indicated as a negative of too much autonomy.

A varying view can be seen as a response to whether New Work poses a threat to management control. It is visible that the concept brings both challenges and opportunities and needs to be worked with iteratively and continuously. Although negatives are mentioned, the positive viewpoint is noted as the main response. Some participants deem the concept to be worrying in terms of traditional control structure, while others want to capitalize on its benefits and see it as a future.

## **6. Discussion**

This thesis explores the research question "*What implications does the adoption of New Work have for the design and use of Management Control Systems?*". To summarize, our study suggests the importance of integrating autonomy and management control within organizations. However, our research uncovers significant differences between organizations in whether and how they establish performance standards, measure performance, and follow up. Despite this diversity of approaches to performance management, a common pattern emerges: a management control approach focused on employees and collaboration with employees.



In line with Carr and Jooss (2023), our study confirms the growing recognition of the importance of job autonomy among organizations. Participants agree that autonomy and freedom are essential for fostering employee performance, creativity, and operational efficiencies. Nonetheless, the majority also recognizes the need for maintaining at least some level of control, considering the downsides associated with flexible work arrangements and a heterogeneous workforce. Therefore, our study supports the notion that autonomy and control are not mutually exclusive but rather have to be balanced. These findings align with Gilbert and Sutherland (2013) and Lewis et al. (2019), who identify the interdependent relationship between these two concepts. However, contrary to prior literature (Carr & Jooss, 2023; Gilbert & Sutherland, 2013; Langfred & Rockmann, 2016; Lewis et al., 2019; Simons, 1995b), the results do not indicate a necessity for greater control when adopting job autonomy. Despite participants acknowledging the negative sides of New Work such as a lack of personal interactions, coordination challenges, and unpredictability, it does not become apparent that they perceive control as being more important or more challenging than in traditional work settings. Surprisingly, interviewee 5 even states that “*[flexible working] doesn't challenge the monitoring and control mechanisms at all.*”, while others express concerns about a potential loss of control over time. This gap between prior research and our findings could be explained by the participants’ belief that while autonomy and control can and should co-exist, excessive control could undermine the positive aspects of job autonomy and be perceived as coercive. This is substantiated by interviewees emphasizing the importance of self-determination, with participant 1 stating that they “*...understood very early that you have to give people the freedom to perform.*”. However, they also advise against overly restrictive control measures, saying that “*...the top-down approach doesn't really work...*” (#2) and “*I think [micromanaging is] really hard and dangerous.*” (#3). The framework by Adler and Borys (1996) provides an approach to interpret these findings. Top-down rules and procedures, typically part of coercive control, constrain employee autonomy and result in estrangement rather than organizational identification and commitment (Hoy & Sweetland, 2000). What is more, we find a strong focus on trust as a control mechanism, or even as a substitute for control, a theme that will be explored in more detail in a later part of this discussion. A trusting environment is typical for the organizational culture of startups, indicating that our research context may contribute to these results. In sum, the concern over potential coerciveness and the negative consequences of excessive control as well as the emphasis on trust may explain why participants feel that heightened control in the implementation of job autonomy is neither necessary nor beneficial.

Despite the general consensus that autonomy has to be balanced with at least some level of control, our findings show that there is considerable diversity in the implementation of performance standards, performance measurement, and performance feedback among the organizations interviewed. The majority, as literature (Carr & Jooss, 2023; Downes et al., 2023; Felstead et al., 2003; Groen et al., 2018; Noto et al., 2023; Pianese et al., 2023) suggests, prioritizes outcomes and affords employees autonomy in how to achieve them, as participant 4 explains: “...if you deliver, nobody will ask how or why or when...”. However, some startups place emphasis on task monitoring as well, contrary to scholars like Groen et al. (2018) who claim that process and activity monitoring are challenging in flexible work environments due to the loss of visibility and presence. Interestingly, these companies use ICT to maintain the visibility and presence of their employees through “...digital checkpoints...” (#1) and employee documentation on platforms like Customer Relationship Management systems, enabling them to track activities effectively, even though this has not been the original purpose of these systems. Participant 1 underlines that “when you run a digital business, you do have a track of what people are doing... [but] that's not the intent. But with all the systems we are working in, I can have a clue when this staff member has been using it or logged in or done anything.”. These findings align with the literature (Aroles et al., 2019; Bispe & Sivabalan, 2017; Felstead et al., 2003; Pianese et al., 2023) suggesting that ICT plays a crucial role in facilitating both the monitoring of processes and tasks as well as outcomes. Regarding the use of KPIs, our study uncovers even greater differences among the interviewed companies. While some participants highlight the use of budgets, focal points, and KPIs, either established collaboratively with the employees or top-down, others avoid KPIs altogether, stating difficulties in establishing indicators in a dynamic startup environment or doubts about the motivational aspect of KPIs.

In terms of performance feedback, our findings confirm the claim by Carr and Jooss (2023) that performance reviews are essential in flexible work environments, with almost all companies having some kind of performance review system in place. However, as opposed to Carr and Jooss (2023), performance feedback seems to be more formal and less frequent than indicated, even though variability could be observed regarding form and frequency. The companies use different structures of performance review, including peer reviews, individual performance reviews, team evaluations, or informal feedback after an accomplishment has been achieved. Frequency ranges from weekly to quarterly intervals, with some companies stating that they do not follow a specific schedule. The handling of performance rewards as a result of performance

feedback shows diverse approaches as well. While prior research (Bispe & Sivabalan, 2017; Gilbert & Sutherland, 2013; Johnson, 2004) suggests that result-based rewards are beneficial in the context of New Work, several companies interviewed do not implement reward systems at all. Those that do acknowledge the motivational effect of incentives base them predominantly on targets and KPIs instead of considering other factors such as culture fit or self-determined working, as recommended by Heinicke et al. (2016) and Zhang et al. (2007). Furthermore, our findings show a lack of non-monetary rewards, differing from previous studies (Johnson, 2004; Petroulas et al., 2010; Stone & Deadrick, 2015) that highlight the importance of flexible, varied incentive systems that are aligned with the employees' individual preferences and needs.

Another significant deviation from the literature that became apparent was the lack of ex-ante forms of control, such as standard operating procedures and guidelines. Despite prior research (Flassak et al., 2023; Newman & Ford, 2021; Pianese et al., 2023) highlighting the significance of specifying actions and defining off-limit behaviour in flexible work arrangements, four of the studied startups do not employ standardization or implement specific policies like a code of conduct while two companies utilize scripts solely for their sales employees. A clarification for this finding is given by participant 4, who explains “...we don't want to, like, be very static. And we want people to try to find and build their own roads to work on.”, while participant 3 argues “...smart people know what to do. Or if not, they can learn by themselves what's needed to be able to do the task at hand.”. Instead, our study shows a greater reliance on strategic planning as a control mechanism, with companies utilizing, for example, the plan-do-check-act (PDCA) cycle. Moreover, in line with the conclusions drawn by Bispe and Sivabalan (2017), the organizations that implement planning controls emphasize the importance of ICT in facilitating the planning process. However, it is worth noting that while strategic planning is widespread among some companies, the majority of the organizations interviewed do not implement such plans. This discrepancy underlines the variability in performance management approaches observed in our study.

In sum, our research identifies a significant variation in approaches to performance management among the researched companies and in comparison to prior research, as illustrated by Table 5. Despite some similarities, particularly regarding the use of result controls and performance reviews in autonomous work settings, as well as the utilization of ICT for planning, collaboration, and control purposes, the startups in our study employ formalized control to a lesser extent and in different ways than anticipated based on existing literature. One

possible explanation for this deviation could be the research context of our study with the research subject being startups. These companies are often in their early stages, lacking established procedures and prioritizing sales, growth, and daily operations over setting up control and monitoring systems. Additionally, startups may not perceive the necessity for formalized control due to their small size and trusting organizational culture. This explanation is supported by insights from our interviews, where many participants describe implementing an iterative, agile management approach within a dynamic business environment, claiming that they “...*have to test different things, different operating models, just to see what works, what doesn't work.*” (#2).

An alternative explanation for the observed deviation can be derived from the enabling-coercive framework proposed by Adler and Borys (1996). Because they serve as comparable benchmarks, result controls and KPIs inherently lack flexibility and repair characteristics, potentially leading to their perception as coercive rather than enabling and not in line with the dynamic environment startups operate in (Janka, 2021). This notion is supported by a statement of participant 1, saying that “*if you set measured KPIs at the beginning of the year and you do a year, then you find out that the KPIs you started the year with are not relevant anymore because you have different KPIs.*”. Similarly, ex-ante forms of control like guidelines and strategic plans are often established top-down and require adherence to predefined goals and norms, which may not align with the agile nature of startup operations. In addition, due to their inflexibility, they may be perceived as coercive as well (Hoy & Sweetland, 2000; Janka, 2021). This perspective is consistent with previous studies suggesting that the implementation of policies, rules, and behavioural standards can diminish the perceived sense of autonomy (Noto et al., 2023). Therefore, the studied companies may refrain from setting up formalized control mechanisms.

<b>Control Methods Promoting Autonomy (Derived from Literature)</b>	<b>Company 1</b>	<b>Company 2</b>	<b>Company 3</b>	<b>Company 4</b>	<b>Company 5</b>	<b>Company 6</b>
Emphasis on Result Controls	Main Focus on Outcomes Rather Than Progress, but Indirect Task Monitoring Through ICT	Focus on Outcomes	Main Focus on Outcomes Rather Than Progress, but Indirect Task Monitoring Through ICT	Main Focus on Outcomes Rather Than Progress, but Indirect Task Monitoring Through ICT for Sales Employees	Task Monitoring	Potential Establishment in The Future
Use of KPIs	Exist but Are Not Enforced	Exist and Are Developed Together with Employees	Not Established	Exist and Are Developed by Managers	Exist and Are Developed By CEO	Not Established
Frequent, Timely, Informal	Weekly Meetings in	Weekly Meetings; Peer Review	Not Established	Quarterly Formal Performance	Bi-Weekly Meetings	Not Established

Performance Feedback	Addition to Informal Feedback, but No Formal Performance Review			Reviews and 360 Performance Reviews		
Use of ICT for Communication, Collaboration, Planning and Monitoring	Extensive Use of Different Tools for Collaboration and Communication; Indirect Use for Monitoring	Extensive Use of Different Tools for Collaboration and Communication	ICT Not Used Extensively; Use of Chat and Email for Communication; Indirect Use of Repositories for Monitoring	Extensive Use of Different Tools for Collaboration, Communication, and Task Monitoring for Sales Employees	Use of Different Tools for Collaboration, Communication, Task Monitoring, and Planning	Use of Different Tools for Collaboration and Communication
Standardization of Actions/Definition of Off-Limit Behaviour	Not Established	Not Established	Current Establishment of Sales Scripts	Only Exist for Junior Sales Employees	Not Established	Not Established

Collaborative Planning	Not Established	Not Established	Use of PDCA Cycle	Not Established	Bi-Weekly Planning Meetings Facilitated by ICT	Not Established
Monetary and Non-Monetary Reward and Compensation System Based on Results and Culture Congruence	Not Established	Monetary Rewards	Not Established	Monetary Rewards	Not Established	Payment in Shares

**Table 5:** *Comparison Between Prior Literature and Research*

However, despite the variations in approaches to formalized control mechanisms, our research uncovers a pattern that is consistent across all studied startup companies and even more pronounced than the literature suggests: the importance of an employee-centred management control approach that highlights the significance of trust as a control mechanism in the context of New Work. While previous research has acknowledged the role of trust as a control lever in flexible work settings (Felstead et al., 2003; Gilbert & Sutherland, 2013; Noto et al., 2023; Pianese et al., 2023; Spreitzer & Mishra, 1999), the overwhelming majority of our study participants take it a step further and identifies trust as one of, if not the most, essential control mechanism in their organizations. They state, for example, that “...*trust is one of the cornerstones in the company...*” (#5) or that “...*trust is so important and much more important if you operate a digital sort of app [like] we do. Because if you don't trust people, then you will every time they're not on your radar and they're gone from your digital channel, you will start to think, can I trust these people?*” (#1). Participant 3 even goes to the extent of saying that “...*the only way to manage and run [the company] is to have trust in people.*”. The reasons provided for this point of view are diverse and expand upon existing literature. Some participants cite practical considerations such as the lack of visibility and presence in digital settings, an unpredictable workload, or the expectations of the modern workforce as reasons for implementing a trusting culture. Additionally, participants emphasize the positive effects of trust on organizational performance, highlighting its contribution to employee commitment. As interviewee 4 notes, “...*people then want to give something back because they are not micromanaged and they feel like their own bosses.*”. Furthermore, they underline that trust provides the basis for self-determined decision-making by giving employees a sense of responsibility, confidence, and capability.

