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Implications for Management Control in the Transition towards Hybrid Work

A Case Study of a Professional Service Firm

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Lund 28/05/2023

Sincerely,



Nils Arthursson



Sergi Rodríguez i Rovira

Abstract

Title: Implications for Management Control in the Transition towards Hybrid Work - A Case Study of a Professional Service Firm

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Five Keywords: Management control, Managerial intention, Professional service firm, Remote work, Hybrid work

Purpose: The aim of this thesis is to explore the transition towards a hybrid work model and the implications it may have on the use and adaptation of management control within PSFs. The purpose is further to highlight the reasons behind the adaptations of MCS.

Methodology: A qualitative single case study of a professional service firm, with empirical data collected through semi-structured interviews.

Theoretical perspectives: The theoretical framework combines relevant literature from management control (Simons, 1994; Merchant & Van der Stede, 2007; Norris & O'Dwyer, 2004; Alvesson & Kärreman, 2004), professional service firms (Empson & Alvehus, 2020; Greenwood & Empson, 2003; Morris & Empson 1998; Von Nordenflycht, 2010) and remote and hybrid work (Da Silva, Castelló-Sirvent & Canós-Darós, 2022; Halford, 2005; Hopkins & Bardoel, 2023).

Empirical Foundation: The empirical foundation is structured according to the themes found in the interviews, starting with 1) an introduction to the case company, and continuing with key themes: 2) *Balancing flexibility and control*, 3) *Feedback and career development*, 4) *A learning organisation* and 5) *Professional culture*.

Conclusions: The findings from this study highlight the change of specific management control systems to influence organisational culture and promote interaction, trust and knowledge sharing between professionals. Interfaces of control have been found in relation to the adaptation of formal controls to influence informal controls in the case company. Informal controls have also been affected by the transition towards hybrid work in terms of professional values, commitment and social pressure.

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List of Abbreviations

KPI	Key Performance Indicator
MCS	Management Control Systems
PSF	Professional Service Firm
ICT	Information and Communication Technologies
IP	Intellectual Property

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1. Introduction

1.1 Background

Over the past years, organisations and society have been heavily affected by the COVID-19 pandemic, not only in terms of performance, but also through the transition from working together at a fixed office towards that of working remotely (Hopkins & Bardoel, 2023). Since the end of the pandemic most organisations are in a transition phase, trying to establish a new customised work model. In a poll of 68 firms in 36 countries, Gratton (2023) found that only 42% of the companies had decided on a final design for a new work model, whereas the other 58% were still in a transition phase. Moving towards a flexible work model has been found to have implications for employee wellbeing and firm's ability to attract and retain employees (Kuzior, Kettler, & Rąb, 2021; Tokey & Alam, 2023). The sense of autonomy, flexibility, job satisfaction and work-life balance are the main factors employees consider when accepting remote or hybrid positions (Chafi, Hultberg, & Yams, 2022; Moglia, Hopkins & Bardoel, 2021). The ability for employees to work remotely during the pandemic is posing challenges for the development of new human resource management policies in terms of meeting their expectations of autonomy and flexibility (Tokey & Alam, 2023; Chafi, Hultberg, & Yams, 2022). The new work arrangements have further enabled the adaptation of recruitment processes, since remote work allows for access to a larger talent pool (Chafi, Hultberg, & Yams, 2022; Hopkins & Bardoel, 2023; Nowacka & Jelonek, 2022).

The new work arrangements may further be relevant in the fight against climate change (Moglia, Hopkins & Bardoel, 2021; Samek Lodovici, 2021). On the one hand, there are benefits from reduced commuting, leading to reduced fuel consumption, lower carbon emission and an improved air quality (Chafi, Hultberg, & Yams, 2022; Kuzior, Kettler, & Rąb, 2021; Moglia, Hopkins & Bardoel, 2021; Orzeł & Wolniak 2022; Samek Lodovici, 2021); as well as from reduced energy consumption in offices (Kuzior, Kettler, & Rąb, 2021; Samek Lodovici, 2021). On the other hand, other studies highlight an increased energy consumption domestically due to an increase in the use of information and communication technologies (ICT) (Chafi, Hultberg, & Yams, 2022; Samek Lodovici, 2021; Shi, Sorrell, & Foxon, 2023). Further, new habits, new daily routines, technology waste, and longer less-frequent work and non-work travel, may also negatively impact the environment (Moglia, Hopkins & Bardoel, 2021; Chafi,

Hultberg, & Yams, 2022; Hook et al., 2020; Shreedhar, Laffan, & Giurge, 2022). Overall, flexible work models pose both challenges and opportunities for sustainability and fighting climate change (Kuzior, Kettler, & Raß, 2021; Samek Lodovici, 2021; Shreedhar, Laffan, & Giurge, 2022).

The transition towards flexible work models is currently moving towards hybrid work (Hopkins & Bardoel, 2023). Hybrid work models have been studied with a focus on its characteristics, such as its managerial practices, work design and effect on employee wellbeing (Halford, 2005; Hopkins & Bardoel, 2023). Other articles adopt a leadership perspective and put a special emphasis on talent management and organisational culture (Da Silva, Castelló-Sirvent & Canós-Darós, 2022). As noted in a number of studies into the effects of the shift towards working more remotely, there may be negative effects on performance caused by inadequate -communication, -knowledge sharing and -organisational learning (Gratton, 2023; Yang et al., 2022). The hybrid work model has been proposed as one solution to balance the communication and coordination issues with autonomy and flexibility (Grzegorzcyk et al., 2021; Hopkins & Bardoel, 2023; Yang et al., 2022).

The hybrid work model has especially caught on in knowledge intensive firms where knowledge workers, or professionals, are the primary workforce (Hopkins & Bardoel, 2023). Such a firm may be classified as a professional service firm (PSF) and is characterised by high knowledge intensity (e.g. Greenwood & Empson, 2003; Løwendahl, Revang & Fosstenløykken, 2001; Starbuck, 1992; Von Nordenflycht, 2010, Zardkoohi et al., 2011), a low capital intensity (e.g. Von Nordenflycht, 2010) and a professionalised workforce with a strong culture and norms (Greenwood & Empson, 2003; Løwendahl, Revang & Fosstenløykken, 2001; Suddaby, Gendron & Lam, 2009, Van der Mandele, Volberda & Wagenaar, 2022). A PSF manages its key resource and technical knowledge to deliver value for clients and owners through customised services and advanced solutions (Azzolini, 2013; Budiarto et al., 2021; Empson, 2001a; Løwendahl, Revang & Fosstenløykken, 2001). Examples of PSFs may be law-, advertising-, accounting- and consulting firms (Empson, 2001a; Løwendahl, Revang & Fosstenløykken, 2001; Von Nordenflycht).

Communication and coordination problems might jeopardise the implementation and performance of business strategies, not least in PSFs, which rely on communication for transfer of complex and tacit knowledge between professionals (Cabrera & Cabrera, 2005; Empson, 2001b; Morris & Empson, 1998). The existence of control across organisations relates to the

way in which organisations obtains and uses its resources in a way that leads to effective and efficient goal fulfilment (Anthony, 1965; Otley, 1994). Management controls are further the subjective processes through which an organisation, or its top management, tries to influence the behaviour of its employees (Abernethy & Chua, 1996; Otley, 1994; Merchant & Van der Stede, 2007; Simons, 1994). The main body of literature has approached management control systems (MCS) from a contingency perspective with the success of a control system depending on variables of the internal and external environment (Otley, 2016). These contingencies, as Otley (1980; 2016) presents, include the technology in use within the firm, the strategic orientation, environmental uncertainty and the presence of an organisational- and national culture. The transition towards a new work model, according to contingency theory, should pose new challenges and benefits for the adaptation and use of MCS.

1.2 Problematization

MCS can be categorised into two types of control systems: formal and informal. While the former makes reference to deliberate and regularised practices, procedures and rules that are used to ensure the implementation of a business strategy and influence patterns in organisational activities; the latter are related to less explicit systems based on group norms, organisational climate and socialisation (Laguir, Laguir & Tchemeni, 2019; Simons, 1994). Depending on the type of organisation, the need for MCS is different (Otley, 2016), and the same should be true for PSF. Most authors point to the fact that, as professionals carry certain common norms and preferences - such as a preference for autonomy and a reluctance towards being controlled -, they would prefer informal controls over formal control (Covaleski, Dirsmith, Heian & Samuel, 1998; Greenwood & Empson, 2003; Starbuck, 1992; Van der Mandele, Volberda & Wagenaar, 2022; Von Nordenflycht, 2010). However, this can make an organisation too reliant on its culture and norms, which, if inadequate, may lead to insufficient control and direction and, therefore, to a need for more formal MCS (Klimkeit & Reihlen, 2016). The high degree of autonomy present in PSF presents challenges for designing controls, as certain types of MCS have the potential to damage the intrinsic motivation needed to perform autonomous work (Klimkeit & Reihlen, 2016; Delfino & Van der Kolk, 2021). This fact might gain importance in the transition of PSFs towards a hybrid work model.

Delfino and Van der Kolk (2021) state that the relevance of studying MCS in PSF lies in the fact that knowledge sharing and communication is essential within the organisation and with clients. In a survey of a global American tech firm, Yang et al., (2022) found a loss of

synchronous communication when working remotely. The loss of communication may potentially harm the organisational culture through less socialisation, as well as the communication and knowledge sharing and subsequent value creation of PSFs (Cabrera & Cabrera, 2012; Empson, 2001b; Schein, 2010). MCS have the potential to both hinder and facilitate organisational learning (Kloot, 1997). The characteristics of a PSF present specific challenges when transitioning into a hybrid work environment. The organisation may suffer a loss in organisational learning and knowledge sharing (Gratton, 2023; Yang et al., 2022), critical for the indirect value creation (e.g., Løwendahl, Revang and Fosstenløyken; Greenwood & Empson, 2003), due to inadequate communication and collaboration. Further, the benefit for professionals in PSFs to be intrinsically motivated may be positively and negatively impacted by this change. MCS have the potential to both inhibit intrinsic motivation, through impaired self-determination and self-esteem (Frey & Jegen, 2001), and facilitate organisational learning (Kloot, 1997) and coordination (Chenhall, 2003; Hausteijn, Luther & Schuster, 2014). Therefore, it is critical to explore the implications of the control systems in the transition phase. Further, managing flexibility, control and accountability in a hybrid work model has been presented as managerial challenges (Chafi, Hultberg & Yams, 2022; Frawley 2023).

While some authors have pointed out the importance of researching and analysing changes in hybrid work arrangements over time (Da Silva, Castelló-Sirvent & Canós-Darós, 2022), other authors highlight the need to study the managerial intentions behind these changes (Delfino & Van der Kolk, 2021). Therefore, there is a clear need for research into the adaptation of management control in the transition towards a hybrid work model. There is also a lack of research in relation to implementation and effects of hybrid work models in PSFs. The aforementioned problematization will provide a basis for the development of the purpose of this thesis.

1.3 Purpose

The aim of this thesis is to explore the transition towards a hybrid work model and the implications it may have on the use and adaptation of management control within PSFs. The authors seek to contribute and expand the existing research of MCS addressing the research gap of hybrid work models in PSFs. The purpose is to highlight the reasons behind the adaptations of MCS, pointing out if they have been due to managerial intentions, the culture of PSFs or other informal mechanisms.

- How is a PSF using MCS in the transition towards hybrid work?
- How and why has a PSF adapted its use of different MCS while transitioning to hybrid work?

1.4 Outline of the Thesis

After the introduction of the thesis, the methodology applied in the study is presented. The section starts with the research design, followed by the selection of literature and data selection and collection. Later, the data analysis is discussed, with the ethical considerations and limitations of the method concluding the section.

The third section consists of the literature review, beginning with an explanation of MCS and their different types. It continues with a review on PSFs, their key characteristics and features, and implications on management control. The literature review goes on to present different work models, concluding with a summary of key findings.

The fourth section describes the empirical findings obtained during the interviews, and it is divided according to the main topics that emerged during their collection. The fifth section includes the discussion of the empirical findings and the literature review, in which new thematic categories are generated. The thesis ends with a conclusion, discussing the main contributions, the overall limitations and opportunities for future research.

2. Methodology

2.1 Research Design

The purpose of this master thesis calls for an exploration into the new transition towards a hybrid work model. This lends itself well towards a qualitative rather than quantitative research design, as it requires a deep understanding of the subject (Stake, 2010) and ability to capture the wide set of complexities associated with professional organisations (Alvesson & Kärreman, 2004). As a result, the authors opted for a qualitative design. A preferred research design would be to follow a PSF's transition over time in a longitudinal study (Yin, 2014). However, due to the limitation in terms of allotted time of a master thesis, this was not possible and hence the thesis looks at previous stages of adaptation retrospectively. The research area surrounding the transition towards hybrid work is further highly current and its impact on the use and adaptation of management controls are hence something that is occurring in this specific context. The authors aim to connect different research fields in order to contribute to existing theory on the grounds of PSFs' transition towards hybrid work.

