Three Essays on The Role of Managers in The Application of Control Practices in Small and

Medium-Sized Enterprises

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Abstract

Three Essays on The Role of Managers in The Application of Control Practices in Small and Medium-Sized Enterprises

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This dissertation comprises three essays that investigate how managers apply controls, especially in small and medium-sized enterprises (SMEs). The first essay examines the role of managers, who evolve in a dynamic relationship with their work context, in the application of controls. More specifically, the application of a given control can either be the same or can vary across work contexts or between managers. Findings illustrate that managers use and apply controls based upon their prior learnings, conditionings, and style while operating within the rules and necessities of their work context. Variations in these personal elements or the rules and necessities of the work context lead to variation in practices. Findings also show that managers use controls to structure the field towards favorable conditions.

The second essay examines how managers adapt their use of controls in response to perceived employee variations in terms of commitment, respect for the rules and expectations, and their belief regarding the organization and its objectives. Findings show that managers use controls in the form of an exchange, to accommodate desired behavior and limit or control undesired behavior. Furthermore, managers develop an understanding (a perception) of employees' commitment, attachment, and belief, which leads them to use controls differently in response to variation in these elements. Additional findings indicate that high commitment and attachment

between managers and employees reduce managers' need to rely on control practices regarding their employees.

The third essay of this dissertation examines how managers can use controls to bully employees or to create an environment that fosters bullying. Findings show how managers' use of controls in a laissez-faire approach contributes toward an environment that fosters bullying while arbitrary use of controls to bully reinforces the act of bullying. Furthermore, informal use of controls facilitates the above uses.

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Like Dr. Magnan, Dr. Tekathen is also a true mentor. His conduct with students is so empowering, respectful, and nice, one appreciates just having an office close to him, set aside having a chance to work with him for years. He has a broad vision, and like Dr. Magnan, he is endlessly patient. He provides endless guidance and dedicates time to go through the details of even initial works of fresh Ph.D. students. He takes the time to discuss research views and why and how specific approaches are more effective than others.

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large part of my career success to her emotional support, care, wisdom, and especially her constant

positive and clear views.

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Chapter 1. Introduction

This dissertation comprises three essays that investigate the role of managers in applying controls, especially in relation to employees, within small and medium-sized enterprises (SMEs). SMEs are vital for economies around the world (Ayyagari et al., 2007), and control practices play an important role in their planning, directing, or controlling (Armitage et al., 2020; Lavia López & Hiebl, 2015; Nandan, 2010). Research on management control in SMEs has been a topic of interest in recent years and many researchers call for further investigation regarding the use of controls in SMEs (Chenhall, 2003a; Lavia López & Hiebl, 2015; Mitchell & Reid, 2000).

As the main topic of this dissertation, it is important to clarify the construct and the meaning of controls. Prior research provides different definitions and investigates different forms of control mechanisms. For instance, some prior research investigates control mechanisms that deal with employees' behavior (Merchant and Van der Stede, 2007), and/or play a role in making financial decisions (Chenhall, 2003). In their review of prior literature, Malmi and Brown (2008) distinguish between management accounting systems and management controls based on their purpose (towards financial decision making, or towards employees' behavior). Adopting the view of Malmi and Brown (2008), this dissertation assumes "accounting systems that are designed to support decision- making at any organisational level but leave the use of those systems unmonitored [as] management accounting systems" (p.290). On the other hand, management controls are: "systems, rules, practices, values and other activities management put in place in order to direct employee behaviour" (p.290). This also includes monitoring employees to ensure compliance with prior decisions (including financial decisions). The three essays of this dissertation investigate the use of management controls (which deal with employees' behavior).