Nevertheless, in line with prior studies (Costa & Bijlsma-Frankema, 2007; Long & Sitkin, 2006), the participants disagree on whether trust is a substitute for or a complement to management control. While some participants, such as interviewee 3, believe that “...*trust replaces control.*”, others recognize the importance of balancing trust with a certain level of control to mitigate risks. Participant 1 even states “*My checking your timesheet for the last month is, if I don't ever do that, you will think that I don't care. I can write whatever I want and my boss doesn't see it anyway.*”, implying that trust paired with control functions as an indication to show that the manager cares about their employee and is interested in their work, thereby improving the manager-subordinate relationship. Interestingly, participant 2 describes their company implementing both approaches, saying “*So here we're trying to balance that a*



*little bit in terms of you have full autonomy, you have full trust until you lose it. Right? So, it's almost the reverse. Once you lose it, then what we need to do or what we've done is put more monitoring in place.*". However, while existing literature tends to view trust as a complement to management control (Bispe & Sivabalan, 2017; Costa & Bijlsma-Frankema, 2007; Felstead et al., 2003; Long & Sitkin, 2006), our findings reveal a trend toward trust being seen as a substitute, with the majority of companies interviewed agreeing on this perspective. Participant 3 for example, states that "*...the moment you start introducing control and monitor systems the trust goes [down in flames].*". Again, this discrepancy could be explained by the specific research context, as startups typically adopt a trusting environment. Additionally, the limited long-term experience of startups may contribute to them viewing trust as the main mechanism for managing employee behaviour and performance. What is more, the Norwegian work culture in general is based on trust, potentially providing an additional explanation for the discrepancy between the literature and our results.

In light of the significant role trust plays as a control mechanism in the companies studied, it is important to examine further how this trust is cultivated, considering the challenges highlighted in the literature regarding trust development in flexible work environments (Bispe & Sivabalan, 2017). In general, our participants do not seem to agree with the literature suggesting that building trust in a flexible work environment is more challenging, except for participant 2, who states "*But, the trust factor is a difficult thing to do remotely. And I'll be honest, normally because when people come to the office, you could see eye to eye.*". A recurring theme that emerges is that managers trust employees when they perceive that they are "*...on the same side...*" (#5), "*...know the strategies and... know the priorities...*" (#5), "*...are invested in the same goal...*" (#4), and have a holistic picture of the company in order to create a feeling of responsibility. This emphasis on the importance of aligning employee and organizational goals, particularly in the context of job autonomy and trust development, supports findings in prior research (Downes et al., 2023; Noto et al., 2023; Zhang et al., 2007). In the startups interviewed, this alignment is achieved through various measures. While some companies share the common goal and purpose during the onboarding process, others use incentivization by offering share options, with participant 6 stating "*Those shares can become worth a lot if you do your job.*". In this way, as literature recommends (Bispe & Sivabalan, 2017; Gilbert & Sutherland, 2013; Johnson, 2004), employees' financial success is tied to the organization's financial success. Other organizations in turn rely on building a strong work culture through the communication of values or the organization of team-building events to facilitate socialization. Surprisingly,

however, the study finds that sharing the company's vision, values, and beliefs, as well as organizing socialization events do not play as big of a role as expected. In fact, some startups have not yet established a vision or company values at all. To explain this, besides considering the early operational stage startups are in, one participant argues that small teams have no problems fostering organizational identification and culture even when working hybrid or remotely, pointing out that organizational identification and culture may develop naturally due to the closeness and familiarity among team members, reducing the need for more extensive cultural control measures.

Nonetheless, our findings reveal one measure that seems to have a more significant impact on employee alignment in our studied companies than previously suggested in the literature. All participants emphasize the importance of open and frequent communication as a key method for cultivating trust and achieving alignment. Participant 1 states *"I try to talk to most of my employees every day... I try to find out a bit early that people are not functioning or doing what they're supposed to do."*, while interviewee 2 explains *"I think transparency is a big thing that I've seen working very well, like just being transparent, because if you want everybody to go on the same boat... I think this is kind of very nice."* They underline that transparently communicating the company's purpose, strategy, and objectives, along with regularly sharing important updates and information, provides employees with a holistic understanding of the company's operations, equipping them with the context and knowledge needed to make autonomous decisions in accordance with the company's goals and values. Moreover, open and transparent communication is perceived to improve the personal relationship between managers and subordinates, thereby facilitating the development of trust, helping managers to better understand the reasons behind potential performance issues, and giving them the opportunity to address these issues together with the employees without losing trust. These results build upon previous research by Noto et al. (2023), Pianese et al. (2023), and Newman and Ford (2021).

As proposed by literature (Mundy, 2010; Simons, 1995a), the main tool for facilitating effective formal communication in the startups interviewed is meetings. All participants report holding regular team meetings as well as individual meetings with a frequency ranging from daily to weekly, indicating the significance of highly consistent communication in an autonomous work environment. Meeting contents include coordination, information sharing, and open discussions regarding strategy, operations, and targets. Most companies employ a hybrid approach to

meetings, with some employees participating in person and others remotely. For those unable to attend, several of the studied companies offer meeting recordings or share minutes to ensure transparency. These findings are in line with the recommendations of Newman and Ford (2021) and Malhotra et al. (2007). However, what existing literature does not adequately address, is the importance of less frequent, larger-scale meetings for employee alignment. Several of the examined companies organize major meetings or workshops, typically held a few times per year, with the goal of aligning all employees with the organizational strategy and reinforcing purpose and values. Contrary to regular meetings, these gatherings are usually conducted in a physical setting, with the expectation that all employees participate to ensure effective alignment. This notion is supported by interviewee 1 arguing “...I think [it] works best when you do it physically. That kind of anchoring of your purpose, goals and values. Yeah, that's best done in the physical workshop actually.”.

To facilitate regular communication within a flexible work setting, our data, in alignment with the literature (Aroles et al., 2019; Carr & Jooss, 2023; Newman & Ford, 2021; Noto et al., 2023), shows the widespread use of ICT in all startups. Various platforms are employed for video communication, instant messaging, collaboration, and meeting management. Smaller organizations tend to rely more on instant messaging and email, while larger companies often use more elaborate tools. In addition to formal meetings, our results indicate that communication often takes place informally and asynchronously across different channels, making sure that employees stay connected and informed regardless of their location or working time.

In addition to fostering trust through continuous alignment by establishing an organizational culture, as well as engaging in regular, transparent communication, a consistent pattern emerges among the interviewees regarding the recruitment of new employees. Contrary to prior research where recruitment as a tool to cultivate trust only plays a minor role, the majority of participants interviewed name hiring the right people as the most essential tool to develop trust in the context of New Work. Besides evaluating applicants' skill levels and career development, all studied organizations consider soft skills and personality traits as well. They agree that recruiting individuals who are self-determined, purpose-driven, and mature facilitates the development of trust, as these individuals are expected to be intrinsically motivated and capable of working autonomously without needing substantial monitoring and control. Participant 3 for example, states that “...it's all linked to smartness... smart people have the capacity to learn. And the

*smarter they are, the faster they learn. And if they are given a task they don't master, they can learn how to do it. And they can also learn how to interact with other people, and can learn to adapt faster and better than not so smart people.*”, while interviewee 6 argues *“Hire grown-up people who know how to run the company, then you don't need that many rules.”*. This finding aligns with existing literature suggesting that specific employee characteristics are beneficial in autonomous work environments (Downes & Koekemoer, 2011; Downes et al., 2023; Gilbert & Sutherland, 2013; Kurland & Cooper, 2002). However, as opposed to what the literature says (Heinicke et al., 2016; Spreitzer & Mishra, 1999), cultural fit does not seem to be as crucial, particularly when hiring in remote settings. Supporting this, participant 4 claims *“For those who work remotely, we don't look too much into that.”*. Having a look at the research context could provide explanations for this disparity. Due to their dynamic nature, startups may prioritize other attributes like adaptability, passion for the company’s purpose, or diverse backgrounds over cultural fit. In regards to how the organizations interviewed achieve the recruitment of employees with desirable characteristics, our research uncovers diverse approaches. Some companies prefer to *“...incubate them internally”* (#2), promoting internal candidates who have been with the company for some time. Others conduct thorough background checks on external candidates and utilize technical and personality assessment tests during the hiring process. Recruiting through agencies or network recommendations is another method described by our participants to facilitate the selection of suitable candidates.

As indicated by previous research (Johnson, 2004; Kurland & Cooper, 2002; Metallo et al., 2022; Newman & Ford, 2021), after recruitment, onboarding and continuous training are emphasized by the interviewees as vital for further aligning employees with the organizational purpose and goals. Interviewee 4 describes the onboarding process in their company in more detail, saying *“But we have a pretty not strict, but good onboarding process. So for three months, you are expected to work with the company work hours, which is from 9:00 to 3:00. And within those three months, that is static. So then that is because you are [taught] and shown all the tools to perform. And when you have the skills to succeed, then you are allowed to leave the nest. Yeah. And perform after that. And it works pretty great because you learn by kind of seeing what the other people do.”*.

Participants also highlight the importance of ICT in trust development. As mentioned above, all companies interviewed use ICT for daily operations, allowing them to monitor activities and task progress as well. Through this implicit monitoring, supervisors get an overview of their

employees' activities, thereby facilitating the cultivation of trust. For instance, participant 3 explains, "...we are working towards common repositories so I can easily see what everyone is producing. And by seeing the quality of the code, I get a very good impression about how they work and how efficient they are.". This perspective is supported by interviewee 5, who says "No, I don't feel that is a problem at the moment because I see they are producing, they're checking checkboxes and delivering things.". While the significance of ICT in monitoring employees in flexible work environments has received considerable attention in research (Bispe & Sivabalan, 2017; Felstead et al., 2003), its implications for the development of trust have been understudied in comparison.

Likewise, an alternative strategy adopted by two of the studied companies, in addition to the several measures applied to cultivate trust, has not received significant attention in previous literature. Interviewee 3 describes this approach further, stating "...how do you cultivate that kind of culture? You have to demonstrate it. You have to leave it. I can't see I give you trust and then second guess what you're doing. Because the moment you start doing that you are ruining everything.", suggesting that trust does not need to be cultivated but rather assumed from the beginning.