When answering a how/why question and studying in the midst of a contemporary event, such as the transition towards hybrid work, Yin (2014) recommends conducting a case study. Further, Otley (1994) proposes the case design for studying management control as it allows the researchers to capture the wide scale of controls in place. This research design is also recommended for studying complex organisations, as PSFs, and the different types of control present, because they may be linked and support each other (Alvesson & Kärreman, 2004; Bell, Bryman & Harley, 2019). The case study approach further allows the authors to approach the real situation experienced by professionals and managers in a particular context (Bell, Bryman & Harley, 2019; Eisenhardt, & Graebner, 2007). The authors aimed to perform a multiple case study, as it offers many benefits for comparing the results between varying cases. However, the authors did not get sufficient access and hence ended up with a single case study of a PSF. This meant consequences in terms of comparability and dependence on one case. Nevertheless, it enabled a more complete presentation of empirical evidence to support the story and narrative which, consequently, should aid our understanding of the specific context more than when applying a multiple case study (Eisenhardt, & Graebner, 2007; Piekkari, Welch & Paavilainen, 2009). Management control is adapted and used by managers to influence other members of the organisation; which calls for a single case study to generate insights into the adaptation of

the controls by collecting data on the managerial intentions of the change. A literature review was carried out to establish a theoretical framework. It combines several research areas (management, accounting, human resource management, psychology) in an effort to provide an overview of relevant literature to analyse the implications for adapting MCS in the transition.

2.2 Selection of Literature

The literature review is divided into three parts: *3.1 Management control*, *3.2 Professional Service Firms* and *3.3 Work Models*. The literature about management control is based on relevant articles frequently referred to in the literature related to management control (i.e., Simons, 1994; Ouchi, 1979; Merchant & Van der Stede, 2007). To broaden the perspective, more literature was found searching digital databases (Business Source complete via LUBsearch & Scopus) for articles in prevalent journals in strategy and general management, accounting and management control: *Accounting, Auditing and Accountability Journal*, *Accounting, Organizations and Society*, *Administrative Science Quarterly*, *Contemporary Accounting Research*, *European Accounting Review* *Management Accounting Research* and *The British Accounting Review*. Further articles referenced by the previously selected literature were included when relevant.

The selection of literature for the section on PSF were done through the searching for highly referenced authors in the research area of professional service firms; these included i.e., Alvesson (5), Empson (7) and Greenwood (2). This was done as the amount of literature on PSF is extensive and it was selected according to relevance towards the scope of the master thesis. Further articles were added by searching digital databases (Business Source complete via LUBsearch & Scopus) for keywords i.e., “professional service firms”, “knowledge management”, “organisational culture”, in different combinations. More literature was further added when referenced to and relevant. The literature review combines different fields of research to enable a deeper understanding of the characteristics of PSFs and the development of contextual relationships between control and these characteristics. This led to several research fields being covered i.e., management, accounting, human resources management and psychology. Some journals in these fields include: *Accounting, Organizations and Society*, *Administrative Science Quarterly*, *Human Relations*, *Organization Studies* and *Academy of Management Review*.

The literature of work models was found by searching for keywords, such as "remote work", "hybrid work", "telework", "work from home" "work from anywhere", "flexible work" or "telecommuting"- in digital databases (Business Source complete via LUBsearch & Scopus). Peer reviewed articles were selected. Furthermore, references included in the former were selected as well. Most literature in this research field was written in the past three years. Therefore, the selection of most of the articles were done following the authors criteria, with the aim to cover topics deemed relevant for MCS.

2.3 Data Selection and Collection

2.3.1 Case Selection

The research questions are framed in the context of a PSF and covers the phenomena of hybrid work, which suits a case study as it covers an unexplored research area with a limited context (Eisenhardt & Graebner, 2007). The requirements for the case selection were that the firm should qualify as a PSF, according to the key characteristics (see 3.2.1 *Key Characteristics of PSFs*) and that it should apply a hybrid work model (see 3.3.2 *Hybrid Work*). Yin (2014) points to the fact that, when selecting a case for a single case study, the selection should be theoretical. Therefore, the authors identified what could be distinguished as a "common case" (Yin, 2014), with a PSF displaying many characteristics of what Von Nordenflycht (2010) classifies as a "Classic PSF" and that offered us sufficient access to conduct our case study. The PSF is an Intellectual Property (IP) firm operating in Sweden and internationally, employing professionals offering services for patent-, design- and brand protection to clients. The professionals have a plethora of experience in several fields, from engineering to law, and offer a mix of highly customised (writing patents) and standardised processes (renewals). The organisation is fully employee owned. The nature of the IP service industry of being at the technological forefront puts a high emphasis on the management of knowledge and learning in the organisation, which is being affected by communication and coordination problems. The nature of this case should propose a relevant particular context in which controls can be studied, which makes this case suitable for a single case study. The case company preferred to keep its identity confidential and henceforth will be called by its pseudonymised name of IP Global.

2.3.2 Data Collection

Semi-Structured Interviews

Eisenhardt and Graebner (2007) points out that interviews are one of the most efficient ways to obtain valuable empirical data. One common way to conduct data collection in qualitative research is through semi-structured interviews (Alvesson & Deetz, 2000; Kallio et al., 2016; Qu & Dumay, 2011). A semi-structured interview is composed of a set of questions that enables the interviewer to guide the discussion with the interviewee and helps it to address the research topics (Bell, Bryman & Harley, 2019; Qu & Dumay, 2011; Kallio et al., 2016). It lies in between structured interviews, whose objective is to obtain a specific type of information, and unstructured interviews, which provides complete flexibility to generate new ideas (Scapens, 2004).

The flexibility of semi-structured interviews allows the authors to go back and reframe or rephrase the same questions in case the interviewers detect some type of bias (Alvesson, 2003). According to Qu and Dumay (2011, p. 246), “semi-structured interviews help develop understanding of the ways in which managers make sense of, and create meanings about, their jobs and their environment”. Another important benefit of semi-structured interviews is the aspect that it enables the researchers to adjust their questions as they gain more knowledge during the interview process (Bell, Bryman & Harley, 2019; Husband, 2020). Semi-structured interviews suit this case study as it requires both structured data and unstructured data to adequately address our research question. Structured questions may enable us to triangulate the data collected and address similarities and differences. For all these reasons, the data was collected through semi-structured interviews with managers of IP Global.

The literature review included in the next section provides concepts and a framework to obtain as much valuable information as possible during the semi-structured interviews (Kallio et al., 2016), a fact that did not limit the research to generate its own categories later. Since the purpose of the research is to study the adaptation of MCS, the interview guide is structured in different sections according to different types of formal and informal controls identified in the literature review. Further, the interview guide has been adapted to facilitate going in depth into the effect of the hybrid work model and highlights specific features of PSFs, such as knowledge management, organisational learning or sense of professionalism.

A total of two interviews were conducted, following an interview guide (see *Appendix A*). They were carried out in person, either in the company’s office or remotely through Zoom, according to the preference of the interviewee. The interviewees agreed to be recorded, a fact that allowed the authors to subsequently transcribe the meetings. The transcriptions were performed using online tools: Amberscript and OtterAI. Subsequently, the authors proceeded to re-listen the interviews in order to detect and correct errors and misinterpretations.

To complement the semi-structured interviews the authors collected data from the company’s formal communication in terms of: annual reports, press releases, website, organisational charts and mission statement.

Selection of Interviewees

In order to study the design of MCS, high hierarchical levels of the company needed to be interviewed. The purpose was to interview individuals who hold leadership positions and have a broad perspective of the company’s operations. More specifically, these individuals should be aware of the strategies and controls implemented as well as the hybrid work model functioning in the company and their respective teams. Therefore, the two interviewees selected were from senior managerial positions. The first interviewee (Manager A) was a business unit manager with long term experience of IP and working at IP Global. The second one (Manager B) was a member of the top management team of the company. Interviewing professionals from managerial positions also allowed the authors to get more knowledge about the reasons and potential managerial intentions behind the adaptation of MCS in a hybrid work environment.

Interviewee	Date	Interview Duration	Way of communication	Experience at IP Global
Manager A	08/05/2023	41:08 min	Video call	10 years
Manager B	09/05/2023	33:50 min	In-Office	3 years

Table 1: Overview of Interviews Conducted

2.4 Data Analysis

After the transcription of the interviews, the authors proceeded to organise the interviewee’s answers in different sections. Empirical data might not follow a sequential order of events or a

clear organised framework (Scapens, 2004). In the case of the semi-structured interviews with IP Global managers, the answers did not always follow the structure of the interview guide and they contained multiple iterations and new concepts. Therefore, the empirical findings are organised according to the main topics brought up by the interviewees to facilitate their comprehension and contribute to better storytelling.

The next step was the preparation of the discussion. The authors identified, analysed and reported patterns present in the interviews, followed by an interpretation of the results, in order to provide a structure to reduce the complexity of the data (Braun & Clarke, 2006; Scapens, 2004). Since social context and language are subject to multiple interpretations, the interviewees' responses needed a critical reflection (Alvesson & Deetz, 2000). Therefore, the results were interpreted by both authors to provide different perspectives and avoid as much as biases as possible (Eisenhardt, 1989). The emergent concepts and patterns were compared to a broad range of literature (Eisenhardt, 1989), which is presented in the literature review. Subsequently, new thematic categories were developed. The different categories cover all the findings obtained during the interviews.

2.5 Ethical Considerations

The interviewees voluntarily took part in the study and were clearly introduced to the research through written communication, in both Swedish and English to ensure that nothing was misunderstood. They were further informed about the intent, process and interview, through a verbal introduction before giving informed consent to take part. Gaining informed consent and disclosure of research intent has been found to be two principles to ethically handle the interviewees part-taking in qualitative research (Qu & Dumay, 2011). Further the authors assured the firm of confidentiality and measures were taken to remove clear identifiable characteristics of the firm in the thesis. Participants in interviews disclosing details about their work life should have the right to privacy and confidentiality (Qu & Dumay, 2011). Therefore, the authors pseudonymised the participants through replacing and removing identifiable information in order to keep them confidential.

2.6 Limitations

Despite single case studies allowing for the study in depth of a significant phenomenon, they limit the access to more divergent empirical data and triangulation with multiple cases (Eisenhardt & Graebner, 2007). A multiple case study would have allowed for a comparative

approach, as well as for more generalisation and extensive theory building that could have been applied to a wider set of circumstances (Eisenhardt & Graebner, 2007; Scapens, 2004).

Defendants of interviews usually argue that this method allows for a more real and authentic approach to a particular individual, experience or situation (Alvesson, 2003). But even if strict methodological tools are applied, one limitation of interviews is that the interviewee might not act in the service of the research (Alvesson, 2003). For instance, the interviewee might prioritise giving a good impression management or use the interview for their own political purpose (Alvesson, 2003; Bogner, Littig & Menz, 2009; Eisenhardt & Graebner, 2007). Semi-structured interviews have also been criticised to operate with a lack of transparency, no clear standards and using methodology in a flexible way depending on the researcher interests (Bogner, Littig & Menz, 2009).

Problems of access to companies are also common in management research (Alvesson & Deetz, 2000). Organisations do not have incentives to offer information to researchers, since the research can be perceived as useless or against the company's interest (Alvesson & Deetz, 2000). Several PSFs were contacted via email to participate in this study. Some of them answered with a negative reply, stating that they were not implementing the hybrid work model or that, at that moment, they did not have time to carry out the interviews requested by the authors. The authors suspect that the seasonality of PSFs hindered the access to many of the companies contacted. Moreover, the authors were limited in time due to the conditions of a master thesis being carried out in a pre-assigned time, leading to the discard of longitudinal research, which would have provided an interesting perspective on the development of the control systems over the different phases of transition.

3. Literature Review

The literature review begins with presenting the relevant literature about management control. First, it discusses the relevance to study them from a system perspective, followed by identifying the main formal and informal controls in the literature.

The second chapter discusses PSFs, starting with their key characteristics, continuing with relevant implications related to their organisational culture, values, knowledge management and value creation. It concludes with key implications for PSFs from a management control perspective.

The third chapter presents the background, current situation and implications of different work models, beginning with a comparison between traditional workspaces and remote work and concluding with introducing the main characteristics and implications of the hybrid work model.

The last section summarises the findings from the literature review and highlights key implications for management control.

3.1 Management Control

3.1.1 Management Control Systems

MCS are a set of control mechanisms whose objectives are to influence individual behaviour so that they are consistent with organisational goals and strategies, to gather and provide information to assist managers' decision making and to formulate and implement strategies (Chenhall, 2003; Ferreira & Otley, 2009; Haustein, Luther & Schuster, 2014; Hutzschenreuter, 2009). Furthermore, communication of objectives, employees' motivation, provision of feedback or organisational learning are other features mentioned in the literature in relation to MCS (Hutzschenreuter, 2009; Norris & O'Dwyer, 2004).

Other studies reflect on the concept of *system* as a set of control mechanisms (Friis, Hansen, & Vámosi, 2015; Grabner & Moers, 2013; Malmi & Brown, 2008; Malmi et al., 2020). What characterises a system is the interdependence of management control practices, which means that they do not operate in isolation (Friis, Hansen, & Vámosi, 2015; Grabner & Moers; 2013; Malmi et al., 2020). The concept of system is contrasted to understand management control as a *package*, which adopts a holistic view of all the mechanisms that companies have at their

disposal to control organisations but do not allow to analyse the interrelationships between management control practices (Grabner & Moers, 2013; Haustein, Luther & Schuster 2014; Malmi & Brown, 2008). Moreover, contingency theory research understands management control practices as a system, emphasising their effectiveness if they are interrelated, internally consistent and specific given the internal and external contingencies (Chenhall, 2003; Grabner & Moers, 2013; Haustein, Luther & Schuster, 2014; Otley, 1980).

There exist different classifications of controls in the literature. One of them is the distinction between *direct* and *indirect* controls, depending on the degree of interaction between managers and employees (Haustein, Luther & Schuster, 2014; Hutzschenreuter, 2009). According to Haustein, Luther and Schuster (2014, p. 347), this dichotomy is used to analyse “controls that have been consciously developed and implemented by the organisation’s management.” Instead, this study classifies controls in terms of *formal* and *informal*, which enables the study of different reasons and intentions behind all MCS in place.

3.1.2 Formal Controls

Several authors have defined formal controls. Simons (1994) refers to them as information-routines and procedures that influence patterns of organisational activities. Laguir, Laguir and Tchemeni (2019) defines them as deliberate, visible and regularised practices and rules used to ensure the implementation of business strategies through the provision of feedback; while Haustein, Luther and Schuster (2014) emphasise the development of formal MCS by the top management of firms. Adler and Borys (1996) refer to workflow formalisation and organisational technology when they discuss written rules, job descriptions, procedures and instructions. Similarly, formal controls have also been labelled as organisational control - unlike social and self control, which are considered informal -, which relates to written procedures and policies and organisational plans and goals (Norris & O’Dwyer, 2004). One of the most used frameworks in the literature to classify formal MCS is the four levers of control developed by Simons (1994), which consist of belief-, boundary-, diagnostic- and interactive systems.

The first lever of control is belief systems, which are the formal MCS used to define and communicate the core values in an organisation (Simons, 1994). Their objective is to provide a reference point and a basis for common understanding to all the members of an organisation (Bedford, 2015). The stability provided by belief systems might also help to provide guidance when organisational changes occur (Laguir, Laguir & Tchemeni, 2019; Simons, 1994).

Furthermore, they may also encourage and motivate employees to innovate and seek new opportunities (Bedford, 2015; Davila Foster & Oyon, 2009; Simons, 1994). Shared organisational values are usually explicitly stated in mission and vision statements or statements of purpose (Simons, 1994). Belief systems can be related to what Alvesson and Kärreman (2004) define as socio-ideological control, which is related to ideas and in the organisation. Despite being usually described as informal controls, socio-ideological control might also be considered formal controls since the influence in employees' attitudes may come from managerial initiatives (Alvesson & Kärreman, 2004; Haustein, Luther & Schuster, 2014).

The second lever of control defined by Simons (1994) is boundary systems, which are considered negative MCS since they set the limits and rules in a company. They include explicit parameters and minimal standards whose objective is to avoid risks for the company and to circumscribe the limits where organisational activities take place (Bedford, 2015; Laguir, Laguir & Tchameni, 2019). Bedford (2015, p. 16) states that this "bounded autonomy" helps subordinates to focus their tasks on strategic priorities. Davila Foster and Oyon (2009) highlights their use in controlling emergent strategies. Examples of boundary control systems include codes of business conduct or strategic planning systems (Simons, 1994).

The third lever of control is referred to as diagnostic control systems and are MCS that provide formal feedback about the accomplishment of the company's targets through the analysis and monitoring of critical performance variables (Simons, 1994). It is considered a negative control since it draws the attention to deviations from the strategy or mistakes that need to be corrected (Bedford, 2015; Laguir, Laguir & Tchameni, 2019). They are used to encourage managers to achieve strategic goals, without specifying the processes to follow (Bedford, 2015; Simons, 1994), and are usually related to the use of business plans and budgets and the management of financial and non-financial targets (Davila Foster & Oyon, 2009; Laguir, Laguir & Tchameni, 2019). Both levers of control considered negative by Simons (1994) are similar to what Alvesson and Kärreman (2004) label as technocratic forms of controls. On the one hand, technocratic controls include bureaucratic controls aiming to control workers behaviour just as boundary systems are based on rules, standards and parameters (Alvesson & Kärreman, 2004; Simons, 1994). On the other hand, the same type of controls involves the output control aspect, similar to how diagnostic control systems focus on strategic goals and key performance indicators (Alvesson & Kärreman, 2004; Simons, 1994).

Finally, the last lever of control is interactive control systems, which are used by companies' managers to detect strategic uncertainties and emergent opportunities (Simons, 1994). They are considered positive controls because they lie in a strong communication between the top management and its subordinates (Bedford, 2015; Simons, 1994). Bedford (2015) labels them as information systems. The involvement of managers in the tasks carried out by lower hierarchical levels is not only useful to discover new insights in organisations but also to guide employees towards organisational goals and challenge the whole company to question the current business models (Davila Foster & Oyon, 2009; Laguir, Laguir & Tchemeni, 2019).

In terms of formal controls, Simons' (1994) framework does not include any lever for human resource management. Merchant and Van der Stede (2007) identified personnel controls as one of the main controls used by companies. Although their relevance lies in self-monitoring and intrinsic motivation of organisational members (which are related to informal controls), formal mechanisms are involved to promote these tendencies (Merchant & Van der Stede, 2007). Personnel controls include recruitment policies and processes to select and hire the best-matching employees in relation to the job requirement in place, as well as training and development programmes to improve performance on assigned tasks, provide feedback to employees and increase the sense of professionalism (Haustein, Luther & Schuster, 2014; Hutzschenreuter, 2009; Merchant & Van der Stede, 2007). Job design and the provision of necessary resources are also formal controls that ensure the accomplishment of organisational goals (Haustein, Luther & Schuster, 2014; Merchant & Van der Stede, 2007).

3.1.3 Informal Controls

Informal controls are generally defined as a set of values, beliefs and traditions; which are normally based on group norms, organisational climate and socialisation (Collier, 2005; Falkenberg & Herremans, 1995; Hiebl, 2014; Laguir, Laguir & Tchemeni, 2019; Ouchi, 1979). The implicit nature of informal controls and their subtle transmission to direct behaviour of group members is also present in the literature (Falkenberg & Herremans, 1995; Laguir, Laguir & Tchemeni, 2019; Ouchi, 1979). Some authors state that informal controls comprise tacit rules whose relevance lies in their utility in unstable environments, since it is not possible to explicitly state all unexpected and uncertain scenarios through formal controls (Chenhall, 2003; Falkenberg & Herremans, 1995; Merchant & Van der Stede, 2007). Other authors highlight their role in promoting an ethical and socially responsible organisational culture (Falkenberg & Herremans, 1995; Laguir, Laguir & Tchemeni, 2019; Norris & O'Dwyer, 2004).

Norris and O'Dwyer (2004) state that informal controls are composed of social- and self controls. Informal social mechanisms in organisations- such as commitment to firms' objectives, spreading of values, proper behaviour or integrity- had previously been identified by Ouchi (1979). When specific socialisation processes for the organisation are taking place, the mechanism is labelled as clan (Ouchi, 1979). Clans need norms of reciprocity, understood as the expectation that every action will result in a reaction such as a reward or a punishment; and need legitimate authority toward organisational superiors (Ouchi, 1979). This relates to the fact that, in case an employee does not respect these standards, he or she will not persist in the organisation (Norris & O'Dwyer, 2004). However, the most important feature for clans to survive is the existence of shared values, beliefs and traditions because of the implicit nature of the mechanism (Norris and O'Dwyer, 2004; Ouchi, 1979). All these norms are "contained in [...] rituals, stories, and ceremonies" (p.839) and they become essential when it is difficult or even impossible to monitor and evaluate employees' behaviours and outputs (Ouchi, 1979). Formal policies and rules implemented by top management might be perceived as distant by employees, making informal control prevalent (Falkenberg & Herremans, 1995).

Social controls also interact with another type of informal control: self control (Norris & O'Dwyer, 2004). Companies trust that employees have internalised values that guide their individual behaviour such as high commitment and self control, which is a way to not undermine their sense of autonomy (Norris & O'Dwyer, 2004; Ouchi, 1979). Actually, self control might constitute the basis of recruitment policies and affect how firms select and hire candidates, since their internalised values are important for clan control to work (Haustein, Luther & Schuster, 2014; Merchant & Van der Stede, 2007; Ouchi, 1979). It is also related to the natural tendency of self-monitoring and intrinsic motivation to perform a good job and commit to organisational goals, which constitutes a form of personnel control (Merchant & Van der Stede, 2007). Individual values and expectations also play a role in interpreting and implementing formal policies developed in higher levels of organisations (Falkenberg & Herremans, 1995).

Instead of explicit control measures, informal controls might even exercise social pressure among employees to enforce certain organisational values, moral standards and appropriate or ethical (Falkenberg & Herremans, 1995; Norris & O'Dwyer, 2004; Kachelmeier, Thornock & Williamson, 2016). For this reason, although informal controls are not composed of explicit measures, they are based on the approval or acceptance between organisational members and

they have the potential to become dominant over the formal ones because managers and employees do not dare to question them (Falkenberg & Herremans, 1995; Norris & O'Dwyer, 2004; Kachelmeier, Thornock & Williamson, 2016). According to Collier (2005), informal controls influence the power relationships in organisations and, therefore, they also affect the impact of formal controls.

There may exist some difficulties in distinguishing between some informal controls and formal controls, which may be partially explained because of the interaction between different types of controls (Alvesson & Kärreman, 2004; Laguir, Laguir & Tchemeni, 2019; Norris & O'Dwyer, 2004). For instance, belief systems (Simons, 1994) have the enforcement of core values as the main goal. However, they do not include informal aspects such as group norms, socialisation and culture (Berry et al., 2009; Collier, 2005; Simons, 1994). Similarly, the term *cultural control*, developed by Merchant and Van der Stede (2007) has been avoided since it could lead to misinterpretations: it can be initiated by management and be embodied in written rules, which means that it is a formal control (Alvesson & Kärreman, 2004; Haustein, Luther & Schuster, 2014; Malmi & Brown, 2008; Merchant & Van der Stede, 2007). The concept of culture in the informal control setting is understood as the set of values, beliefs and norms that are shared and transmitted through socialisation processes in an organisational environment; that is, a clan control (Alvesson & Kärreman, 2004; Cravens et al., 2004; Malmi & Brown, 2008; Merchant & Van der Stede, 2007; Ouchi, 1979).

The starting point to study the transition towards a hybrid work model in PSF involves Simons' (1994) levers of control in terms of formal controls. Since the previous framework does not consider mechanisms such as job requirements and recruitment policies, personnel controls are also included (Merchant & Van der Stede, 2007). Regarding informal controls, they have been divided in social controls and self control (Norris & O'Dwyer, 2004). These seven categories have been used to construct the interview guide (see *Appendix A*).

3.2 Professional Service Firms

The following section will deal with the literature on PSFs, what characterises them, and what implications it has shown to have on the adaptation of MCS.

3.2.1 Key Characteristics of PSFs

A PSF is a firm which can be characterised by its workforce and its expertise. Von Nordenflycht (2010) develops a taxonomy to define a PSF, based on three distinctive

characteristics, which are a high knowledge intensity, a low capital intensity and a professionalised workforce.