This approach to collaborative, employee-centred management control contributes to the establishment of an enabling management control system. Fostering a trusting and error-accepting culture promotes the flexibility and repair dimension of enabling control measures. Employees feel empowered to identify problems and suggest or autonomously implement changes without fear of making mistakes. This culture is supported by employee training, providing them with the knowledge and skills to find deficits and modify established control mechanisms if necessary. Moreover, the strong emphasis on open communication enhances internal and global transparency, key features of enabling control measures. This transparency helps employees understand the rationale behind certain mechanisms and provides them with a holistic view of the company's operations, enabling them to comprehend how their tasks influence the whole picture. Consequently, this supports them in making self-determined decisions, especially in times of uncertainty, that are in line with the company's goals (Hoy & Sweetland, 2000; Janka, 2021).

In sum, the adoption of job autonomy has significant implications for the design and use of management control systems. Traditional controls like policies and procedures, performance

measurement systems, and strategic plans are becoming more challenging to implement due to the inherent characteristics of flexible work arrangements. Furthermore, due to their lack of flexibility and transparency, they tend to be perceived as coercive, making it difficult for employees to contribute and develop an understanding, consequently fostering a sense of alienation rather than loyalty. Thus, they might be seen as detrimental to the implementation of job autonomy. Instead, our study reveals a shift from traditional management control systems to trust as a control mechanism, fostered by an employee-centred management control approach that aims to align employees with organizational objectives and establish a common purpose. Critical pillars in achieving this alignment are the development of an organizational culture, open, frequent communication on equal terms as well as hiring suitable employees. This collaborative governance approach lays the foundation for flexibility, repair, and transparency, thereby contributing to the development of an enabling management control system that promotes autonomy and flexibility. Furthermore, according to Janka (2021), it helps to make potentially coercive control mechanisms feel less coercive because it allows employees to understand the rationale behind the measures, enabling them to engage in and challenge the system, which ultimately makes the measures more accurate and relevant. Therefore, striking a thought-out balance between coercive and enabling management controls with an emphasis on trust in the management control systems package makes the whole package feel enabling, facilitating the effective implementation of job autonomy by promoting autonomy and flexibility while simultaneously ensuring the maintenance of organizational overview.

## **6.1 Theoretical and Practical Implications**

This thesis expands the literature on management control systems in light of autonomous work arrangements by synthesizing control research across various aspects of flexible work, such as remote work and flexitime, empowerment, trust, and job autonomy, and setting the findings in a practical context. Creating a holistic picture of the implications of job autonomy on the design and use of management control systems helps to fill a gap in the literature, which has as of yet primarily focused on specific aspects of job autonomy rather than considering the concept as a whole. Furthermore, the study contributes to the research on the evolution of management control systems, indicating a shift from traditional, hard control mechanisms towards more flexible, soft measures. In particular, it highlights the considerable significance of trust as a control mechanism in the context of New Work and explores methods for cultivating trust in flexible work environments, thus adjusting and broadening the literature on this topic.

From a practical perspective, this thesis addresses a timely and relevant topic that engages a growing number of organizations due to the changing expectations of the new generation entering the workforce as well as the increasingly apparent advantages of job autonomy. It shows that autonomy and control are not mutually exclusive but can and should co-exist, and it presents approaches on how to balance these concepts in an enabling manner. Thereby, this research can help practitioners develop or adapt their management control systems in a way that ensures autonomy and flexibility while providing a framework in which employees can operate, thus exploiting the advantages of job autonomy while mitigating potential downsides. Ultimately, this can lead to an increased acceptance and implementation of autonomous work practices across organizations, positively influencing organizational performance as well as employee well-being and satisfaction.

## **6.2 Limitations**

This study has potential limitations that need to be considered. One constraint may be the sampling. The sample is homogenous, consisting of Norwegian males who are chief executive officers or hold a senior position in a Norwegian startup. This may lead to sampling bias, possibly excluding participants with differing demographic and occupational backgrounds. In addition, it neglects the perspective of non-executive employees and takes on a managerial viewpoint. Consequently, the generalizability and comprehensiveness of the findings may be restricted. Likewise, the limited sample size of six interviews conducted by a multiple case study approach restricts empirical generalizability. However, due to the variety of the studied startups regarding industry, length of operation, and number of employees, as well as the achievement of saturation, particularly on the topic of trust as a control mechanism, the findings are generalizable for the Norwegian startup environment. Nevertheless, the specific context of startups may limit the transferability of the findings to other organizational forms because this type of company possesses distinct organizational characteristics that may have influenced the results. Regarding the data collection process, it was challenging to find suitable interview partners, representing a reason for the limited number of interviews. In the course of this, self-selection bias may have occurred, with participants who are personally interested in and positively inclined towards the research topic being more likely to participate, constraining the generalizability of the results. Further constraints relate to the scope. Time constraints may have influenced the extensiveness of the study regarding the sampling, data collection, analysis, and discussion process. Moreover, the researchers themselves are members of the new generation

entering the job market that has different expectations regarding job autonomy and flexibility, which may have introduced researcher bias and influenced the interpretation of the results.

Addressing these limitations could enhance the generalizability of future research. To mitigate the constraints related to sampling, researchers could select more diverse participants with differing demographic, cultural, and occupational backgrounds. Furthermore, researchers could adjust the sample size by either scaling up to achieve robust generalizability or scaling down to ensure sufficient depth. The limitations identified in this study highlight areas for future research.

### **6.3 Recommendations for Future Research**

To further deepen the understanding of the interaction between organizational structures, control mechanisms, and the adoption of flexible work arrangements, future research could broaden the context by studying larger, more established companies to investigate whether trust plays a similarly crucial role in balancing autonomy and control in these organizational forms. Furthermore, shifting away from the managerial perspective and incorporating the viewpoint of non-executive employees who are affected by an organization's control system could provide additional avenues for future work and add to the findings of this thesis. Moreover, expanding the research to different countries could help to understand the influence of cultural background on the implementation of management control systems and serve as the basis for a comparative study across different contexts and cultures. Methodologically, thoroughly analysing a single company in the form of a case study could provide a deeper insight into the interplay of various control systems in fostering flexibility while at the same time providing a framework for aligned decision-making. Moreover, conducting a longitudinal study could help explore the evolution of management control systems in autonomous settings over time, which could be particularly interesting in the dynamic startup environment.

Due to the disparity between prior research and the findings in this thesis, expanding on the role of trust as either a substitute for or complement to management control within the framework of New Work could help to achieve consensus and fill existing gaps in the literature. Here, it could be worthwhile to investigate the optimal distribution of trust and control in a control system, exploring whether a purely trust-based approach could be feasible. Moreover, studying the interactions between control and trust, for example by looking into whether control



mechanisms influence trust positively or negatively, could expand the understanding of the interplay between different control systems. From a theoretical as well as practical perspective, further examining the methods of trust-building in flexible work environments, particularly considering the approach of hiring the right people, could be valuable as well. A broader study approach investigating the transition from coercive to enabling forms of control in more detail promises another interesting line of research. Potential research questions could be focused on the characteristics that make specific control mechanisms feel more coercive or enabling, the practicalities of how companies can achieve a transition from coercive to enabling systems, or the interaction between coercive and enabling forms of control in facilitating autonomy and flexibility, especially in light of enabling measures partially mitigating the negative effects of coercive formalization. Likewise, exploring other aspects of the New Work concept beyond job autonomy, such as flexible employment models or alternative organizational structures like sociocracy, in the context of management control can provide further insights into the practical implementation of contemporary work arrangements.

## 7. Conclusion

Especially since the COVID-19 pandemic, flexible and autonomous work arrangements like remote working, flexitime, and task autonomy are becoming increasingly popular, entailing advantages such as higher motivation and productivity levels as well as enhanced employee well-being. However, its consequences for organizations are not fully understood yet. Therefore, this research aimed to explore the implications the adoption of New Work, with a particular focus on job autonomy, has for the design and use of management control systems. Based on interviews with six Norwegian startups, our study uncovered that the implementation of job autonomy leads to a shift away from traditional management control systems towards a more collaborative, employee-centred approach. A particularly interesting theme that emerged is the significance of trust as the prevalent control mechanism across almost all interviewed companies, cultivated through the development of an organizational culture, transparent communication, strategic recruitment, and the use of ICT as a monitoring tool. This consensus underlines the assumption that, due to their flexibility and transparency, people-centred controls are perceived as being more enabling by employees, supporting them in their decision-making rather than restricting them. Thus, they align with the principles of autonomy and flexibility, while at the same time helping to mitigate the potential negative effects of traditional, more coercive controls. Consequently, implementing a management control systems package that combines and balances coercive and enabling controls with a focus on trust not only promotes job autonomy but also ensures organizational oversight and control.

The qualitative research methodology, featuring expert interviews, was highly beneficial to gain valuable insights into the evolution of management control systems in the context of New Work as well as the execution of management control in the dynamic startup environment in general. Even though the focus on Norwegian startups along with the sample size may limit the generalizability of the findings, the study nonetheless illustrated how different companies balance autonomy and control, highlighting similarities and differences. While we anticipated, after reviewing the literature, that employee-centric controls and trust play a significant role in ensuring oversight and control in flexible work environments, it was interesting to learn that they are even more essential in practice than expected, whereas the use of more formalized controls like performance standards was much less developed than suggested in prior research.

Despite our findings offering valuable insights into the role of trust as a central control mechanism in autonomous work settings, they also underlined the need for further exploration. Research into the careful balance of trust and control, as well as the cultivation and maintenance of trust in autonomous work settings, can serve as worthwhile lines for future research. Furthermore, adopting different study approaches like case studies, longitudinal analyses, or a more diversified sample can help to achieve a more profound understanding of the interactions of coercive and enabling management control systems in diverse New Work environments. Thereby, together with this thesis, future studies can expand the control literature on trust, providing or enhancing approaches to management control in flexible work settings. Moreover, they can serve as guidelines for practitioners, facilitating and promoting the adoption of job autonomy by illustrating strategies for fostering autonomy and flexibility while mitigating its associated risks.

In conclusion, our thesis demonstrated that implementing job autonomy does not necessarily require letting go of control, but rather changes how control is executed, illustrating a transition from coercive to more enabling management control systems.