Knowledge intensity is the most commonly presented characteristic of a PSF (Greenwood & Empson, 2003; Løwendahl, Revang & Fosstenløyken, 2001; Starbuck, 1992; Von Nordenflycht, 2010, Zardkoohi et al., 2011). A high knowledge intensity “indicates that production of a firm’s output relies on a substantial body of complex knowledge” (Von Nordenflycht, 2010, p. 159) and that knowledge has a higher relative importance in the value creation process than other assets (Starbuck, 1992). An implication derived from the high knowledge intensity is “cat herding” (Von Nordenflycht, 2010). “Cat herding” is the phenomenon where knowledge intensity will increase the professional’s bargaining power and their preference for autonomy (Von Nordenflycht, 2010). The professionals in PSFs will gain bargaining power through the presence of many outside opportunities, as their competence is high, while their skills are scarce in the economy and transferable across firms; this will present a situation where PSF needs to “herd cats” in order to retain their professionals (Greenwood, Li, Prakash & Deephouse, 2005; Zardkoohi et al., 2011; Von Nordenflycht, 2010). Studies have found that professionals have a strong preference for autonomy and that, when controlled through supervision and formal controls, they may display negative reciprocal behaviour and resistance (Covaleski, et al., 1998; Greenwood & Empson, 2003; Starbuck, 1992; Van der Mandele, Volberda & Wagenaar, 2022; Von Nordenflycht, 2010). This generates a dynamic where the management of the firm uses formal control systems with caution (Covaleski, et al., 1998; Empson, 2017; Greenwood & Empson, 2003). The dynamic has been found to be managed through reducing the amount of hierarchy and offering professionals ownership of the firm (Greenwood & Empson, 2003; Greenwood et al., 2005), decentralised- or collective decision-making (Zardkoohi et al., 2011; Empson & Alvehus, 2020) and increased autonomy and high informality (Van der Mandele, Volberda & Wagenaar, 2022).

The second distinctive characteristic of a PSF is a low capital intensity (Von Nordenflycht, 2010). This further increases the relative importance of knowledge and the bargaining power of professionals, which may aggravate the “cat herding” problem (Von Nordenflycht, 2010; Zardkoohi, et al., 2011).

The final characteristic of PSFs presented by Von Nordenflycht (2010) concerns the institutional aspect of the professions. A profession will have a specific knowledge base, which it controls and can often be associated with some measure of ideology, norms and values

common across a PSF or profession (Friedson, 2001; Von Nordenflycht, 2010). A strong professional ideology may also foster a strong internalised organisational culture (Greenwood & Empson, 2003; Starbuck, 1992; Von Nordenflycht, 2010). One common norm which has been found in PSF revolves around the aspect of providing an altruistic service and a commitment to “doing good” (Friedson, 2001, p. 127), contrasting against that of individual self-interest and a focus on solely on economic gain (Løwendahl, Revang & Fosstenløyken, 2001). An implication of professional norms is resistance towards non-professionals as investors, which leads to PSFs developing different ownership models without external ownership (Von Nordenflycht, 2010). The characteristics presented above have both independent and overlapping implications for PSFs. Von Nordenflycht (2010) divides the PSFs into four groups, where the group relevant for this case is that of PSFs which display high levels for all three characteristics. It is labelled as “Classic PSFs” and are “extreme examples of knowledge-intensive firms” (Von Nordenflycht, 2010, p. 167). This group will face more “cat herding” and be characterised by an autonomous workforce and an informal culture (Von Nordenflycht, 2010). Further they are characterised by a lack of outside ownership (Von Nordenflycht, 2010).

3.2.2 Culture of PSFs

One important implication for adapting MCS to a PSF lies in understanding its organisational culture. PSFs are characterised by distinctive characteristics as discussed in the previous section. The professional element of the organisation and its high knowledge intensity serves as ways to establish a strong set of values which provides the foundation for an organisational culture (Greenwood & Empson, 2003; Starbuck, 1992; Suddaby, Gendron & Lam, 2009; Van der Mandele, Volberda & Wagenaar, 2022). An organisational culture is characterised by an organisation's beliefs, values and artefacts (Schein, 2010). Schein (2010) highlights that culture and its underlying values are developed over a long time and established through organisational learning, joint experiences and socialisation, hence this informal control requires substantial time to put in place. In line with this, Suddaby Gendron and Lam (2009) present that the Canadian professionals they surveyed displayed overall strong professional norms, but that managers with longer experience tended to display even stronger norms. Professionals further showed a relatively high degree of individual commitment towards their profession and clients (Suddaby, Gendron & Lam, 2009).

A PSF's culture can be characterised by: high informality, high trust, knowledge- and information sharing, delegation of authority, social- and self control (Norris & O'Dwyer, 2004; Van der Mandele, Volberda & Wagenaar; 2022). Moreover, through delivering an outstanding service, showing respect, integrity, teamwork and professionalism (Burke, 1997; Budiarmo et al., 2021), Burke (1997) found that the presence of common organisational values in PSFs was positively associated with job satisfaction and quality of service. Alvesson and Empson (2008) found that the identity of consulting firms was highly influenced by how it was managed and controlled. The presence of a homogenous workforce with common reference points, a pride of membership, more collaboration and mutual adjustment strengthened the organisational identity (Alvesson & Empson, 2008). The potential of the strong culture and values of PSFs to act as a social control (Norris & O'Dwyer, 2004; Ouchi, 1979) was further found to improve cooperation and coordination (Kärreman & Alvesson, 2004) and it has been found to be extensively used in PSFs (Covaleski et al., 1998; Empson, 2017). Culture can further have implications on personnel controls and self control in terms of influencing i.e., recruitment policies (Haustein, Luther & Schuster, 2014; Merchant & Van der Stede, 2007; Ouchi, 1979). PSFs have been found to put great emphasis on the existence of a culture fit and shared culture and values in recruitment processes (Rivera, 2012) O'Reilly, Chatman and Caldwell (1991) further highlighted the importance of "person-organisation fit" in recruitment, where it was found to be correlated to the degree of individual commitment and satisfaction one year later.

PSFs are also characterised by "contingent and contested power relations among an extended group of professional peers" (Empson & Alvehus, 2020, p. 1234). As the PSFs are characterised by strong values of autonomy, there exists some resistance to being led and controlled (Empson & Alvehus, 2020). Accordingly, this was found to be managed through collective leadership, which was constructed by 3 relational processes: "legitimising", "negotiating" and "manoeuvring" (Empson & Alvehus, 2020). They point out that leadership in a PSF is relational and that it exists in an unstable tense equilibrium, which needs to be closely managed (Empson & Alvehus, 2020). These processes may present opportunities for the development of formal and informal control systems in PSFs.

3.2.3 Knowledge Management and Value Creation in PSFs

The high knowledge intensity and dependence on knowledge in the value creation has been shown to make the management of knowledge crucial for PSFs (e.g., Empson, 2001; Løwendahl, Revang & Fosstenløyken, 2001). Value will be created for customers through

offering services which may be more or less customised (Løwendahl, Revang & Fosstenløykken, 2001). Value for the owners can be created in two distinct ways: through financial returns and through knowledge development (Løwendahl, Revang & Fosstenløykken, 2001). Financial returns in terms of excess funds and knowledge development as the capability and capacity for future returns increases with better knowledge input (Løwendahl, Revang & Fosstenløykken, 2001). Hence organisational and individual learning and development and retaining professionals with knowledge becomes important for PSFs to generate value (Løwendahl, Revang & Fosstenløykken, 2001).

Knowledge can be based on the individual level, which is the knowledge held by an individual, but it can also be shared across the organisation and become collective knowledge (Løwendahl, Revang & Fosstenløykken, 2001; Morris & Empson, 1998). On the one hand, knowledge can be characterised as “information-based” (Løwendahl, Revang & Fosstenløykken, 2001), or “codified knowledge” (Morris & Empson, 1998), which can be documented and easily shared with others in i.e., databases, training and standardised behaviour (Morris & Empson, 1998). On the other hand, knowledge may be “experience-based personal knowledge” (Løwendahl, Revang & Fosstenløykken, 2001), or “tacit knowledge” (Morris & Empson, 1998), where it is derived from values, individual experiences and a deeper understanding (Løwendahl, Revang & Fosstenløykken, 2001; Morris & Empson, 1998). This type is difficult to share across the organisation, and requires longer processes of enculturation and interaction between professionals (Morris & Empson, 1998). The knowledge base of the PSF is dependent on its strategic domain, and may require more or less tacit knowledge depending on the complexity, reproducibility, need for customised services etc. (Løwendahl, Revang & Fosstenløykken, 2001).

Knowledge in PSFs also brings power, not least for the senior professionals with more tacit knowledge and unique experiences, which is important to retain as it is difficult to replace (Greenwood & Empson, 2003). A key challenge then becomes how to encourage the professionals to share their valuable knowledge with colleagues, to reduce their power for the better of the organisation (Empson, 2001b; Greenwood & Empson, 2003). Sharing one's individual tacit knowledge requires a longer voluntary interpersonal process (Empson, 2001b). Morris and Empson (1998) and Løwendahl, Revang and Fosstenløykken (2001) highlights the need for controls which encourage collaboration, formal and informal communication, development of a culture and networking.

Cabrera and Cabrera (2005) found that many factors may influence the willingness to share knowledge in an organisation. Some of these include the idea of mutual reciprocal behaviour, strong social ties, trust and norms of knowledge sharing (Cabrera & Cabrera, 2005). The authors also discuss other factors which may reinforce or impede the willingness to share knowledge: the organisational culture, job design, compensation, technology, performance appraisals and training (Cabrera & Cabrera, 2005). Gagné (2009) further looks at the motivation behind sharing knowledge from a self-determination theory perspective, concluding that: “staffing, job design, performance appraisal and compensation systems, managerial styles and training” (Gagné, 2009, p. 583) can be predicted to influence the core psychological needs and bring about autonomous motivation for knowledge sharing.

Overall, the degree to which the knowledge base is more tacit or codified may lead to implications for management control: organisations characterised by more tacit knowledge, may struggle enforcing powerful professionals to share their power through formal controls (Empson, 2001b; Greenwood & Empson, 2003; Von Nordenflycht, 2010).

3.2.4 Management Control in PSFs

PSFs may use a number of different control systems in order to control the behaviour of their professionals. As previously discussed, professionals have a preference for autonomy and may display resistance towards formal controls (e.g., Covaleski et al., 1998; Greenwood & Empson, 2003; Starbuck, 1992). Empson (2017) presents the paradox of “autonomy and control” (p. 223) where the leaders of PSFs try to manage the tensions of control and autonomy. The leadership of a PSF becomes contingent on the consent of its professionals and leaders may display reluctance towards leading (Empson, 2017; Empson & Alvehus, 2020). The paradox of autonomy and control can be managed through the increased use of social controls and relational processes, as to create a perception where control is “self-chosen” (Covaleski et al., 1998; Empson, 2017; Empson & Alvehus, 2020; Falkenberg & Herremans, 1995; Norris & O’Dwyer, 2004; Kachelmeier, Thornock & Williamson, 2016). Professionals tend to prefer a more passive leadership style and distributed or collective leadership (Empson & Alvehus, 2020); however, PSFs can often be characterised by centralised leadership within a group of senior professionals or partners (Alvesson & Kärreman, 2004; Empson, 2017). One key role for the management of PSFs revolves around how to manage the “leadership vacuum” generated by a passive leadership style (Empson, 2017). Empson and Alvehus (2020) found the increased use of negotiating, legitimising and manoeuvring processes for collective

leadership. Formal controls can be negotiated with powerful professionals to achieve acceptance (Empson & Alvehus, 2020). Several authors agree that bureaucratic and formal controls are a poor fit for PSFs (Covaleski et al., 1998; Singh & Rennstam, 2022; Starbuck, 1992; Van der Mandele, Volberda & Wagenaar, 2022).

PSF may however make extensive use of technocratic and formal control systems, which was found in a case study of a subsidiary of a global management consultancy by Alvesson and Kärreman (2004). They identified a hierarchical structure, highly bureaucratic output controls for monitoring tasks of professionals, and extensive focus on standardised work processes and collectivisation of knowledge (Alvesson & Kärreman, 2004). The values of the organisation were highly externally salient with focus on “money, formal status and brand name” (Alvesson & Kärreman, 2004, p. 438), the organisation did not have a strong culture and professionals were extrinsically motivated, not least by achieving promotions. For diagnostic control, Alvehus & Spicer (2012) found that financialization has had an influence on the design. It was found, in their case study, that audit firms focused on evaluating professionals based on cost incurred in terms of time worked and billed time (Alvehus & Spicer, 2012). This control was put in place to enable measurement of individual contributions and align the behaviour of professionals with financial targets and it was theorised that it would generate incentives to increase their efficiency (Alvehus & Spicer, 2012). However, it was also found to increase game playing and shifted the organisational values away from the traditional ideas of professionalism (Alvehus & Spicer, 2012; Friedson, 2001). In another case by Singh and Rennstam (2022), they found that sales control was received with reluctance and discomfort by professionals and that it resulted in a focus on “strategic compliance”.

The above-mentioned cases point to the fact that there are a number of ways in which firms can be controlled. The organisation in the case by Alvesson and Kärreman (2004) was discussed to face tensions coming from the aspect that the professionals are dealing with highly formalised control systems and subordinated roles, which is at odds with the preference for autonomy and the distaste for control (Alvesson & Kärreman, 2004; Covaleski et al., 1998; Greenwood & Empson, 2003; Singh & Rennstam, 2022; Starbuck, 1992; Van der Mandele, Volberda & Wagenaar, 2022). Burke (1997) proposed that PSF should make use of belief systems (Simons, 1994) and clearly communicate values throughout the organisation and focus on committing to these values, not least on a senior level of the firm. In addition, more focus

should be put on supporting the values of the organisations through training (personnel controls), rewards, and resource allocation (Burke, 1997).

To conclude, the values and norms of professionalism and organisational culture, as well as the knowledge base of a PSF serve as key implications for adapting MCS. Informal controls may be prevalent in organisations when the tacit knowledge base increases professional power (Covaleski et al., 1998; Empson, 2017; Greenwood & Empson, 2003). Formal controls can be found in PSFs but may face tensions from professionals (Alvesson & Kärreman, 2004; Singh & Rennstam, 2022), or have cultural implications (Alvehus & Spicer, 2012). These controls may be negotiated in an effort to achieve acceptance (Empson & Alvehus, 2020).

3.3 Work Models

3.3.1 Traditional Work Space and Remote Work

Work in office has been labelled as *traditional workspace* in the academical literature (Da Silva, Castelló-Sirvent & Canós-Darós, 2022; Halford, 2005; Hopkins & Bardoel, 2023; Moglia, Hopkins & Bardoel, 2021; Tokey & Alam, 2023). Some of the advantages of stationary work for employees are contact with workmates and a higher sense of control over their tasks, followed by the atmosphere of the workplace, the ability to focus on the job and greater discipline (Nowacka & Jelonek, 2022). Moreover, companies that have full-time office workers are more consistent and avoid any differential treatment between employees (Hopkins and Bardoel, 2023). On the other hand, the lack of flexibility felt by employees is usually pointed out as the main drawback of this model (Da Silva, Castelló-Sirvent & Canós-Darós, 2022; Halford, 2005; Hopkins & Bardoel, 2023; Moglia, Hopkins & Bardoel, 2021; Tokey & Alam, 2023).

On the opposite side of work in office, there is remote work. In general, authors define remote work as the performance of work duties outside the traditional workplace, with a special emphasis on the implementation of information technology tools that enable this model (Da Silva, Castelló-Sirvent & Canós-Darós, 2022; Grzegorzcyk et al., 2021; Hopkins & Bardoel, 2023; Nowacka & Jelonek, 2022). Remote work, but also terms such as telework, networking or telecommuting, are often incorrectly used to define working from home (Bloom, Liang, Roberts & Ying, 2015; Da Silva, Castelló-Sirvent & Canós-Darós, 2022; Grzegorzcyk et al., 2021; Hopkins & Bardoel, 2023; Nowacka & Jelonek, 2022). Working remotely must not be

confused with working from home, since the former can be conducted from anywhere (Hopkins & Bardoel, 2023).

Apart from flexibility, advantages of remote working have been linked to an increase in productivity, higher work satisfaction, less attrition and a higher sense of autonomy (Bloom et al., 2015; Grzegorzcyk et al., 2021). However, the literature has also pointed out many drawbacks when it comes to analysing full-time remote workers. Employers might feel a lack of control while employees perceive a closer scrutiny over them (Grzegorzcyk et al., 2021; Halford, 2005). Therefore, in case there exists this lack of trust and risk of moral hazard, managers may decide to measure the output of their subordinates using task completion and not time used (Halford, 2005). On the other side, employees respond by working more hours to demonstrate their commitment to the organisation and avoid suspicions, which leads to a problem with time boundaries, the intrusion of work in personal lives and mental health issues (Gigauri, 2020; Grzegorzcyk et al., 2021; Halford, 2005). When studying the changes in MCS in Italian PSFs in the early stage of the pandemic, Delfino and Van der Kolk (2021) found employee reactions such as intentionally making one's work more visible, increased stress levels and impacts on the need for autonomy and relatedness.

Yang et al., (2022) studied the digital communication of employees and concluded that as they started to work increasingly more remote, it led to more siloed communication with less communication across different functions within the organisation. The authors showed that the amount of asynchronous communication increased while there was a subsequent decrease of synchronous communication, further pointing to the fact that the communication was "less rich" (Yang et al., 2022, p. 49). Synchronous communication, according to media synchronicity theory, is the communication where two individuals through direct interaction communicate, i.e., through informal communication, meetings and calls; whereas the asynchronous communication is less direct such as through emails (Dennis, Fuller & Valacich, 2008). In the context of PSFs, Delfino and Van der Kolk (2021) found that behavioural monitoring increased with the use of software packages and digital meetings. Lack of coordination is another remote working related problem that jeopardises team performances and knowledge sharing (Gigauri, 2020; Grzegorzcyk et al., 2021; Yang et al., 2022). Furthermore, remote work has also been related to inequalities in career development, since some studies have argued that promotions rates are superior for workers in office since they can easily show their job performance to managers (Bloom et al., 2015; Grzegorzcyk et al., 2021).

3.3.2 Hybrid Work

Hybrid work is a work model in which employees divide their tasks between traditional workspace and working remotely (Da Silva, Castelló-Sirvent & Canós-Darós, 2022; Hopkins & Bardoel, 2023). Halford (2005) points out the multi-location factor of hybrid work. She does not only state that work is relocated to the employee domestic space but also that it is dislocated to virtual reality thanks to ICT, which “allow[s] work to be done anytime, anyplace, anywhere” (Halford, 2005, p.21). Similarly, Da Silva, Castelló-Sirvent and Canós-Darós (2022) defines hybrid work as a mix between work performed at the office and telework, accentuating the virtual interaction allowed by ICT. Nowacka and Jelonek (2022) state that, in a hybrid work model, employees have the freedom to choose how they will perform their duties, while Hopkins and Bardoel (2023) acknowledge different work arrangements and degrees of flexibility. In general, the academic literature not only points out the challenges of hybrid work but also its opportunities in relation to the combination of the best features of work in office and remote working.

Hybrid work requires a strong organisational culture in terms of trust, team engagement, autonomy, commitment and intrinsic motivation (Da Silva, Castelló-Sirvent & Canós-Darós, 2022; Grzegorzczak et al., 2021). Employees might find a way to communicate between them when working remotely in order to not undermine their feeling of relatedness (Halford, 2005). Yang et al., (2022) discusses the hypothesised negative impact of too much asynchronous communication on organisational learning and concludes that organisations should aim for a hybrid model which “deliberately attempt[s] to minimise the impact of collaborator effects on those employees that are not working remotely” (p.50). They hence suggest that coordination is key, making sure that employees are at the office together (Yang et al., 2022). Authors point to the fact that it is when employees go to the office that they collaborate and connect with other colleagues (Grzegorzczak et al., 2021; Hopkins & Bardoel, 2023). Likewise, Frawley (2023) presents coordinating “who is at the office and when” (p. 24) as one of the key challenges posed by the shift to the hybrid work model. Normally, the implementation of hybrid work in companies takes into account worker’s wellbeing, providing them with flexibility and resources to perform their duties (Da Silva, Castelló-Sirvent & Canós-Darós, 2022; Grzegorzczak et al., 2021; Hopkins & Bardoel, 2023). Da Silva, Castelló-Sirvent and Canós-Darós (2022) state that hybrid work provides a life-work continuum in which home and work spaces are mixed, not with an intrusive intention but in a way that improves work-life balance.

Knowledge management, which comprises sharing and transforming processes, is a key success factor in relation to the implementation of the hybrid work model (Da Silva, Castelló-Sirvent & Canós-Darós, 2022; Nowacka & Jelonek, 2022). Knowledge acquisition (including tacit knowledge) and information flows are one of the main priorities for companies applying hybrid work, since they have to deal with organisation's members who work at the office or remotely (Da Silva, Castelló-Sirvent & Canós-Darós, 2022; Nowacka & Jelonek, 2022). For this reason, the command of digital tools is imperative to enable communication and knowledge transfer in and between different hierarchical levels in organisations (Da Silva, Castelló-Sirvent & Canós-Darós, 2022; Nowacka & Jelonek, 2022). Some of the ICT tools identified to be necessary to perform hybrid work are computers, communications and meetings programmes such as MS Teams Meetings or Zoom, internet access and other interactive platforms and electronic devices (Hopkins & Bardoel, 2023; Nowacka & Jelonek, 2022).

In a hybrid work environment, there might exist closer interaction - and, therefore, more knowledge sharing - than in other work arrangements between managers and employees (Nowacka & Jelonek, 2022). The former are interested in control and coordinating the tasks performed by the latter (Halford, 2005; Nowacka & Jelonek, 2022). Moreover, when employees are working remotely, managers might feel that their subordinates feel isolated or that they are struggling with their tasks, which leads to managers to contact them and deal with different emotional issues and communication styles compared to the ones that take place in work in office (Halford, 2005; Hopkins & Bardoel, 2023). In case that remote communication is not satisfactory, both manager and employees can have face-to-face meetings in the office (Nowacka & Jelonek, 2022).

Hybrid work might also allow for more efficient and effective task performance (Halford, 2005; Hopkins & Bardoel, 2023). On the one hand, when working remotely, employees may take advantage of isolation to avoid distractions and focus on certain types of tasks and managers might have more privacy in their communications (Halford, 2005; Hopkins & Bardoel, 2023). On the other hand, workers can always attend the office for a specific purpose -for instance, support in their job duties or need for interaction (Halford, 2005; Hopkins & Bardoel, 2023). This combination allows employees to feel part of the company and normally avoids an excessive work intrusion in the domestic space (Halford, 2005).

3.4 Summary

When adapting management control to a hybrid work context in PSFs, management may start with understanding the implications of working remotely and how it may affect professionals and their organisation. The organisational culture has been shown to be important in the hybrid work context (Da Silva, Castelló-Sirvent & Canós-Darós, 2022; Grzegorzczak et al., 2021). In a hybrid work environment, a decrease in synchronous communication impacts socialisation and values and cultural development, as well as team engagement and trust (Da Silva, Castelló-Sirvent & Canós-Darós, 2022; Grzegorzczak et al., 2021; Norris & O'Dwyer, 2004; Ouchi, 1979; Yang et al., 2022). On the one hand, managers might decide if they need to modify their formal communication of core values in the organisation (Burke, 1997; Simons, 1994). On the other hand, the organisational culture may act as a social control through providing social pressure to conform with standards and expectations of the company (Falkenberg & Herremans, 1995; Norris & O'Dwyer, 2004; Kachelmeier, Thornock & Williamson, 2016).

PSFs are characterised by a culture of high trust (Van der Mandele, Volberda & Wagenaar; 2022). However, as the organisation may struggle to transfer cultural values to new professionals when working remotely, this may have consequences over time. Lack of trust and risk of moral hazard when employees are not in office might lead to changes in diagnostic and boundary systems, in terms of tightening the output control and regulating hybrid work (Grzegorzczak et al., 2021; Halford, 2005; Hopkins & Bardoel, 2023; Simons, 1994). This tightening of control may result in tensions, as professionals feel limited or supervised (Covaleski, et al., 1998; Greenwood & Empson, 2003; Van der Mandele, Volberda & Wagenaar, 2022; Von Nordenflycht, 2010).

Remote work might have implications in terms of commitment and discipline, as well as in the sense of autonomy of professionals (Bloom et al., 2015; Grzegorzczak et al., 2021; Nowacka & Jelonek, 2022). Therefore, it will have consequences in self control and personnel controls in that case (Merchant & Van der Stede, 2007; Norris & O'Dwyer, 2004). Autonomy is crucial for professionals, and the ethical and altruistic values of professionalism can be assumed to be well suited to support autonomous and responsible work; this may then act as support for the development of a strong set of self control (Norris & O'Dwyer, 2004; Ouchi, 1979; Suddaby, Gendron & Lam, 2009). These values may have implications on personnel controls by adapting the requirements in recruitment, in terms of a "cultural fit" (O'Reilly, Chatman & Caldwell, 1991; Rivera, 2012).

Many authors highlight the importance of the implementation of ICT tools in new work models (Da Silva, Castelló-Sirvent & Canós-Darós, 2022; Grzegorzcyk et al., 2021; Halford, 2005; Hopkins & Bardoel, 2023; Nowacka & Jelonek, 2022), while others reflect on how communication and coordination are managed (Gigauri, 2020; Grzegorzcyk et al., 2021; Yang et al., 2022). Therefore, interactive control systems might be affected in terms of how information is transmitted between managers and employees (Bedford, 2015; Simons, 1994). Informal- and synchronous communication is crucial in PSF for sharing of tacit knowledge and cultural values (Cabrera & Cabrera, 2005; Morris & Empson, 1998). Knowledge management and knowledge sharing is impacted when professionals work in the office and remotely (Da Silva, Castelló-Sirvent & Canós-Darós, 2022; Nowacka & Jelonek, 2022).