## 8. References

- Adler, P. S., & Borys, B. (1996). Two types of bureaucracy: Enabling and coercive. *Administrative Science Quarterly*, 41(1), 61-89. <https://doi.org/10.2307/2393986>
- Aggarwal, A., Sadhna, P., Gupta, S., Mittal, A., & Rastogi, S. (2022). Gen Z entering the workforce: Restructuring HR policies and practices for fostering the task performance and organizational commitment. *Journal of Public Affairs*, 22(3), 1-18. <https://doi.org/10.1002/pa.2535>
- Ahrens, T., & Chapman, C. S. (2004). Accounting for Flexibility and Efficiency: A Field Study of Management Control Systems in a Restaurant Chain. *Contemporary Accounting Research*, 21(2), 271-301. <https://doi.org/10.1506/VJR6-RP75-7GUX-XH0X>
- Alvesson, M., & Kärreman, D. (2004). Interfaces of control. Technocratic and socio-ideological control in a global management consultancy firm. *Accounting, Organizations and Society*, 29(3-4), 423-444. [https://doi.org/10.1016/S0361-3682\(03\)00034-5](https://doi.org/10.1016/S0361-3682(03)00034-5)
- Aroles, J., Mitev, N. N., & Vaujany, F.-X. D. (2019). Mapping themes in the study of new work practices. *New Technology Work and Employment*, 34(3), 285-299. <https://doi.org/10.1111/ntwe.12146>
- Balkin, D. B., Roussel, P., & Werner, S. (2015). Performance contingent pay and autonomy: Implications for facilitating extra-role creativity. *Human Resource Management Review*, 25(4), 384-395. <https://doi.org/10.1016/j.hrmr.2015.07.001>
- Barhate, B., & Dirani, K. M. (2022). Career aspirations of generation Z: a systematic literature review. *European Journal of Training and Development*, 46(1/2), 139-157. <https://doi.org/10.1108/EJTD-07-2020-0124>
- Barros, R. S., & Ferreira, A. M. D. S. d. C. (2019). Bridging management control systems and innovation: the evolution of the research and possible research directions. *Qualitative Research in Accounting & Management*, 16(3), 342-372. <https://doi.org/10.1108/QRAM-05-2017-0043>
- Bispe, J., & Sivabalan, P. (2017). Management control and trust in virtual settings: A case study of a virtual new product development team. *Management Accounting Research*, 37, 12-29. <https://doi.org/10.1016/j.mar.2017.02.001>
- Bluhm, D., Cook, W. S., Lee, T., & Mitchell, T. (2011). Qualitative Research in Management: A Decade of Progress. *Journal of Management Studies*, 48(8), 1866-1891. <https://doi.org/10.1111/j.1467-6486.2010.00972.x>

- Bonner, S. E., & Sprinkle, G. B. (2002). The effects of monetary incentives on effort and task performance: theories, evidence, and a framework for research. *Accounting, Organizations and Society*, 27(4-5), 303-345. [https://doi.org/10.1016/S0361-3682\(01\)00052-6](https://doi.org/10.1016/S0361-3682(01)00052-6)
- Born, N., & Drori, E. (2015). *What Factors Will Transform the Contemporary Work Environment and Characterize the Future of Work?* Cornell University Library. Retrieved 3 May from <https://hdl.handle.net/1813/74542>
- Bougie, R., & Sekaran, U. (2016). *Research Methods For Business: A Skill Building Approach* (7 ed.). Wiley.
- Brand, B. (2013). *Management control systems: subcomponents, optimal design and the role of time as a contingency* [Doctoral Dissertation, Johannes Gutenberg-Universität Mainz].
- Burns, A., & Veeck, A. (2019). *Marketing Research* (9 ed.). Pearson.
- Carenys, J. (2013). Management control systems: A Historical Perspective. *International Journal of Economy, Management and Social Sciences*, 1(1), 1-18. [https://www.researchgate.net/publication/293221830\\_Management\\_Control\\_Systems\\_A\\_Historical\\_Perspective](https://www.researchgate.net/publication/293221830_Management_Control_Systems_A_Historical_Perspective)
- Carr, M., & Jooss, S. (2023). Navigating management control change: pathways to the future of work. *Accounting, Auditing & Accountability Journal*, 36(9), 390-417. <https://doi.org/10.1108/AAAJ-08-2022-6005>
- Costa, A. C., & Bijlsma-Frankema, K. (2007). Trust and Control Interrelations. *Group & Organization Management Decision*, 32(4), 392-406. <https://doi.org/10.1177/1059601106293871>
- Denison, D. (1990). *Corporate culture and organizational effectiveness*. John Wiley & Sons, Inc.
- Downes, C., & Koekemoer, E. (2011). Work–life balance policies: Challenges and benefits associated with implementing flexitime. *SA Journal of Human Resource Management*, 9(1). <https://doi.org/10.4102/sajhrm.v9i1.382>
- Downes, R., Daellenbach, U., & Donnelly, N. (2023). Remote control: Attitude monitoring and informal control in distributed teams. *Journal of Business Research*, 154. <https://doi.org/10.1016/j.jbusres.2022.08.057>
- Dunlevy, J. H. (1965). *Management Control Systems: A Short History from Fayol to Forrester*. George Washington University.

- Eurostat. (2022, 8 November 2022). *Rise in EU population working from home*. Eurostat. Retrieved 18 February from <https://ec.europa.eu/eurostat/web/products-eurostat-news/-/ddn-20221108-1>
- Felstead, A., Jewson, N., & Walters, S. (2003). Managerial Control of Employees Working at Home. *British Journal of Industrial Relations*, 41(2), 241-264. <https://doi.org/10.1111/1467-8543.00271>
- Ferreira, R., Pereira, R., Bianchi, I. S., & Silva, M. M. d. (2021). Decision Factors for Remote Work Adoption: Advantages, Disadvantages, Driving Forces and Challenges. *Journal of Open Innovation: Technology, Market, and Complexity*, 7(1). <https://doi.org/10.3390/joitmc7010070>
- Flamholtz, E. G. (1983). Accounting, budgeting and control systems in their organizational context: Theoretical and empirical perspectives. *Accounting, Organizations and Society*, 8(2-3), 153-169. [https://doi.org/10.1016/0361-3682\(83\)90023-5](https://doi.org/10.1016/0361-3682(83)90023-5)
- Flassak, K., Haag, J., Hofmann, C., Lechner, C., Schwaiger, N., & Zacherl, R. (2023). Working from home and management controls. *Journal of Business Economics*, 93, 193-228. <https://doi.org/10.1007/s11573-022-01123-7>
- Gilbert, G., & Sutherland, M. (2013). The paradox of managing autonomy and control: An exploratory study. *South African Journal of Business Management*, 44(1), 1-14. <https://doi.org/10.4102/sajbm.v44i1.144>
- Gill, P., Stewart, K., Treasure, E., & Chadwick, B. (2008). Methods of data collection in qualitative research: interviews and focus groups. *British Dental Journal*, 204, 291-295. <https://doi.org/10.1038/bdj.2008.192>
- Gioia, D. A., Corley, K. G., & Hamilton, A. L. (2013). Seeking Qualitative Rigor in Inductive Research: Notes on the Gioia Methodology. *Organizational Research Methods*, 16(1), 15-31. <https://doi.org/10.1177/1094428112452151>
- Groen, B. A. C., van Triest, S. P., Coers, M., & Wtenweerde, N. (2018). Managing flexible work arrangements: Teleworking and output controls. *European Management Journal*, 36(6), 727-735. <https://doi.org/10.1016/j.emj.2018.01.007>
- Gustafsson, J. (2017). *Single case studies vs. multiple case studies: A comparative study*. DIVA Portal. Retrieved 3 May from [https://www.diva-portal.org/smash/get/diva2:1064378/FULLTEXT01.pdf%20\(10\)](https://www.diva-portal.org/smash/get/diva2:1064378/FULLTEXT01.pdf%20(10))
- Handelsblatt Research Institute. (2021). *The Mission Trendradar #4*. <https://www.handelsblatt.com/downloads/27270226/3/trendradar-work.pdf>

- Hared, B. A., Abdullah, Z., & Huque, S. M. R. (2013). Management Control Systems: A review of literature and a theoretical framework for future researches. *European Journal of Business and Management*, 5(26), 1-13. <https://core.ac.uk/download/pdf/78487574.pdf>
- Heinicke, A., Guenther, T. W., & Widener, S. K. (2016). An examination of the relationship between the extent of a flexible culture and the levers of control system: The key role of beliefs control. *Management Accounting Research*, 33, 25-41. <https://doi.org/10.1016/j.mar.2016.03.005>
- Heinzelmann, R. (2012). 3. Methodology. In *Diverging Identities and Professions in European Management Accounting* (pp. 38-53).
- Herbert, I. (2009). Business transformation through empowerment and the implications for management control systems. *Journal of Human Resource Costing & Accounting*, 13(3), 221-244. <https://doi.org/10.1108/14013380910995511>
- Hofmann, J., Piele, A., & Piele, C. (2019). *NEW WORK Best Practices und Zukunftsmodelle (NEW WORK best practices and models of the future)*.
- Hollweck, T. (2014). Robert K. Yin. (2014). Case Study Research Design and Methods (5th ed.). Thousand Oaks, CA: Sage. 282 pages. *Canadian Journal of Program Evaluation*, 30(1). <https://doi.org/10.3138/cjpe.30.1.108>
- Hoy, W. K., & Sweetland, S. R. (2000). School Bureaucracies That Work: Enabling, Not Coercive. *Journal of School Leadership*, 10(6), 525-541. <https://doi.org/10.1177/105268460001000603>
- Janka, M. (2021). Enabling formal MCS design and use: a meta-synthesis of qualitative research. *Journal of Accounting & Organizational Change*, 17(2), 133-163. <https://doi.org/10.1108/JAOC-01-2019-0002>
- Johnson, J. (2004). Flexible working: changing the manager's role. *Management Decision*, 42(6), 721-737. <https://doi.org/10.1108/00251740410542302>
- Johnson, R. B. (1997). Examining the validity structure of qualitative research. *Education*, 118(2), 282-292. [https://www.researchgate.net/publication/246126534\\_Examining\\_the\\_Validity\\_Structure\\_of\\_Qualitative\\_Research](https://www.researchgate.net/publication/246126534_Examining_the_Validity_Structure_of_Qualitative_Research)
- Kaplan, R. S. (1992). The evolution of management accounting. Readings in accounting for management control. In C. Emmanuel, D. Otley, & K. Merchant (Eds.), *Readings in Accounting for Management Control* (1 ed., pp. 586-621). Springer New York.
- Kaplan, R. S., & Norton, D. P. (1996). *The Balanced Scorecard: Translating Strategy into Action*. Harvard Business Review Press.

- Kassarjian, H. H. (1977). Content Analysis in Consumer Research. *Journal of Consumer Research*, 4(1), 8-18. <http://www.jstor.org/stable/2488631>
- Kleven, T. A. (2008). Validity and validation in qualitative and quantitative research. *Nordic Studies in Education*, 28(3), 219-233. <https://doi.org/10.18261/ISSN1891-5949-2008-03-05>
- Koen, P. (2015). Lean Start-up in Large Enterprises Using Human-Centered Design Thinking: A New Approach for Developing Transformational and Disruptive Innovations. In M. G. Luchs, K. S. Swan, & A. Griffin (Eds.), *Design Thinking: New Product Development Essentials from the PDMA* (pp. 281-300). John Wiley & Sons, Inc. <https://doi.org/10.1002/9781119154273.ch19>
- Kubicek, B., Paškvan, M., & Bunner, J. (2017). The Bright and Dark Sides of Job Autonomy. In C. Korunka & B. Kubicek (Eds.), *Job Demands in a Changing World of Work* (pp. 45-63). Springer International Publishing AG. [https://doi.org/10.1007/978-3-319-54678-0\\_4](https://doi.org/10.1007/978-3-319-54678-0_4)
- Kurland, N. B., & Cooper, C. D. (2002). Manager control and employee isolation in telecommuting environments. *Journal of High Technology Management Research*, 13(1), 107-126. [https://doi.org/10.1016/S1047-8310\(01\)00051-7](https://doi.org/10.1016/S1047-8310(01)00051-7)
- Langfred, C. W., & Rockmann, K. W. (2016). The Push and Pull of Autonomy: The Tension Between Individual Autonomy and Organizational Control in Knowledge Work. *Group & Organization Management*, 41(5), 629-657. <https://doi.org/10.1177/1059601116668971>
- Lee, T. W. (1999). *Using qualitative methods in organizational research*. Sage Publications.
- Lewis, K. (2020). Technology in the workplace: Redefining skills for the 21st century. *The Midwest Quarterly*, 61(3), 348-355. [https://www.researchgate.net/publication/352066611\\_Technology\\_in\\_the\\_Workplace\\_Redefining\\_Skills\\_for\\_the\\_21st\\_Century](https://www.researchgate.net/publication/352066611_Technology_in_the_Workplace_Redefining_Skills_for_the_21st_Century)
- Lewis, R. L., Brown, D. A., & Sutton, N. C. (2019). Control and empowerment as an organising paradox: implications for management control systems. *Accounting, Auditing & Accountability Journal*, 32(2), 483-507. <https://doi.org/10.1108/AAAJ-11-2017-3223>
- Long, C. P., & Sitkin, S. B. (2006). Trust in the Balance: How Managers Integrate Trust-Building and Task Control. In R. Bachmann & A. Zaheer (Eds.), *Handbook of Trust Research*. Edward Elgar Publishing. <https://doi.org/10.4337/9781847202819.00012>



- Mahama, H., & Kha, R. (2017). Field interviews: Process and analysis. In Z. Hoque, L. D. Parker, M. A. Covaleski, & K. Haynes (Eds.), *The Routledge Companion to Qualitative Accounting Research Methods* (1 ed., pp. 321-338). Routledge.
- Malhotra, A., Rosen, B., & Majchrzak, A. (2007). Leading Virtual Teams. *Academy of Management Perspectives*, 21(1), 60-70. <https://doi.org/10.5465/AMP.2007.24286164>
- Malmi, T., & Brown, D. A. (2008). Management control systems as a package—Opportunities, challenges and research directions. *Management Accounting Research*, 19(4), 287-300. <https://doi.org/10.1016/j.mar.2008.09.003>
- Mees-Buss, J., Welch, C., & Piekkari, R. (2020). From Templates to Heuristics: How and Why to Move Beyond the Gioia Methodology. *Organizational Research Methods*, 25(2), 405-429. <https://doi.org/10.1177/1094428120967716>
- Messner, M., Moll, J., & Strömsten, T. (2017). Credibility and authenticity in qualitative accounting research. In Z. Hoque, L. D. Parker, & K. Haynes (Eds.), *The Routledge Companion to Qualitative Accounting Research Methods* (pp. 432-444). Routledge.
- Metallo, C., Agrifoglio, R., & Maria, F. (2022). Effective Management of a Remote Workforce for Covid-19: A Proposed Research Model Toward Smart Working Adoption Within Organizations. In S. R. Mondal, F. D. Virgilio, & S. Das (Eds.), *HR Analytics and Digital HR Practices: Digitalization post COVID-19* (pp. 101-126). Palgrave Macmillan. [https://doi.org/10.1007/978-981-16-7099-2\\_5](https://doi.org/10.1007/978-981-16-7099-2_5)
- Morse, J. M., Barrett, M., Mayan, M., Olson, K., & Spiers, J. (2002). Verification strategies for establishing reliability and validity in qualitative research. *International Journal of Qualitative Methods*, 1(2), 34-35. <https://doi.org/10.1177/160940690200100202>
- Mundy, J. (2010). Creating dynamic tensions through a balanced use of management control systems. *Accounting, Organizations and Society*, 35(5), 499-523. <https://doi.org/10.1016/j.aos.2009.10.005>
- Newman, S. A., & Ford, R. C. (2021). Five Steps to Leading Your Team in the Virtual COVID-19 Workplace. *Organizational Dynamics*, 50(1). <https://doi.org/10.1016/j.orgdyn.2020.100802>
- Noble, H., & Smith, J. (2015). Issues of validity and reliability in qualitative research. *Evidence-based Nursing*, 18(2), 34-35. <https://doi.org/10.1136/eb-2015-102054>
- Noto, G., Marisca, C., & Barresi, G. (2023). Adapting management control to virtual teams: evidence from a natural experiment. *Qualitative Research in Accounting & Management*, 20(5), 621-646. <https://doi.org/10.1108/QRAM-04-2022-0066>

- Nouri, H., & Parker, R. J. (1998). The relationship between budget participation and job performance: The roles of budget adequacy and organizational commitment. *Accounting, Organizations and Society*, 23(5-6), 467-483. [https://doi.org/10.1016/S0361-3682\(97\)00036-6](https://doi.org/10.1016/S0361-3682(97)00036-6)
- OpenAI. (2024a). *Autotekst*. In (Version Whisper V3) [Automatic Transcription Tool]. University of Oslo. <https://autotekst.uio.no/nb/submission>
- OpenAI. (2024b). *GPT UiO*. In (Version GPT-3.5 Turbo) [Large Language Model]. University of Oslo. <https://gpt.uio.no/chat>
- Otley, D. (1994). Management control in contemporary organizations: towards a wider framework. *Management Accounting Research*, 5(3-4), 289-299. <https://doi.org/10.1006/mare.1994.1018>
- Otley, D., Broadbent, J., & Berry, A. (1995). Research in Management Control: An Overview of its Development. *British Journal of Management*, 6(s1), S31-S44. <https://doi.org/10.1111/j.1467-8551.1995.tb00136.x>
- Patton, M. Q. (2014). *Qualitative Research & Evaluation Methods* (4 ed.). Sage Publications.
- Petroulas, E., Brown, D., & Sundin, H. (2010). Generational Characteristics and Their Impact on Preference for Management Control Systems. *Australian Accounting Review*, 20(3), 221-240. <https://doi.org/10.1111/j.1835-2561.2010.00099.x>
- Pianese, T., Errichiello, L., & Cunha, J. V. d. (2023). Organizational control in the context of remote working: A synthesis of empirical findings and a research agenda. *European Management Review*, 20(2), 326-345. <https://doi.org/10.1111/emre.12515>
- Rigby, D., Sutherland, J., & Takeuchi, H. (2016). Embracing Agile: How to Master the Process That's Transforming Management. *Harvard Business Review*, 94(5), 40-50. <https://hbr.org/2016/05/embracing-agile>
- Rivas, C. (2012). Coding and analysing qualitative data. In C. Seale (Ed.), *Researching society and culture* (3 ed., pp. 381-392). Sage Publications.
- Schermuly, C. (2020). Wann funktioniert New Work? Eine praktische und psychologische Theorie zu New Work (When does New Work work? A practical and psychological New Work theory). *PERSONALquarterly*, 72(2), 10-15. <https://www.haufe.de/download/personalquarterly-22020-new-work-personalquarterly-511378.pdf>
- Schermuly, C., & Meifert, M. (2023). *Ergebnisbericht zum New Work-Barometer 2023 (Result Report of the New Work Barometer 2023)*. <https://www.srh->

[berlin.de/fileadmin/Hochschule\\_Berlin/01\\_SEA\\_Landing\\_Pages/Business/Ergebnisbericht\\_zum\\_New\\_Work-Barometer\\_2023.pdf](https://www.berlin.de/fileadmin/Hochschule_Berlin/01_SEA_Landing_Pages/Business/Ergebnisbericht_zum_New_Work-Barometer_2023.pdf)

- Siggelkow, N. (2007). Persuasion With Case Studies. *Academy of Management Journal*, 50(1), 20-24. <https://doi.org/10.5465/AMJ.2007.24160882>
- Simons, R. (1990). The role of management control systems in creating competitive advantage: new perspectives. *Accounting, Organizations and Society*, 15(1-2), 127-143. [https://doi.org/10.1016/0361-3682\(90\)90018-P](https://doi.org/10.1016/0361-3682(90)90018-P)
- Simons, R. (1995a). Control in an Age of Empowerment. *Harvard Business Review*. <https://hbr.org/1995/03/control-in-an-age-of-empowerment>
- Simons, R. (1995b). *Levers of Control*. Harvard Business School Press.
- Speklé, R. F., van Elten, H. J., & Widener, S. K. (2014). *Creativity and Control: A Paradox. Evidence from the Levers of Control Framework* [Proceedings]. AAA 2015 Management Accounting Section (MAS) Meeting, unknown location.
- Spreitzer, G. (2008). Taking Stock: A review of more than twenty years of research on empowerment at work. In J. Barling & C. L. Cooper (Eds.), *The SAGE Handbook of Organizational Behavior* (pp. 54-72). Sage Publications. <https://doi.org/10.4135/9781849200448.n4>
- Spreitzer, G. M., & Mishra, A. K. (1999). Giving Up Control without Losing Control: Trust and its Substitutes' Effects on Managers' Involving Employees in Decision Making. *Group & Organization Management*, 24(2), 155-187. <https://doi.org/10.1177/1059601199242003>
- Stone, D. L., & Deadrick, D. L. (2015). Challenges and opportunities affecting the future of human resource management. *Human Resource Management Review*, 25(2), 139-145. <https://doi.org/10.1016/j.hrmr.2015.01.003>
- ter Hoeven, C. L., & Zoonen, W. v. (2015). Flexible work designs and employee well-being: examining the effects of resources and demands. *New Technology, Work and Employment*, 30(3), 237-255. <https://doi.org/10.1111/ntwe.12052>
- Thomas, G. (2023). *How to do your research project: A guide for students* (4 ed.). Sage Publications.
- Tolbize, A. (2008). *Generational differences in the workplace*. [https://rtc.umn.edu/docs/2\\_18\\_Gen\\_diff\\_workplace.pdf](https://rtc.umn.edu/docs/2_18_Gen_diff_workplace.pdf)
- Väth, M. (2016). *Arbeit - die schönste Nebensache der Welt (Work - the nicest accessory in the world)*. GABAL Verlag GmbH.

- Väth, M., Soballa, A., & Gstoettner, A. (2019). *New Work Charta*. <https://humanfy.de/wp-content/uploads/2019/06/New-Work-Charta.pdf>
- Verdinelli, S., & Scagnoli, N. I. (2013). Data Display in Qualitative Research. *International Journal of Qualitative Methods*, 12(1), 359-381. <https://doi.org/10.1177/160940691301200117>
- Vollstedt, M., & Rezat, S. (2019). An Introduction to Grounded Theory with a Special Focus on Axial Coding and the Coding Paradigm. In G. Kaiser & N. Presmeg (Eds.), *Compendium for Early Career Researchers in Mathematics Education* (pp. 81-100). Springer Cham. [https://doi.org/10.1007/978-3-030-15636-7\\_4](https://doi.org/10.1007/978-3-030-15636-7_4)
- Wang, Q., Hou, H., & Li, Z. (2022). Participative Leadership: A Literature Review and Prospects for Future Research. *Frontiers in Psychology*, 13. <https://doi.org/10.3389/fpsyg.2022.924357>
- Wouters, M., & Wilderom, C. (2008). Developing performance-measurement systems as enabling formalization: A longitudinal field study of a logistics department. *Accounting, Organizations and Society*, 33(4-5), 488-516. <https://doi.org/10.1016/j.aos.2007.05.002>
- Zhang, M., Chand, D., & David, G. (2007, 9-12 August). *Exploring Control Modes in Globally Distributed IT Work* [Proceedings]. Reaching New Heights. 13th Americas Conference on Information Systems, AMCIS 2007, Keystone, Colorado. [https://www.researchgate.net/publication/220891293\\_Exploring\\_Control\\_Modes\\_in\\_Globally\\_Distributed\\_IT\\_Work\\_Management](https://www.researchgate.net/publication/220891293_Exploring_Control_Modes_in_Globally_Distributed_IT_Work_Management)

## 9. Appendix

### Interview Guide

#### General Questions

1. What is your current position within the company?

#### Adoption of New Work

2. Does your company adopt New Work practices? If so, which ones? (*e.g., remote work, flexible hours, job autonomy*)
3. Could you describe your experiences, both positive and negative, with flexible work arrangements and job autonomy within your organization? (*e.g. impact on overall work environment, productivity, employee satisfaction*)

#### New Work and Management Control Systems

4. How do you ensure alignment between your employees and organizational goals in the context of increased autonomy and flexibility?
5. What steps would you take if you suspect that an employee is not performing adequately?
6. Have you introduced or modified measures or controls to specifically monitor and evaluate behaviour and performance under New Work arrangements?