4. Empirical Findings

4.1 Introduction to IP Global

IP Global is a medium-sized international IP firm with employees located in different offices around the world. Their services are related to patent-, design- and brand protection. They are an employee-owned company, with more than half of its employees owning shares in the company. The company operates in Sweden, having several offices located throughout the country. Its website includes mission and vision statements, emphasising, among different characteristics, the expertise, the diversity of backgrounds and collaboration culture and the training culture. The first interviewee (Manager A) is a business unit manager with a long-term experience of working at IP Global. Having previously spent time working at the firm in the 2000s, Manager A returned to IP Global in 2020. He manages a team of 45-50 people of IP consultants and paralegals, across several offices in Sweden. The second interviewee (Manager B) is a member of the top management of the company, who joined IP Global in 2020. Manager B's team is centrally located at the firm's headquarters in Sweden.

Before the pandemic, IP Global had several regional divisions across Sweden, in which each of the several functional teams were located in each office. However, during the pandemic, IP Global made a reorganisation, towards a functional structure, allowing teams to be spread out in different offices. According to Manager A, the pandemic was crucial for overcoming the scepticism against working from different locations.

So almost everybody worked from home, and then it was easier to make that reorganisation. Because it didn't affect the people that much because they worked digital anyway.

Manager A spends approximately one day per week working from home, but he considers that he is always working remotely because he must coordinate employees working from different places, whether they are in their respective offices or anywhere else. As a consequence, he is used to have all types of meetings remotely, stating that:

I think, from a management perspective, I can be much more effective. I can be in contact with more people during the day.

Manager B emphasised that, when starting his role in the midst of the pandemic, he preferred to work from the office, pointing out that he currently works around 90% of his time from the office.

[...] it's easier to get to know the few people that are around, and personally, I'm not that fond of working from home.

Overall, Manager B is content with the current status of the hybrid work model at IP Global, whereas Manager A expresses more concerns.

4.2 Balancing Flexibility and Control

IP Global has a hybrid work regulation which allows employees and professionals to work from home, as long as more than 50% of the time worked is spent at the office (which translates to three days per week). According to Manager A, the managerial intention behind this rule is the following:

We would like to continue to have a good employee culture [...]. The culture of IP Global is to interact with your colleagues and to teach each other [...].

Manager A states that, during the pandemic, IP Global used different tools to follow up where the professionals performed their tasks. But nowadays, if the professional is fulfilling his or her job obligations and working remotely does not become a problem, there is room for some degree of flexibility regarding the number of days spent out of office. Actually, Manager B does not refer to the minimum days requirement as a “rule” or “regulation” but as a “policy”, saying that its enforcement is not so rigorous.

We have a policy that says that you should be in the office more than half the time. We don't control that policy very strictly.

The team of Manager B is centrally located at the headquarters. When asked about how they coordinate when employees are working from the office and remotely, he stated that there is no formalised process, but that his department often try to convene at weekly department meetings and social activities at the office.

We haven't formalised it in any way, but we do have some department meetings. For example, every Wednesday we have a department meeting. Every Monday there's an office

breakfast, not just for the [...] department, but for the whole office. So, people normally try to be here, at least for those days.

When asked about diagnostic control systems, Manager A points out the existence of KPIs to measure job progress, as well as a system where employees report their working hours and invoiced time. This is then summarised in a KPI where invoiced time and worked time is compared. These systems were already in place before the pandemic, but Manager A highlighted that they have become more relevant (and indispensable) to control from distance.

Also, for management from a distance, we have clear KPIs for everybody, and [...] we are able to follow up on those.

Manager A also affirms that IP Global is working on their own case management system that will improve the follow up on the deadline of different activities, which is considered crucial since some of them are related to legal obligations (e.g., renewal of a patent). But still, he feels that those systems are unable to capture the professionals' complete performance when they are working from home. Hence, he claims that employees can only be controlled, if you are able to meet your colleagues at the office from time to time.

But, from the more work environmental part, I think it's harder, because you don't meet the person every day. I don't know if they are hungover or look really tired and so on... if they lived or worked from home.... [...] that's the responsibility at [the] work environmental [level]... Yeah, we have those obligations. And it's harder to follow up on those when you don't meet the person.

Manager B does not highlight any KPI or information system. Actually, when allowing employees to have the flexibility to work from home, he prefers not to increase individual monitoring and rather trust the integrity of his subordinates.

I think for me, it's more about trust and I think I would notice if people didn't work when they are not here, maybe it would be even detrimental to have to put too much monitoring on people. So, I think giv[ing] people freedom and trust[ing] them is more my way.

4.3 Feedback and Career Development

Manager A conducts performance appraisals once a month, whereas Manager B has 1-1 meetings as well as department meetings discussing the business every week. Once a year, both

Manager A and B have a development meeting/dialogue with employees reporting directly to them. These meetings concern how the individuals have developed over the past year and if they have managed to fulfil their goals. They also include a discussion regarding salaries. These meetings are highly formalised and are documented in detail according to Manager B. Manager A further discusses having a later follow-up meeting where goals are set up for the new year. He always tries to conduct these annual meetings in person, as he perceives face to face meetings to be more relevant for important meetings. However, he recognises that the monthly ones are usually performed digitally.

When we do these development dialogues, and setting up goals and discussing salaries and so on... these are more really important meetings to discuss things. I try to have them in person as much as possible. But then, [...] on a daily basis, the monthly follow up and so on... I have [them]more [in]digital.

Likewise, Manager B highlights that he prefers to conduct meetings in person whenever possible, but concedes that having meetings digitally or partly digitally may be necessary. Further, Manager A states that it is difficult to interpret the body language of other people when it is online.

[...] when you have the digital meeting, I think it's harder to pick up the mood and so on from the discussions. I think it's much easier when you sit in the same room and you see how the person is acting with body language and so on. [...] But especially now, for instance, when we discuss salary, I think it's really important to pick up [...] the body language and if someone [is] really disappointed or are they just playing a game for doing the negotiations [...].

In relation to recruitment policies and hybrid work, Manager B imagines that the presence of hybrid work arrangement should positively influence the recruitment and retention of professionals at IP Global. When referring to the cultural fit during the recruitment processes, Manager B reiterates the importance of trust and culture building processes when applying the hybrid work model:

The whole trust component [...] is more important when working remotely. If you don't spend every day together, maybe other cultural things are also more important, like going out for a team dinner every now and then.

Manager A thinks that almost all people would like to have the flexibility to work from wherever they wanted. He states that IP Global tries to be a good employer and offer some type of flexibility, but he also states that, during the recruitment process, they have rejected candidates that were asking to work remotely full time.

I think a lot of things in life get easier if you have the flexibility. So, we don't mind, we think that's something good. But we have actually said "no" to people demanding that they should work from home all the time.

Manager B reluctantly confirms that the extent to which someone is working from the office may affect career development:

I think if you just go strictly on facts, it shouldn't make a difference. But of course, there are some softer values as well that maybe [affects career development]. If you have one person who is here five days a week and you go out for lunch every day, you get to know that person a lot better and if someone is not here that much, even if he or she performs just as well, maybe you still would have a tendency to prefer the other person that you have gotten to know better.

Regarding instructions on how to perform in a hybrid work model, Manager A states that they did not have any specific training for hybrid work, but that they received some inspirational presentations. This is confirmed by Manager B, who described it as presentations about "how to make it work".

4.4 A Learning Organisation

IP Global performs many digital- and in-office meetings since moving towards a hybrid work model. Digital tools such as Microsoft Teams have enabled the firm to be restructured, with members of the same team spread out in different offices. Manager B points out that this would have been unthinkable before the transition.

Once a month, Manager A holds a general meeting with the team, which is spread out, to compare the actual performance in comparison to the goals set. These meetings are in place to highlight the current status of projects and to ensure that adequate actions are taken if problems arise and change is needed. These meetings are performed online, since employees are located in different offices. Manager A feels that in big digital meetings professionals tend to ask less questions, compared to meetings in person. In addition, he also highlights that senior professionals are more active in the group chats than other ones. IP Global is exploring different

types of digital meetings to promote an open culture and counterbalance this reluctance to share new ideas in digital meetings.

It's very clear that if you sit in a physical room and ask someone [...] "this group, do you have any question?" [...], every time, someone will ask one or two questions. But if you sit in a digital meeting, the person won't ask those questions. So, we need to divide them up into [...] different smaller discussion groups, and then they can come back and ask questions.

IP Global is also using different features of Microsoft Teams, including different group/team functions, group chats and video calls. Manager A contrasts the latter to ordinary phone calls.

We are using teams [...] in [Microsoft] Teams to share more documents and to interact together and to share information much more [often].

Manager B brings forward the implementation of new dedicated digital meeting rooms at the offices, which facilitates having in-person meetings with people attending remotely or from other offices. Discussing some previous and current challenges, he introduces the idea presented by members of the organisation that having meetings partly remote may foster a feeling among those attending remotely of not being "on an equal footing" with those in the room. Manager B highlights that this leads to attendees proposing for everyone to sit by their screens in their separate rooms.

I personally [...] feel that it works quite well to have these kinds of meetings [...]. Some people say that, [...] if not everyone is in the room, then it's better that everyone just sits in their office in front of the screen. I don't totally agree [with] that myself.

Regarding the strategic development of IP Global, Manager B mentions that in the beginning of the transition there was a call to adapt the business to the pandemic and working remotely. A large part of the organisation participated in the development of the new strategy through means of communication and workshops. However, he highlights that it may have been too extensive and that it led to some inefficiencies related to the use of time.

We had workshops with the whole organisation around the strategy, maybe it was even a bit too much. I think we had some strategy fatigue in the organisation and we have scaled it back a little bit [since]. Now it's difficult to find the right level because people want to be involved and express their opinions, but it also takes a lot of time away from other stuff.

Manager B believes that this participation also provides some clear benefits:

One [benefit] is specific insights. If you ask everybody, you're pretty sure to get a lot of good ideas. The other benefit, which is also important, is that it creates a sense of ownership across the organisation, that people have had a chance to influence it and therefore are more likely to be positive towards it.

In terms of knowledge sharing among professionals, Manager A reiterates the usefulness of Microsoft Teams. Moreover, he states that professionals are willing to exchange information and that they understand the need to teach each other.

I think it's quite positive that a lot of people are really interested in sharing. I think that's one reason from our background. [...] Based on that, we are used to educating each other and have a lot of interactions.

In relation to the same topic, Manager B recalls the use of templates to ease reproducible steps in the service delivery. Further he believes that the transition towards a functional organisation should ease the communication between specialists in similar fields to aid knowledge sharing. He could not definitely say whether hybrid work has impacted knowledge sharing, but highlights that it has been a concern previously.

I don't know if there has been, but that was the concern... people were afraid that it would be more difficult to share knowledge with remote work and working from different places.

Manager A recognises that nowadays they are working to document different processes.

So, we have our enterprise performance model and that we are actually starting to build now.

This is confirmed by Manager B, presenting that they are looking to “streamline” their processes to facilitate sharing of work tasks across the organisation. He reiterates that this has nothing to do with the quality of work of professionals or employees, rather that the organisation could opt for working in a way that makes it easier for professionals to help each other and retain knowledge to ensure that quality is retained over time.

4.5 Professional Culture

Manager B highlights that, although the company has a set of values, he does not push values to other employees through formal communication, preferring instead to lead by example and discuss expectations more up front. The team he is managing is meeting each other several days every week, hence Manager B sees no problem with transmitting values throughout his team.

People are here more than half of the time, so I don't think it's too much of an issue actually.

Similarly, Manager A does not mention any type of official communication or mission statement to promote shared values. Even if it is through digital meetings, he says that values and culture are promoted through the interaction of professionals. In any case, he reiterates that working fully remote does not fit the culture at IP Global.

We don't think that matches with our view on the type of culture that we would like to have. We think that interaction adds something to [...] more than just the work they need to add. So actually, if someone says that [he or she] wants to be working from home 100%, I would say "no" to that person.

Even during the interview-phase of the recruitment process, they already promote the interaction between employees.

[During] the second interview, we're also always letting them meet future colleagues to interview each other, because they need to fit [in] with their colleagues. [...] To build on a good culture, so I think that's really important.

When asked explicitly about the organisational culture, shared norms and values at IP Global, Manager A presents them as an educational firm that always tries to offer high quality services and is customer focused.

We should always deliver something good to the clients and that the success of IP Global has been built on [that] we are always well educated and how to deliver high quality services.

The fact that IP Global is employee owned is, according to Manager A, incentivising professionals to not only pay attention to their individual tasks but also to other colleagues' performance.

And I think one reason for that also is that [we are an] employee-owned company, so everybody, from the beginning, everybody that owns share at IP Global are really interested to the success of the whole of IP Global; not just focusing on [...] "my own success" or "my own KPIs", but I care if a colleague is not doing what he or she is supposed to do, because that impact that destroys my company. So that's good for the culture [...], we need to take care of this company together.

Regarding the incentives that professionals have to perform well in a remote environment, Manager B is reluctant to confirm the existence of social pressure between professionals. However, he was clear to immediately point out the following:

[...]it was evident that during the pandemic, especially on the consultant side, people did work a lot and they produced a lot, so we had very high revenues.