#### Administrative Controls

7. What criteria do you prioritize when selecting employees? Do you look for attributes that suggest their ability to work remotely and autonomously?
8. How is communication facilitated within your organization, especially with remote or autonomous workers? (*e.g. through platforms like Teams, Trello*)

#### Cybernetic Controls

9. What methods or channels are used to provide guidance to employees? *(e.g. KPIs, targets, standard operating procedures, code of conduct)*
10. Is there collaboration with employees in establishing these methods?
11. What approaches and platforms do you employ for performance feedback? *(e.g., meeting frequency, reports, rewards systems)*

#### Cultural Controls

12. How do you communicate the company's culture and values, fostering organizational identification and team spirit? *(e.g. through virtual or in-person events, communicating value statement in shared presentations)*
13. Do you find it challenging to communicate the company's culture in the context of increased autonomy and flexibility?
14. How do you cultivate trust in flexible work arrangements, and do you believe it can serve as a substitute for other forms of control?

#### Concluding Questions

15. In conclusion, have New Work practices presented any challenges to your management control systems?
16. Do you perceive a tension between employee autonomy and management control? If so, how do you propose balancing these concepts?

## List of interviewees

#	Role	Sector
1	Founder and CEO	Information Technology
2	Founder and CEO	Information Technology
3	Founder and CEO	Educational Administration
4	Senior Consultant	Software Development
5	Founder and CEO	Robotics
6	Founder and CEO	Environmental Services

**Table 6:** *List of Interviewees*

## Discussion Paper

Responsibility is a core concept of UiA's School of Business and Law. The following discussion paper examines this concept considering our Master's thesis with the topic *"Integrating Autonomy and Control: Implications of New Work Adoption on Management Control Systems"*.

Especially since the COVID-19 pandemic, flexible work arrangements like remote working, flexitime, and task autonomy are gaining more and more popularity due to the various advantages they entail for both organizations and employees. These advantages include higher motivation and performance levels, enhanced work-life balance, and improved employee well-being (Downes & Koekemoer, 2011; Ferreira et al., 2021). Furthermore, the new generation entering the workforce displays different values and expects a more flexible and autonomous workplace, meeting their needs for independence and self-determination (Tolbize, 2008). This contemporary way of working is synthesized under the concept of New Work. However, the more popular New Work becomes, the more of its downsides become apparent. An intensification of work efforts, feelings of isolation, and communication and coordination problems can lead to a loss of motivation and organizational identification (Downes & Koekemoer, 2011; Ferreira et al., 2021). To mitigate these drawbacks and ensure that employees act in line with the organization's strategy and goals, management control systems play a crucial role (Malmi & Brown, 2008). Yet, due to the difficulty of directly influencing and monitoring employee behaviour and actions, the implementation of management control in flexible work settings presents challenges (Downes & Koekemoer, 2011; Ferreira et al., 2021). Therefore, our thesis is concerned with the question *"Which implications does the adoption of New Work have on the design and use of management control systems?"*. To gain insights into how organizations implementing autonomous work arrangements execute management control, we have conducted a qualitative study featuring interviews with six Norwegian startups. Using the Gioia method, our data revealed that most companies agree that autonomy and control are not mutually exclusive and can and should co-exist. However, the manner in which control is executed through formalized methods like the establishment of performance standards, performance measurement, and feedback mechanisms differs. Still, one pattern emerged that was common across all companies we interviewed: the importance of trust as a central control mechanism in the context of implementing job autonomy. Instead of micromanaging employees, managers express trust that they are acting in line with organizational objectives. This trust is cultivated through employee-centric management controls such as the development of an organizational culture, transparent communication, and strategic recruitment. Consequently, we could observe a shift away from traditional, coercive management control systems towards more people-centred, collaborative, and enabling approaches. By combining coercive management controls with enabling controls, the whole control systems package is perceived as enabling, supporting employees in their decision-making rather than restricting them (Janka, 2021). This aligns with the characteristics of autonomy and flexibility, while at the same time ensuring sufficient organizational control and oversight.

When granting employees autonomy, it is crucial to consider ethical concerns. On the one hand, fostering autonomy significantly contributes to sustainable and ethical business conduct. As defined by Brundtland (1987, p. 41), *"sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs"*. Applying this to the organizational context, corporate sustainability aims to create long-term value not just on a financial basis but across all stakeholders, its surrounding environment, and society as a whole



(Rasche et al., 2023). To address these issues in a structured way, Barbier (1987) developed a framework describing sustainability along three pillars: environmental, economic, and social. Traditionally, most attention is given to environmental sustainability, which focuses on the protection and improvement of the natural environment. Key corporate concerns in this area include emissions, waste management, and resource use. Economic sustainability is concerned with organizational profitability, compliance, and governance, stating that for a business to remain sustainable, it needs to generate profits. The third pillar, social sustainability, examines an organization's impact on the community, its customers, and employees, consisting of topics such as working conditions, diversity, and involvement in charity. Implementing sustainability strategies offers several benefits for organizations. Firstly, it can foster the development of innovative products that address environmental and societal challenges, leading to financial growth. Cost savings through increased production efficiency, like the reduced use of resources, further support this. Lastly, sustainable practices can help minimize risks associated with supply chain disruptions and regulatory changes because the organization invests in future capacity and becomes adaptable to changes. Furthermore, sustainability enhances an organization's reputation, improving public evaluation, attractiveness to potential employees, and customer loyalty. Ultimately, adopting sustainable practices provides a competitive advantage (Rasche et al., 2023).

Job autonomy positively impacts all three pillars of sustainability. Remote working, in particular, has numerous environmental benefits. Reduced energy consumption in office spaces results in lower greenhouse gas emissions, significantly shrinking the carbon footprint, especially when remote work occurs multiple days a week. In this case, the decrease in office energy usage counterbalances the additional energy required to operate a home office. Likewise, remote work reduces the need for commuting, resulting in decreased pollution and the mitigation of traffic congestion during rush hours, thus enhancing fuel efficiency (Tao et al., 2023). A study by Tao et al. (2023) determined that in sum, transitioning from office-based work to remote work can lower the carbon footprint by up to 58%. Additionally, job autonomy fosters innovation because self-determination at work encourages creativity, potentially leading to the development of innovative, environmentally friendly solutions (Speklé et al., 2014; Spreitzer, 2008).

However, job autonomy also plays a crucial role in an organization's economic sustainability. Creative innovations not only contribute to environmental preservation but can also result in the development of new products and services that foster organizational growth, competitiveness, and resilience (Speklé et al., 2014; Spreitzer, 2008). Employee autonomy further enhances organizational resilience by enabling workers to independently make decisions and adjust work processes and resource utilization to changing market conditions and trends (Kantur & Işeri-Say, 2012; Lewis et al., 2019). Moreover, providing autonomy to employees leads to higher motivation and engagement, resulting in improved overall performance. When employees have the freedom to decide where and when they work, they utilize their working time more efficiently, report increased concentration, and experience fewer interruptions. Consequently, this contributes to enhanced customer satisfaction and faster growth. Furthermore, improved job satisfaction fosters employee commitment and loyalty, ultimately reducing turnover rates and absenteeism. Additionally, a flexible work environment creates an attractive workplace, facilitating recruitment, the exploitation of global expertise, and employee retention (Downes et al., 2023; Ferreira et al., 2021).

By promoting work-life balance, job autonomy significantly contributes to the social pillar of sustainability as well. Through flexitime and remote work, employees are able to balance job demands and personal responsibilities such as family care. This, in combination with a sense of control over the workday and the ability to align job tasks with personal preferences, supports employees' physical and mental health by reducing job-related stress and the risk of burnout (Downes et al., 2023; Kubicek et al., 2017; ter Hoeven & Zoonen, 2015). Job autonomy also benefits diversity and inclusion efforts. Location and time flexibility accommodate workers with disabilities,

allowing them to organize their workday according to their needs. In addition, the negative effects of long commutes as well as physical limitations in the office space are mitigated. Thereby, job autonomy helps employees with disabilities to get and remain in employment (Igeltjørn & Habib, 2020).

While job autonomy can enhance an organization's responsible efforts, it also involves challenges. A study by Lu et al. (2017) highlights that self-determination is closely associated with unethical behaviour due to employees feeling less constrained by regulations, causing them to act in their own interest. This can include engaging in practices such as manipulating work outcomes and work time spreadsheets or accepting bribes (Lu et al., 2017). Besides fostering unethical behaviour, job autonomy can also have detrimental effects on the three pillars of sustainability.

Even though remote working contributes to reducing the carbon footprint, studies show that it also has negative implications for the environment. Remote employees often live in rural areas with insufficient public transport infrastructure, creating the need for private car usage and resulting in extended non-commute travel distances. Moreover, the reduction in office energy consumption due to remote working may be offset by increased energy consumption at home, especially when remote working only occurs infrequently. Additionally, certain emissions from office buildings are not affected by the building's occupancy rate and are therefore not influenced by remote work arrangements (Tao et al., 2023).

Likewise, granting employees autonomy can diminish their performance and thereby harm an organization's economic sustainability. Weakened organizational identification and team spirit caused by flexible work arrangements and reduced face-to-face interaction can result in lower work motivation, negatively impacting employee productivity and willingness to work. This is enhanced by coordination and communication problems due to scheduling difficulties. Lastly, job autonomy presents challenges for management, as it restricts employee presence and visibility. This hampers supervisors' ability to monitor and align employees' actions with organizational objectives. Overall, this can negatively affect an organization's profitability (Downes & Koekemoer, 2011; Ferreira et al., 2021; Kubicek et al., 2017).

Autonomy can be detrimental to social sustainability as well. Self-directed employees often struggle with time management, with research indicating that workers who have flexibility over when, where, and how to work tend to intensify their efforts and work overtime. This not only compromises work-life balance but also makes it difficult to disengage from tasks. What is more, different schedules and work locations from colleagues can foster feelings of isolation, diminish support networks, and negatively impact relationships within the workplace. Ultimately, these factors can contribute to decreasing job satisfaction (Downes & Koekemoer, 2011; Ferreira et al., 2021; Igeltjørn & Habib, 2020).

When implemented correctly, job autonomy can have significantly positive implications for sustainability and responsibility. To foster the advantages of job autonomy while mitigating the pitfalls, management control systems can be used. Malmi and Brown (2008, p. 290) define management control systems as *"systems, rules, practices, values and other activities management put in place in order to direct employee behaviour"*. They distinguish five distinct types of control that are employed as a package: cybernetic, cultural, administrative, planning, and reward and compensation. Cybernetic controls establish performance standards against which actual performance is measured and, if necessary, modified. Cultural controls, on the other hand, are concerned with an organization's purpose and values that influence the behaviour of its members while administrative controls provide structure by directing behaviour through the definition and enforcement of standard procedures. This is supported by planning controls, which establish

objectives and guide decisions. Finally, reward and compensation practices motivate and incentivize goal-congruent behaviour (Malmi & Brown, 2008).