When asked about team building and cohesion in a hybrid work model, Manager A confirms that it is a current concern for IP Global that it is constantly discussed internally.

I think that's a problem. [...] IP Global had a really strong culture of connection within the group. [...] people that worked here before the pandemic they feel the same and they can build on that. They know the colleagues from before, but from the people being employed during the pandemic or after... I think, [since] we have this hybrid digital setup, I think it's harder for them. And actually, I think it's even harder for the people that have been working from before to understand that [...] not everybody within the company has the same opportunity or background.

Small talk disappears and there is much less time to interact with colleagues, making the encounters much more formal. However, Manager A also points out that digital meetings make the hybrid work model more effective.

For building trust, culture and a sense of belonging to a team, Manager B reiterates the informal communication and social activities at the office, such as the "Monday breakfast". He believes

that now, as the organisation is in a situation where the majority of time is spent at the office, that the difference against working fully remote is small:

I think the difference between 3 or 4 days a week and five days a week is probably not that big since you get to talk to each other and socialise anyway... I think you can get the same belonging. I think it would be very different if you worked totally, remotely or mostly remotely.

Manager B further highlights the fact that he prefers when people are working together at the office, as the hurdles of communication become lower:

[...] it's easier to just go over to someone's room and talk to them.

Discussing personal values and expectations in the hybrid work model context, Manager A does not mention any particular value relevant from a self control perspective, but he emphasises the importance of the inspiration between colleagues to become successful in a hybrid work environment. However, he admits that now there is more mistrust between professionals than before the transition.

The trust was higher before because when you were at the office, everybody trusted that you are working and focusing on work. But I see more that there is a little bit of mistrust between colleagues. They are working at home, but I have seen on Instagram that they were training yesterday and so on. There are different levels of trust between colleagues.

Manager B also points out that the autonomous way, which many consultants at IP Global work, aids itself well to a situation of working in a hybrid model. Moreover, the employee ownership of IP Global, as well as the substantial amount of time some professionals have spent in the organisation, has fostered a sense of commitment. Further, he felt it was an important cornerstone in building a culture. However, Manager B also presents what he deems to be drawbacks of the organisational culture at IP Global:

People generally don't like to change. There are many people who feel that this type of work that [they] do, is so creative. They feel like they're almost artists doing it, so they don't want to be controlled too much. They want to have the freedom of doing things as they prefer. Not, streamlining it according to a predefined process.

5. Discussion

The discussion is structured according to the main implications and controls highlighted in the literature review as well as the themes found in the empirical findings. The section starts with discussing two underlying implications for IP Global, in terms of communication and knowledge sharing. These were highlighted by both the literature review and the empirical findings. The previous factors are further thought to influence the next section discussed: the organisational culture and professionalism. Further, the personnel control adaptations are discussed, followed by the role of leadership in IP Global. The last section reflects on technocratic controls and their interaction with informal control.

5.1 Communication and Knowledge Management

The hybrid work model involves some degree of remote work, which has been shown to decrease the informal and synchronous communication between colleagues (Yang et al., 2022). Informal communication, which relates to synchronous communication (Dennis, Fuller & Valacich, 2008), has been discussed in relation to its importance for knowledge sharing between professionals in PSFs (Løwendahl, Revang & Fosstenløykken, 2001). The informal communication and enculturation are crucial for transmitting complex and tacit knowledge (Morris & Empson, 1998), not least for IP consultants of IP Global who perform highly customised services. Findings from the case reveal that this informal communication is crucial for building trust and a sense of belonging to a team. Further the case revealed differences in the degree of managerial satisfaction regarding the communication present in their teams.

On the one hand, authors point to the fact that certain complex and tacit knowledge, based on individual experiences and values, may require substantial interpersonal processes, with a substantial amount of mutual adjustment and trust (Cabrera & Cabrera, 2005; Løwendahl, Revang & Fosstenløykken 2001; Morris & Empson, 1998). The impact on communication and knowledge sharing from hybrid work may be related to the degree to which professionals are able to meet and develop trust between each other (Cabrera & Cabrera, 2005; Morris & Empson, 1998). This issue may be mitigated through coordination (Yang et al., 2022; Grzegorzczuk et al., 2021; Hopkins & Bardoel, 2023). The issues of coordination found in IP Global were found to be managed through more informal controls rather than formal control.

In terms of formal control, IP Global has adapted a boundary system (Simons, 1994) to provide rules of how much time professionals have to work from the office. This MCS in itself sets the

boundaries for accepted behaviour and is intended to align individual behaviour with IP Global's culture and values, (Laguir, Laguir & Tchameni, 2019). Therefore, the presence of a formal control system supports informal control (Alvesson & Kärreman, 2004). Another intention of the adaptation lies in the need to ensure that professionals interact and develop cultural values, and sharing tacit knowledge (Løwendahl, Revang & Fosstenløykken 2001; Morris & Empson, 1998). However, as a boundary system is a negative formal control system (Simons, 1994), which imposes a strong sense of being controlled on concerned professionals, it may lead to negative consequences when clashing with professional values (e.g., Covaleski, et al., 1998; Greenwood & Empson, 2003; Starbuck, 1992; Van der Mandele, Volberda & Wagenaar, 2022; Von Nordenflycht, 2010). This would explain the presence of weak enforcement of the policy found in the case, and present how informal controls in terms of social control influence the use and interpretation of formal controls (Falkenberg & Herremans, 1995). However, this policy does not explicitly coordinate when professionals work together. Instead, this is aided by informal controls. The presence of social activities at the office, such as the "Monday-breakfast", act as a social control (Norris and O'Dwyer, 2004; Ouchi, 1979) to increase the willingness of employees to socialise and convene at the office.

On the other hand, as the findings of the case reveals, the transition to hybrid work involves the transformation of job tasks to the digital environment and an increment in the use of ICT tools and virtual interaction (Da Silva, Castelló-Sirvent and Canós-Darós, 2022; Halford, 2005). The use and command of ICT tools have been related to the facilitation and improvement of knowledge sharing (Da Silva, Castelló-Sirvent and Canós-Darós, 2022; Hopkins & Bardoel, 2023; Nowacka & Jelonek, 2022). As is highlighted in the case, IP Global is currently working on documenting processes, as to avoid unnecessary complexities for reproducible processes. This can be seen as a directed effort from the management to increase efficiency and collectivise knowledge (Morris & Empson, 1998). The use of ICT tools may offer an opportunity for organisations to moderate the loss of synchronous communication (Yang et al., 2022), with an increase in the use of ICT tools to facilitate knowledge sharing. For instance, in terms of adaptations of interactive controls (Simons, 1994), findings reveal that digital meetings are utilised to discuss strategic issues between managers and their teams and that the case company is actively exploring and using new ways to foster professional participation, which was negatively affected by remote work.

5.2 Organisational Culture and Professionalism

Findings of the case highlight the importance of a strong organisational culture and its perceived benefits. According to the case, the organisational culture, the high competence and the professional values developed over time was seen to offer opportunities for professionals to excel when working with more autonomy. It was emphasised that the performance of consultants increased when they worked remotely during the pandemic. The fact that IP Global is employee owned was perceived to have a strong influence on informal control through increasing group- and individual commitment to the organisation (Norris & O'Dwyer, 2004; Ouchi, 1979). This no-outside ownership structure can be seen as a way for professionals to retain power throughout the organisation and ensure that professional values are retained (Von Nordenflycht, 2010). When moving towards a hybrid work model, findings indicate that trust becomes very important. A strong culture and trust from managers are revealed in the case, which can be assumed to be well suited for a hybrid work model (Da Silva, Castelló-Sirvent & Canós-Darós, 2022; Grzegorzczak et al., 2021). However, as findings of the case highlight, hybrid work and the absence of meeting each other may be an issue for professionals who are joining the organisation, as they struggle to develop similar values and become a part of the group and culture (Schein, 2010).

The organisational culture may act as a strong form of social control which influences professionals' behaviour. Some authors propose the increased use of social controls in an effort to avoid the perception from professionals of being controlled, making them more prevalent than formal controls in PSFs (Covaleski et al., 1998; Empson, 2017; Empson & Alvehus, 2020; Falkenberg & Herremans, 1995). In the case of IP Global, as an employee-owned company with a high sense of professionalism, the transition to hybrid work might exert social pressure among professionals to perform appropriately and fit in with the cultural standards of the company (Falkenberg & Herremans, 1995; Norris & O'Dwyer, 2004; Kachelmeier, Thornock & Williamson, 2016). Moreover, this could be another way to promote self control (Norris & O'Dwyer, 2004), since professionals do not want to be perceived as untrustworthy, which may lead to more work hours (Gigauri, 2020; Grzegorzczak et al., 2021; Halford, 2005).

5.3 Personnel Controls

The transition to hybrid work has had many consequences in terms of human resources and personnel controls. Manager B's assertion about the effects of employees working in office and remotely, in terms of differences of treatment, is an example of how the higher visibility of

workers that spend more time at office -compared to the ones that spend less- creates inequalities in career development, benefiting the former ones (Bloom et al., 2015; Grzegorzczak et al., 2021). Therefore, personnel controls have been affected in terms of promotion and placement (Hutzschenreuter, 2009; Merchant & Van der Stede, 2007).

In relation to the professional development meetings, managers stated a preference to have them in person, but are also used to conduct digital- or partly-digital meetings. The case reveals that managers perceived in person meetings to signal importance to participants. Further digital meetings were perceived to increase managerial effectiveness. Digitalisation has allowed a closer interaction between managers and employees in a hybrid work environment, in terms of providing feedback and support (Halford, 2005; Hopkins & Bardoel, 2023; Nowacka & Jelonek, 2022).

Personnel controls might also be adapted to job requirements and the recruitment processes (Merchant & Van der Stede, 2007). Remote work has been related, among other features, with higher work satisfaction (Bloom et al., 2015); for this reason, findings in the case reveal that it is thought to be good to offer to new employees the possibility to work some days out of office. At the same time, IP Global has rejected candidates that demand fully remote work, since it could negatively affect the company in relation to its strong organisational culture, team building and interaction (Da Silva, Castelló-Sirvent & Canós-Darós, 2022; Grzegorzczak et al., 2021; Hopkins & Bardoel, 2023). O'Reilly, Chatman and Caldwell (1991) and Rivera (2012) highlight the importance of cultural fit in the recruitment process of PSFs; the aforementioned rejection is then in line with the importance of cultural fit at IP Global. Further, this fit has also been seen to be related to job satisfaction over time (O'Reilly, Chatman & Caldwell, 1991).

Lastly, the transition to hybrid work can also have effects in the professional's instruction. Both interviewees confirm the existence of inspirational talks to manage the new work model. They avoid calling them "training", but it is an adaptation of personnel controls to the new work environment (Burke, 1997; Merchant & Van der Stede, 2007).

5.4 Leadership

Both interviewees claim that they have not adapted the belief systems (Simons, 1994) into the new work model. The company website includes mission and vision statements, emphasising, among different characteristics, the expertise, the diversity of backgrounds and collaboration culture, the type of ownership of IP Global and the training culture. However, the managers

were found to not send any emails, or in other ways, formally communicate values in the context of the transition. Leading by example is preferred and values and culture are promoted through interaction between professionals, rather than as a formal process. Nevertheless, the managers have adapted what Alvesson and Kärreman (2004) define as socio-ideological controls. They are encouraging other professionals to adopt certain values and principles and promote a “particular form of organisational experience for others” (Alvesson & Kärreman, 2004, p. 425). Burke (1997) states that, despite the need to formalise companies’ vision and mission in statements, the conduct shown by the high hierarchical levels of PSFs are closely related to their performance and quality of service.

Some control systems of IP Global have remained the same and have not been adapted to the hybrid work model. The reluctance to change may be linked to prevalence for the more “passive leadership style” common in many PSFs (Empson, 2017) and the resistance towards new formal controls. Insights were gained regarding the strategy development process, where all professionals were encouraged to share their minds. This offered benefits for strategy development and can be seen as a way to encourage commitment towards the strategy and to negotiate (Empson & Alvehus, 2020) a direction, as well as an interactive control for challenging the business models in place and offer new insights (Davila Foster & Oyon, 2009; Laguir, Laguir & Tchemeni, 2019).

5.5 Technocratic Controls

Formalised control systems related to diagnostic and boundary systems are usually omitted in the literature of hybrid work, which focuses more on organisational culture, autonomy and employee wellbeing. Alvesson and Kärreman (2004) state that there exists outputs and behavioural controls in PSFs and label them as technocratic controls. Their exclusion might be related to the fact that the transition to hybrid work has had more effects in terms of trust, commitment and cooperation (Da Silva, Castelló-Sirvent & Canós-Darós, 2022; Grzegorzczak et al., 2021). Actually, the findings of the case mention an increased monitoring during the pandemic through using different tools. Increased monitoring was also found in Delfino and Van der Kolk (2021), where they found an increase in the usage of software packages and digital meetings in PSFs. This type of monitoring has since stopped in IP Global.

As previously mentioned, the application of a new boundary system (Simons, 1994) that regulates a minimum number of days at IP Global’s offices is very loose; and this may be the result of trying to avoid the resistance and tension from professionals against formal controls

and supervision (Alvesson & Kärreman, 2004; Covaleski, et al., 1998; Greenwood & Empson, 2003; Starbuck, 1992; Van der Mandele, Volberda & Wagenaar, 2022; Von Nordenflycht, 2010). Another explanation behind this could be that the hybrid work model has been related to the wellbeing, flexibility and trust of employees (Da Silva, Castelló-Sirvent & Canós-Darós, 2022; Hopkins & Bardoel, 2023).

IP Global makes extensive use of diagnostic control systems (Simons, 1994) and KPIs related to financialising time, requiring professionals to allocate their time to projects. Subsequently, this is measured against the amount of work carried out, generating a KPI of billed time to measure individual performance. This system has been identified and analysed to align professionals' behaviour with financial objectives (Alvehus & Spicer, 2012) and cause professionals to adapt their behaviour towards strategic compliance (Singh & Rennstam, 2022), but it may damage the values of professionalism and lead to game playing (Alvehus & Spicer, 2012). Despite the case highlighting the greater importance of diagnostic control systems (Simons, 1994) in the hybrid model, they have not been adapted to the new work environment. Actually, no KPI or system can completely monitor the complete professionals' performance. This is where one of the main advantages of hybrid work lies, since it facilitates a more complete control because it allows for interaction between professionals on different hierarchical levels at the office (Halford, 2005; Hopkins & Bardoel, 2023; Nowacka & Jelonek, 2022). Alvesson and Kärreman (2004) highlight that controls interact between each other in what they call interfaces of control; i.e., social controls in IP Global affect bureaucratic and output controls and vice versa. Similarly, as stated in the previous section, cultural values in PSFs may affect the performance of the company (Burke, 1997).

6. Conclusion

The purpose of this thesis was to explore the use and adaptation of MCS in PSFs within the context of the transition towards a hybrid work model. Moreover, the aim was also to identify the reasons behind the adaptations. To address the purpose and answer the research questions, the authors conducted a single case study using semi-structured interviews, as well as a literature review of MCS, PSFs and work models.

The study has shown some main concerns related to organisational culture and trust. Managers in IP Global have tried to influence informal controls, in terms of socialisation and common values, through the use of formal controls. This adaptation of specific formal controls has had socio-ideological intentions, which confirms the existence of interfaces of controls (Alvesson & Kärreman, 2004). Firstly, it was found that, boundary systems (Simons, 1994) were changed to avoid professionals working fully remote as to avoid the downsides of remote work for PSFs, in terms of lack of synchronous communication (Yang et al., 2022) and its subsequent impact on the sharing of tacit knowledge and cultural values (Cabrera & Cabrera, 2005; Morris & Empson, 1998; Schein, 2010; Suddaby, Gendron & Lam, 2009). The adaptation of boundary systems was further found to be weakly enforced and allowed for flexibility, which sheds light on cat herding issues and a managerial reluctance to impose negative kinds of formal controls on professionals (Covaleski et.al, 1998; Greenwood & Empson, 2003; Von Nordenflycht, 2010).

Secondly, the findings also reveal that personnel controls may be adapted to ensure cultural fit and compatibility with the organisational values (Rivera, 2012; O'Reilly, Chatman & Caldwell, 1991) and to address the need for self control when working remotely (Haustein, Luther & Schuster, 2014; Merchant & Van der Stede, 2007; Ouchi, 1979). Moreover, the thesis reveals an adaptation of interactive controls (Simons, 1994) to the digital environment and the use of ICT tools, with the aim to maintain or improve knowledge sharing, crucial for the value creation of PSFs (Da Silva, Castelló-Sirvent and Canós-Darós, 2022; Hopkins & Bardoel, 2023; Løwendahl, Revang & Fosstenløykken 2001; Morris & Empson, 1998; Nowacka & Jelonek, 2022). Managers were found to balance different modes of synchronous communication (Dennis, Fuller & Valacich, 2008) between digital tools and in-person interaction (Nowacka & Jelonek, 2022). It was further found that the transition towards hybrid work influenced controls related to some key implications of working remotely (communication, leadership and culture- and knowledge sharing), and that MCS that in

themselves do not facilitate interaction were kept intact; e.g., diagnostic systems (Simons, 1994).

To conclude, not all adaptations may have a managerial intention behind it. The culture and high commitment of professionals is well suited to hybrid work and may be associated with the improvement of performance when working remotely (Da Silva, Castelló-Sirvent & Canós-Darós, 2022; Grzegorzczak et al., 2021; Suddaby, Gendron & Lam, 2009). This may have been influenced by social pressure and commitment to values of professionalism (Falkenberg & Herremans, 1995; Norris & O'Dwyer, 2004; Kachelmeier, Thornock & Williamson, 2016; Suddaby, Gendron & Lam, 2009).

6.1 Research Contribution

The thesis contributes to the understanding of several implications for formal and informal MCS in the context of transition towards hybrid work in PSFs. While management control has previously been studied in PSFs and knowledge intensive companies, the literature of management control for new work models is scarce. In addition, studies combining the three topics are non-existent.

The thematic categories developed in the discussion might serve as a basis to perform other case studies in PSFs or help in the problematization of future research. Moreover, the inclusion of different types of MCS provides an overall view of how a PSF operates in this specific context. Similarly, the broad perspective of PSFs' characteristics related to knowledge management and professional values in the context of transitioning towards new work models contributes to a new perspective in control terms and to how PSFs change in transitions. The focus on hybrid work adds a deeper understanding in relation to new work arrangements, since most of the studies have been focusing only on remote work, contrasting it with work in traditional workspaces. This study highlights some differences between the implications of remote- and hybrid work and how firms use formal and informal control to manage these implications.

6.2 Practical Implications

Limited practical implications can be drawn from the study as the findings are context and case specific. However, it raises several questions as to the implications of the transition of work models.

Organisational culture, trust and commitment have been found to be important when working remotely (Da Silva, Castelló-Sirvent & Canós-Darós, 2022; Grzegorzczak et al., 2021), which are also common characteristics of PSFs (Suddaby, Gendron & Lam, 2009; Van der Mandele, Volberda & Wagenaar, 2022). From the thesis, questions arise from managers legitimate concerns regarding the long-term effects of this transition on the culture and professional values of PSFs. Will the transition lead to a deterioration of professional values or will they be facilitated? The case reveals a lack of belief systems adaptation and a reliance on informal communication to spread values. Belief systems may play an important role as an alternative to maintain stability in the transition and supporting values over time (Burke, 1997; Laguir, Laguir & Tchemeni, 2019; Simons, 1994). This case also presents that output controls remained unchanged. However, PSFs which have adapted their controls could face different implications. Output controls may affect the organisational culture, values and norms of PSFs (Alvehus & Spicer, 2012; Alvesson & Kärreman, 2004; Singh & Rennstam).

Complex and tacit knowledge may be difficult to transmit and may lend itself better to meeting in-person. Organisations may therefore seek to develop control systems which facilitate a balance between sharing remotely, using ICT, and convening at the office sharing values and experiences. In the literature about hybrid work, it is pointed out that the effectiveness of the model lies in performing certain types of tasks remotely to take advantage of privacy and lack of distractions, while work in office allows for interaction and mutual support (Halford, 2005; Hopkins & Bardoel, 2023). In an effort to facilitate communication and coordination, the adaptation of the control systems may be dependent on what the company's specific knowledge base, and its strategic requirements for more tacit or codified knowledge (Morris & Empson, 1998; Løwendahl, Revang & Fosstenløyken 2001).

6.3 Limitations and Future Research

This master thesis is subject to several limitations, some of which have been discussed in the methodology section (see 2.6 *Limitations*). The single case research design limits the generalisability of the conclusions and offers an explorative rather than explanatory approach. Further limitations can be associated with the number of cases, since a multiple case study of several PSF might have allowed for a deeper analysis into the similarities and differences between firms.

Another limitation of the study has been the low number of interviews, which might have had consequences in terms of deeper analysis and understanding the complexities of the case company. Similarly, interviewing more managers would decrease the inevitable dependence on biases when researching intentions, as well as the potential impression management purposes that the interviewees might have (Alvesson, 2003; Bogner, Littig, & Menz, 2009; Eisenhardt, & Graebner, 2007). Interviewing managers with differing experience profiles would offer opportunities to analyse differences in values portrayed in intentions. Moreover, the thesis only takes a management perspective; expanding the study to include professionals affected by controls would offer an opportunity to triangulate and study the alignment between the intentions and perceptions of MCS, highlighted as important for evaluation of MCS (Tessier & Otley, 2012). Interviewing employees would enable the obtention of new perspectives about the reasons behind MCS adaptations and potentially discover new implications for informal controls.

Besides, this study has focused on one type of PSF, that is “Classic PSFs” (Von Nordenflycht, 2010). Therefore, differences in terms of knowledge management and culture might also have different consequences in adapting MCS. These firms are extreme examples of PSFs and findings from this study may therefore have limited generalisability towards PSFs, which may lack values of professionalism or that have a higher capital intensity (Von Nordenflycht, 2010). Since this thesis focuses on the transition towards a hybrid work model, the implications for MCS might change in the near future. It is relevant to study the changes in hybrid work arrangement over time (Da Silva, Castelló-Sirvent & Canós-Darós, 2022).

The literature on PSFs presents powerful professionals who have a great influence that are managed through “cat herding”, which may present implications for formal controls (Greenwood & Empson, 2003; Von Nordenflycht, 2010). The power of professionals derives from their knowledge (Greenwood & Empson, 2003) and outside alternatives (Von Nordenflycht, 2010; Zardkoohi et al., 2011). Tacit knowledge may bring about more powerful professionals (Empson, 2001b), which then may increase “cat herding” and a reduction of formal control. Future research may seek to understand the dynamic between a PSFs knowledge base and its adaptation of formal control systems.

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Appendix A: Interview Guide

Introduction

- Could you describe what your role at the company is?
- How long have you worked at the company?
- How would you describe the organisational structure and your position within it?
- How much of your current work week do you spend out-of-office?
- Do you try to coordinate when professionals are at the office or working remotely?
- Has hybrid work been a long-term strategy or has it been put in place during/since the pandemic?

Management Control Systems

1. Boundary systems

- Do you have a code of conduct, explicit rules or any restrictions that regulate remote work?
- What are the intentions behind these rules and codes of conduct?

2. Diagnostic control systems

- What systems are in place to monitor and measure the progress carried out by the professionals? Do you have any ways in which you may measure goal achievement or work in progress? (e.g.: KPI, Budget, ERP systems, information systems).
- Have these systems been adapted to a hybrid work model and do you detect any problems when monitoring remotely?
- What are the intentions behind monitoring professionals?

3. Belief systems

- Do you explicitly promote certain values in formal communication and written documents? (e.g.: emails, mission statements, etc.)
- How does this communication matter in a context of hybrid work?
- What are the intentions behind this communication?

4. Interactive control systems

- What tools/processes do you use to formally interact with other professionals? (e.g.: MS Teams, recurring meetings in office, calls, emails).
- How have these tools affected these processes when working in a hybrid model?
- Do you experience any coordination or communication issues?
- How are action plans, work in progress or strategic uncertainties discussed with other organisational members?
- Do you have a formal process for giving/receiving feedback? (e.g.: formal explicit meetings, information systems, performance appraisal)
- What is the intention behind actively inviting professionals to engage in discussions on strategic matters?
- Do you give feedback regarding performance and improvements?

5. Personnel controls

- How does hybrid work affect the recruitment and retention of employees? (e.g.: requirements, compensation, employees' preferences)
- How important are values and cultural fit in recruitment in relation to hybrid work?
- Have you had any training specific to work remotely?
- Are there any systems/processes in place to share knowledge/information among professionals?

- Is knowledge written down or is the organisation to a larger extent dependent on individuals with a great knowledge?
- How has hybrid work affected performance evaluation and career development?

6. Social control

- Can you please describe the organisational culture of the company? (e.g.: shared values and norms)
- How has it been affected by the hybrid work model?
- How has socialisation and informal meetings been impacted by the hybrid work model and does this affect the development of common values and norms?
- How does hybrid work influence your sense of belonging to a team or group or culture?
- How does the sense of the company being employee-owned affect your commitment to high performance?
- Do you identify with your profession, and if so, does the professionalism carry some common values and norms which influences your culture?
- Does it generate some social pressure to conform to social norms or approval from other professionals?
- Is there competition among professionals and does this have any effect on the degree of knowledge sharing?

7. Self control

- Do you have any personal values or ideas which guide you when working in a hybrid model? Do you think this is something professionals have in common?
- Have you encountered any challenges when working in a hybrid environment?
- How have you tried to solve these challenges?