While approaching the environmental implications of job autonomy requires education (Tao et al., 2023), unethical behaviour as well as economic and social challenges associated with job autonomy can be mitigated through the implementation of control systems. Cybernetic controls provide a framework that not only guides employee behaviour but also serves as a motivator, thus addressing performance issues, clarifying expectations, and providing goals towards which employees can work, while simultaneously giving them the opportunity to disengage when they have achieved the goal (Malmi & Brown, 2008). To further foster motivation and organizational identification, cultural controls play a crucial role. Cultivating a strong organizational culture, rooted in corporate values and beliefs, motivates workers to display higher performance and act in line with the organization's goals (Costa & Bijlsma-Frankema, 2007; Newman & Ford, 2021; Zhang et al., 2007). Furthermore, belief and value systems serve as guiding principles, facilitating decision-making (Heinicke et al., 2016; Mundy, 2010). To counteract the sense of isolation often experienced by autonomous employees and foster social sustainability, communicative and trustful leadership as well as virtual socialization activities like virtual after-work gatherings can be utilized (Newman & Ford, 2021; Noto et al., 2023; Pianese et al., 2023). This is facilitated by information and communications technology like video call and messaging platforms, an administrative control mechanism that enables communication, virtual socialization, and the dissemination of an organization's culture (Aroles et al., 2019; Carr & Jooss, 2023). Moreover, administrative controls such as standard operating procedures offer a framework by either specifying desired behaviours (Pianese et al., 2023) or defining off-limit behaviours. Adopting a code of conduct, for instance, can contribute to preventing unethical actions and promote ethical conduct (Simons, 1995a). Closely related to administrative controls are planning controls, which, similar to other control types in the package, function as guidance and motivation, particularly when employees are included in the planning process. This approach not only enhances employees' understanding of organizational goals and strategies but also fosters a sense of ownership and commitment, ultimately leading to improved knowledge, better performance, and contributing to an organization's economic sustainability (Flassak et al., 2023). Lastly, reward and compensation are vital in promoting economic sustainability as well, with research indicating that incentives can lead to increased work efforts by achieving goal alignment between employees and the organization (Malmi & Brown, 2008).

To conclude, granting job autonomy can contribute significantly to the sustainable and responsible development of an organization and society as a whole. Nevertheless, it also entails ethical challenges for the environment, employees, and the organization itself. It is therefore crucial to effectively implement job autonomy to elevate its benefits while mitigating its disadvantages. One tool to achieve this is management control systems, which can guide, support, and motivate employee behaviour. However, traditional management control systems may conflict with the principles of autonomy by being perceived as coercive, rigid, and restrictive. Consequently, it is vital to design and implement control systems in a manner that allows for autonomy and flexibility while at the same time providing guidance and performance monitoring (Gilbert & Sutherland, 2013; Lewis et al., 2019; Simons, 1995b; Speklé et al., 2014). This problem statement forms the main focus of our Master's thesis, exploring strategies for integrating job autonomy with management control.

## References

- Aroles, J., Mitev, N. N., & Vaujany, F.-X. D. (2019). Mapping themes in the study of new work practices. *New Technology Work and Employment*, 34(3), 285-299. <https://doi.org/10.1111/ntwe.12146>
- Barbier, E. B. (1987). The Concept of Sustainable Economic Development. *Environmental Conservation*, 14(02), 101-110. <https://doi.org/10.1017/S0376892900011449>
- Brundtland, G. H. (1987). Report of the World Commission on Environment and Development: Our Common Future. <https://sustainabledevelopment.un.org/content/documents/5987our-common-future.pdf>
- Carr, M., & Jooss, S. (2023). Navigating management control change: pathways to the future of work. *Accounting, Auditing & Accountability Journal*, 36(9), 390-417. <https://doi.org/10.1108/AAAJ-08-2022-6005>
- Costa, A. C., & Bijlsma-Frankema, K. (2007). Trust and Control Interrelations. *Group & Organization Management Decision*, 32(4), 392-406. <https://doi.org/10.1177/1059601106293871>
- Downes, C., & Koekemoer, E. (2011). Work-life balance policies: Challenges and benefits associated with implementing flexitime. *SA Journal of Human Resource Management*, 9(1). <https://doi.org/10.4102/sajhrm.v9i1.382>
- Downes, R., Daellenbach, U., & Donnelly, N. (2023). Remote control: Attitude monitoring and informal control in distributed teams. *Journal of Business Research*, 154. <https://doi.org/10.1016/j.ibusres.2022.08.057>
- Ferreira, R., Pereira, R., Bianchi, I. S., & Silva, M. M. d. (2021). Decision Factors for Remote Work Adoption: Advantages, Disadvantages, Driving Forces and Challenges. *Journal of Open Innovation: Technology, Market, and Complexity*, 7(1). <https://doi.org/10.3390/joitmc7010070>
- Flassak, K., Haag, J., Hofmann, C., Lechner, C., Schwaiger, N., & Zacherl, R. (2023). Working from home and management controls. *Journal of Business Economics*, 93, 193-228. <https://doi.org/10.1007/s11573-022-01123-7>
- Gilbert, G., & Sutherland, M. (2013). The paradox of managing autonomy and control: An exploratory study. *South African Journal of Business Management*, 44(1), 1-14. <https://doi.org/10.4102/sajbm.v44i1.144>
- Heinicke, A., Guenther, T. W., & Widener, S. K. (2016). An examination of the relationship between the extent of a flexible culture and the levers of control system: The key role of beliefs control. *Management Accounting Research*, 33, 25-41. <https://doi.org/10.1016/j.mar.2016.03.005>
- Igeltjørn, A., & Habib, L. (2020, 19-24 July). Homebased Telework as a Tool for Inclusion? A Literature Review of Telework, Disabilities and Work-Life Balance [Conference Paper]. *International Conference on Human-Computer Interaction*, Cham.
- Janka, M. (2021). Enabling formal MCS design and use: a meta-synthesis of qualitative research. *Journal of Accounting & Organizational Change*, 17(2), 133-163. <https://doi.org/10.1108/JAOC-01-2019-0002>
- Kantur, D., & Işeri-Say, A. (2012). Organizational resilience: A conceptual integrative framework. *Journal of Management & Organization*, 18(6), 762-773. <https://doi.org/10.5172/jmo.2012.18.6.762>
- Kubicek, B., Paškvan, M., & Bunner, J. (2017). The Bright and Dark Sides of Job Autonomy. In C. Korunka & B. Kubicek (Eds.), *Job Demands in a Changing World of Work* (pp. 45-63). Springer International Publishing AG. [https://doi.org/10.1007/978-3-319-54678-0\\_4](https://doi.org/10.1007/978-3-319-54678-0_4)
- Lewis, R. L., Brown, D. A., & Sutton, N. C. (2019). Control and empowerment as an organising paradox: implications for management control systems. *Accounting, Auditing & Accountability Journal*, 32(2), 483-507. <https://doi.org/10.1108/AAAJ-11-2017-3223>

- Lu, J. G., Brockner, J., Vardi, Y., & Weitz, E. (2017). The dark side of experiencing job autonomy: Unethical behavior. *Journal of Experimental Social Psychology*, 73, 222-234.  
<https://doi.org/10.1016/j.jesp.2017.05.007>
- Malmi, T., & Brown, D. A. (2008). Management control systems as a package—Opportunities, challenges and research directions. *Management Accounting Research*, 19(4), 287-300.  
<https://doi.org/10.1016/j.mar.2008.09.003>
- Mundy, J. (2010). Creating dynamic tensions through a balanced use of management control systems. *Accounting, Organizations and Society*, 35(5), 499-523.  
<https://doi.org/10.1016/j.aos.2009.10.005>
- Newman, S. A., & Ford, R. C. (2021). Five Steps to Leading Your Team in the Virtual COVID-19 Workplace. *Organizational Dynamics*, 50(1). <https://doi.org/10.1016/j.orgdyn.2020.100802>
- Noto, G., Marisca, C., & Barresi, G. (2023). Adapting management control to virtual teams: evidence from a natural experiment. *Qualitative Research in Accounting & Management*, 20(5), 621-646. <https://doi.org/10.1108/QRAM-04-2022-0066>
- Pianese, T., Errichiello, L., & Cunha, J. V. d. (2023). Organizational control in the context of remote working: A synthesis of empirical findings and a research agenda. *European Management Review*, 20(2), 326-345. <https://doi.org/10.1111/emre.12515>
- Rasche, A., Morsing, M., Moon, J., & Kourula, A. (2023). Corporate Sustainability – What It Is and Why It Matters. In A. Rasche, M. Morsing, J. Moon, & A. Kourula (Eds.), *Corporate Sustainability: Managing Responsible Business in a Globalised World* (2 ed., pp. 1-26). Cambridge University Press.
- Simons, R. (1995a). Control in an Age of Empowerment. *Harvard Business Review*.  
<https://hbr.org/1995/03/control-in-an-age-of-empowerment>
- Simons, R. (1995b). *Levers of Control*. Harvard Business School Press.
- Speklé, R. F., van Elten, H. J., & Widener, S. K. (2014). Creativity and Control: A Paradox. Evidence from the Levers of Control Framework [Proceedings]. AAA 2015 Management Accounting Section (MAS) Meeting, unknown location.
- Spreitzer, G. (2008). Taking Stock: A review of more than twenty years of research on empowerment at work. In J. Barling & C. L. Cooper (Eds.), *The SAGE Handbook of Organizational Behavior* (pp. 54-72). Sage Publications. <https://doi.org/10.4135/9781849200448.n4>
- Tao, Y., Yang, L., Jaffe, S., Amini, F., Bergen, P., Hecht, B., & You, F. (2023). Climate mitigation potentials of teleworking are sensitive to changes in lifestyle and workplace rather than ICT usage. *Proceedings of the National Academy of Sciences of the United States of America*.  
<https://doi.org/10.1073/pnas.2304099120>
- ter Hoeven, C. L., & Zoonen, W. v. (2015). Flexible work designs and employee well-being: examining the effects of resources and demands. *New Technology, Work and Employment*, 30(3), 237-255. <https://doi.org/10.1111/ntwe.12052>
- Tolbize, A. (2008). Generational differences in the workplace.  
[https://rtc.umn.edu/docs/2\\_18\\_Gen\\_diff\\_workplace.pdf](https://rtc.umn.edu/docs/2_18_Gen_diff_workplace.pdf)
- Zhang, M., Chand, D., & David, G. (2007, 9-12 August). Exploring Control Modes in Globally Distributed IT Work [Proceedings]. *Reaching New Heights. 13th Americas Conference on Information Systems, AMCIS 2007, Keystone, Colorado*.  
[https://www.researchgate.net/publication/220891293\\_Exploring\\_Control\\_Modes\\_in\\_Globally\\_Distributed\\_IT\\_Work\\_Management](https://www.researchgate.net/publication/220891293_Exploring_Control_Modes_in_Globally_Distributed_IT_Work_Management)

## Discussion Paper

Our master thesis draws on implications of New Work practices for Management Control Systems in the Norwegian startup scene. The concept of New Work is characterised by employee empowerment by the means of autonomy, flexibility, or engagement (Schermuly & Meifert 2023). Since the Covid-19 pandemic, and also due to the generational shift and moving towards more flexible practices, those elements are desired and believed to offer advantages, such as larger job satisfaction or productivity (Ferreira et al. 2021). The New Work has gained noteworthy popularity and traction as its advantages in form of, for instance, flexible and autonomous work practices become evident (Carr & Jooss, 2023). This has further implications on overall employee performance and satisfaction, culminating in reduced turnover rates (Lewis et al., 2019). Nonetheless, integration of those practices into the traditional control system frameworks makes up for a challenge organizations have to tackle, and raises a question whether the contemporary setup is relevant (Downes & Koekemoer, 2011; Ferreira et al., 2021). Therefore, the research question has been formulated:

*What implications does the adoption of New Work have for the design and use of Management Control Systems in Norwegian startups?*

Through having six qualitative interviews with the management level of Norwegian startups, we discussed the key strategies, challenges the New Work possesses, and best practices in regard to Management Control Systems. The findings indicate that Norwegian startups experienced a shift towards employee-oriented management control style, underlined by the focus of trust, which serves as a baseline for enabling employee empowerment and engagement. That way, autonomy is taken into account, while supported by management control in the form of a trust-based approach. Although the study was limited to Norwegian startups, and therefore possesses specific characteristics potentially limiting the ability to expand its implications to other sectors and regions, the findings indicate that autonomy and control mechanisms are not mutually exclusive. To conclude, granting employees job autonomy while maintaining a degree of oversight is possible. A shift from rather rigid and coercive methods of control towards those that acknowledge trust-based approach has been witnessed, indicating a change in the way control is executed, moving towards a more employee-centred and trust-based approach.

The topic of our master thesis might not seem as relevant to the field of international business at the first glance. Nonetheless, there are several aspects and concepts related to International Business that are relevant for the New Work as well as Management Control Systems.

As discussed in the thesis, the Covid-19 pandemic has accelerated globalisation and remote work, a notable part of the New Work concept. During the interview process with the management levels of Norwegian startups, some participants pointed out the ability to tap into the global labour market and having access to talent beyond the borders of the country they operate, purposely looking for an ideal fit. Similarly, the interview participants expressed a positive attitude towards the remote work, supported by appropriate control mechanisms they employ. The combination of hiring abroad and remote work allows organizations to incorporate talent from nearly anywhere, considering having access to an enabling working environment including a hardware setup. The participants also described that talent in other countries, often developing countries, possess driven and motivated

individuals who fit the organization's needs. As elaborated in the thesis interviews, organizations do not see the seemingly difficult obstacle in the form of different time zones and do not view it as an excluding factor in their daily operations. Interview participants described that empowerment over the employee's way of work, including prioritisation of tasks, working hours, location, or methods, supports their accountability, and their effort to give back to the organization for the given trust. The combination of labour mobility and innovations in ICT largely support the growth of the global labour market, calling for cross-cultural management and global consideration.

On a similar note, globalisation has brought a broad spectrum of cultural backgrounds together, posing again as an opportunity that needs to be, however, managed accordingly. Hofstede addresses this need and the topic of cultural dimensions in his book, the *Culture's Consequences: International Differences in Work-Related Values* (1980), and a few decades later in his other book *Culture's Consequences: Comparing Values, Behaviors, Institutions, and Organizations Across Nations* (2001). In his works, Hofstede described six cultural dimensions, which values differ for each region, and provide a holistic framework for understanding the cultural differences and their consequences for the workplace. In terms of Norway and our unit of analysis, the Power Distance dimension is particularly low, reflecting the prevalence of equality and employee-centred approach, supporting the egalitarian organizational structure (Hofstede, 2001; 2011). On the other hand, Norway scored high in terms of Individualism, representing the preference for personal freedom and decisions. Additionally, Norway scored particularly low in terms of the Masculinity dimension, indicating care and cooperation (Hofstede, 2001; 2011). Overall, depending on geographical location, countries tend to have distinct working cultures, methods, and values (House et al., 2004). House further argues that the cultural differences are correlated with the leadership styles, which further strengthens the cascation of values within the organization, having further implications also for the implementation of New Work practices- Our thesis was limited to Norwegian startups, which based on the interview process can be characterised by the largely trust based approach and by the egalitarian way of organizational structure. It is worth mentioning that this is not a common practice everywhere and we are aware that each region has its own characteristics and considerations should be made accordingly. This fact is therefore also applicable to research findings, which should be considered depending on the region the reader is located in. What might work in one region and is considered to be a norm, might not always be the same way in the other region and one should operate with care. To conclude, there are numerous work cultures around the world which have consequences for how New Work practices are both perceived and implemented (Schneider & Barsoux, 2003).

Nonetheless, it is not only about the cultural backgrounds as the concept of remote work is not a commonly distributed practice around the world. According to Lund et al. (2020), employees in emerging economies are often reliant on sectors that focus on manual work, such as "*agriculture or manufacturing*", making remote work often not feasible. The consulting firm continues their analysis on remote work within nine analysed countries by drawing on the larger benefits of remote work in developed countries due to the technological advancements and the service-based nature of work in the developed countries. The World Bank (2023) addresses the disparities between digital adoption and usage around the world in their "*Digital Progress and Trends Report 2023*". The data indicates that over 99% of the Norwegian population uses the internet, a remarkably high number compared to emerging economies, where the numbers for the same are significantly lower. The willingness to implement remote work and the experience with doing so has been witnessed in all of our interviews as participants expressed a positive attitude towards the flexibility to work outside of the office, supported by proactive communication and control mechanisms. Furthermore, the service sector in Norway employs 79% of the total workforce, allowing the country with the possibility to implement remote work on a larger scale than developing countries that do not possess such a large share of service-based work (Statistics Norway, 2024). Based on this, the implementation alone of remote work practices is not only dependent on the country's advancement in regards to technology and economic advancements, but also on the access to hardware and the ability of citizens to be able to

learn how to use the technology in practice. Additionally, the nature of work, serving as a baseline for the ability to implement remote work, contributes to the fact that remote work is not equally widespread and popular around the world.

Although the topic of the master thesis can be applied to any organization and location, the thesis has not been directly influenced by the concept of internationalisation and it has not been its goal to take the international aspects into account. The unit of analysis in our paper has been six different Norwegian startups. The startup scene in Norway operates in a dynamic and fast-paced environment, which is typically influenced by international trends. Likewise, global market conditions play an important role for organizational health and stability. From the interview process, it is visible that organizations are rather quick to adapt to external factors and market conditions. They seek to be agile and dynamic in the way they react to changes. Although not directly related to internationalisation, the organizations showcased they engage in iterative processes in different manners, and react in the form of adaptation in a fast manner. This approach can also be used in responding to international trends and forces.

Nonetheless, recent years have brought shifts towards deglobalization, forefronted by rising protectionism, economic nationalism, and reallocation of global economic interdependencies (Moyo, 2019; Luo, 2023). Such policies are often seen by the actions of governments by implementing trade policies and tariffs to protect the domestic markets. This can pose a threat to organizations who are not prepared for such shifts in dynamics as those measures can have a direct impact on the business models of companies operating in international markets (Moyo, 2019). Therefore, this situation represents a situation that has a possibility to directly reshape the global trade and cross-border collaboration, which was traditionally convenient and allowed for often limitless international operations. This constitutes a potential challenge to market actors in small open economies, including Norway, Sweden, or Finland, who are reliant on international trade and open markets (Nummela, Saarenketo, Jokela, & Loane, 2014). There are several strategies that organizations can implement to offset this threat and become more resilient in this regard. If an organization sees that it is highly dependent on a single or a few countries and suppliers, it might indicate a time to explore new markets to reduce the dependency. An immediate and direct action to mitigate this risk is to explore diversification and new partnerships within the domestic country, ultimately localising the production to the base country. However, this is often not feasible due to the significant disparity in the cost of inputs and wages between the domestic country and the country of the international supplier. Another approach, similar to the strategies mentioned by the interview participants, is to build a resilient and agile organization, supported by hiring the right people that are driven and keen to keep up with the trends through regular training and participating in education programs.

Although the thesis is not aimed to consider international aspects directly, it can still be considered a highly relevant topic for further research in terms of international aspects and participants. To conclude, the Covid-19 accelerated the globalisation and remote work, ultimately gaining traction also for the concept of New Work, which could be applicable to every part of the globe, although it is not distributed equally due to disparities in the prevalent sector of work and ICT advancements. However, we witnessed that organizations are aware of the benefits its implementation can bring, and actively engage in activities from the New Work practices, and their willingness to participate in cross-border activities, such as remote hiring and partnerships. This opportunity should be also approached with considerations, as cultural differences exist and a discourse of expectations and delivery could occur, calling for cross-cultural management. Nonetheless, the interview participants showcased a positive attitude towards remote work, while also noting strategies for effective management control mechanisms supporting remote work and hiring process. A possibility for further research could be the exploration of global labour markets and cross-cultural management in context of the researched topic. Globalisation has brought together cultures with diverse cultural backgrounds and have potential impact on the implementation of New Work and attitudes towards



Management Control System frameworks. A possibility for further research is the ongoing international trends and impact on management controls, as today we can see a shift towards deglobalization and it is not clear what consequences it will have on management controls, business models, or the global trade dynamics.

## References

- Carr, M., & Jooss, S. (2023). Navigating management control change: pathways to the future of work. *Accounting, Auditing & Accountability Journal*, 36(9), 390-417. <https://doi.org/10.1108/AAAJ-08-2022-6005>
- Downes, C., & Koekemoer, E. (2011). Work–life balance policies: Challenges and benefits associated with implementing flexitime. *SA Journal of Human Resource Management*, 9(1). <https://doi.org/10.4102/sajhrm.v9i1.382>
- Ferreira, R., Pereira, R., Bianchi, I. S., & Silva, M. M. d. (2021). Decision Factors for Remote Work Adoption: Advantages, Disadvantages, Driving Forces and Challenges. *Journal of Open Innovation: Technology, Market, and Complexity*, 7(1). <https://doi.org/10.3390/joitmc7010070>
- Hofstede, G. (1980). *Culture's consequences: International differences in work-related values*. Sage Publications.
- Hofstede, G. (2001). *Culture's consequences: Comparing values, behaviors, institutions, and organizations across nations* (2 ed.). Sage Publications.
- House, R. J., Hanges, P. J., Javidan, M., Dorfman, P. W., & Gupta, V. (Eds.). (2004). *Culture, leadership, and organizations: The GLOBE study of 62 societies*. Sage Publications.
- Lewis, R. L., Brown, D. A., & Sutton, N. C. (2019). Control and empowerment as an organising paradox: implications for management control systems. *Accounting, Auditing & Accountability Journal*, 32(2), 483-507. <https://doi.org/10.1108/AAAJ-11-2017-3223>
- Lund, S., Madgavkar, A., Manyika, J., & Smit, S. (2020, 23 November). What's next for remote work: An analysis of 2,000 tasks, 800 jobs, and nine countries. McKinsey Global Institute. Retrieved 22 May from <https://www.mckinsey.com/featured-insights/future-of-work/whats-next-for-remote-work-an-analysis-of-2000-tasks-800-jobs-and-nine-countries>
- Moyo, D. (2019, 6 December). Are Businesses Ready for Deglobalization? *Harvard Business Review*. Retrieved 22 May from <https://hbr.org/2019/12/are-businesses-ready-for-deglobalization>
- Nummela, N., Saarenketo, S., Jokela, P., & Loane, S. (2014). Strategic decision-making of a born global: A comparative study from three small open economies. *Management International Review*, 54, 527-550. <https://doi.org/10.1007/s11575-014-0211-x>
- Schermuly, C., & Meifert, M. (2023). Ergebnisbericht zum New Work-Barometer 2023 (Result Report of the New Work Barometer 2023). [https://www.srh-berlin.de/fileadmin/Hochschule\\_Berlin/01\\_SEA\\_Landing\\_Pages/Business/Ergebnisbericht\\_zum\\_New\\_Work-Barometer\\_2023.pdf](https://www.srh-berlin.de/fileadmin/Hochschule_Berlin/01_SEA_Landing_Pages/Business/Ergebnisbericht_zum_New_Work-Barometer_2023.pdf)
- Schneider, S. C., & Barsoux, J.-L. (2003). *Managing Across Cultures*. Pearson Education.
- Statistics Norway. (2024). National accounts. Retrieved 25 May from <https://www.ssb.no/en/nasjonalregnskap>
- World Bank. (2024). Digital Progress and Trends Report 2023. <https://openknowledge.worldbank.org/entities/publication/7617f89d-2276-413d-b0a7-e31e7527d6af>