The use of controls in SMEs is different in comparison to larger firms (Lavia López & Hiebl, 2015). For example, in this setting, controls are usually simpler, less developed, and their use is more dependent on the prior training and characteristics of the owner and the key staff (Lavia López & Hiebl, 2015). While in some cases, being flexible could be useful, (such as serving a variety of expectations in service industries (Auzair & Langfield-Smith, 2005)), in other cases such flexibility and lack of rigorous controls can have negative consequences (such as lack of planning, or lack of oversight on managers in SMEs (Lavia López & Hiebl, 2015; Mitchell & Reid, 2000; Ritchie & Richardson, 2000)). Since many of these flexible or malleable controls are related to employees (Lavia López & Hiebl, 2015; Merchant & Otley, 2020), this flexibility can also have contrasting consequences in regard to them.

The first essay of this dissertation investigates the role of managers, in a dynamic relationship with the contextual elements of the worksite - in the application of control practices. Some practice-based studies emphasize the sameness and repetition of controls (Ahrens, 2009; Ahrens & Chapman, 2007; Nicolini & Monteiro, 2017), while others discuss their fluidity and variations (El Masri et al., 2017; Quattrone, 2009; Tekathen, 2019). Together these practice-based studies investigate the role of contextual elements (referred to as site or field) on the fluidity of control practices (Tekathen, 2019). In these studies, the role of practitioners (managers) in the sameness or variation of control practices remains less explored.

Investigating the role of practitioners on sameness and variation of controls is important at least for two reasons. First, control practices influence organizations in many ways and contribute to their success or failure (Auzair & Langfield-Smith, 2005; Chenhall & Euske, 2007; Chenhall & Langfield-Smith, 2003; Frucot & Shearon, 1991). Managers, with their prior experiences and training and specifically with their intentions (Ahrens, 2009), are in the position to influence

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practices that can lead to many consequences for the organizations (Lavia López & Hiebl, 2015). Understanding the role of managers provides a conceptualization of controls that is closer to their reality and nature.

Second, practitioners and the site influence each other in many ways. Managers gain information and experience by operating in the site (Tekathen, 2019), and they may change their approach. On the other side, they can also structure and make changes in the site over time, which could allow them to perform alternative practices (Baxter & Chua, 2008). This dynamic relationship influences managers and the site, and may lead to or allow different practices.

To serve the above purpose, essay 1 takes a qualitative approach to investigate the role of practitioners (managers) in addition to the contextual elements (the field or the sites) in producing/engendering variations or sameness in control practices (whether personnel-related or financial controls). In-depth interviews with 27 managers in 25 SMEs, in addition to direct observations and archival documents, provide the qualitative data for this study.

This study relies on Bourdieu's theory of practice (Bourdieu, 1977) to interpret the data because it explicitly conceptualizes the role of practitioners and the fields in how practices are applied. Furthermore, Bourdieu (2000) in his book, Pascalian Meditations, discusses how habitus of practitioners can differ or transform in certain conditions and how it flows into variation in practices (Bourdieu, 2000; Bourdieu & Wacquant, 1992).

The study reveals that practitioners' habitus and their personal style, as well as the rules and conditions of the fields, influence the use of control practices and whether they show variation or sameness in comparison to other contexts or over time. Regarding the influence of practitioners, similarities and variations in their habitus and personal style can lead to similarities or variations in control practices. In other words, managers with their prior experiences and conditionings, as

well as their style develop and use controls differently. Furthermore, this study reveals that managers try to develop and use controls to create their favorable conditions, and less-developed structures of SMEs provides a high potential for such influence. Together these findings better reveal the role of managers and their intentions in the development and use of controls in SMEs.

In addition to managers, this study also illustrates the influence of the fields with their necessities and rules. Necessities and rules of the field influence managers (practitioners), who then adapt their practices consequently. Therefore variations or similarities in the rules and conditions of the field can lead to variations or similarities in the use of control practices. While prior studies show the influence of the rules and conditions of the field on control practices (Ahrens & Chapman, 2007; Tekathen, 2019), this study illustrates and emphasizes the role of practitioners in this phenomenon.

As discussed above, essay 1 shows how variation among managers (their habitus and personal style) influences the use of controls. The second essay of this dissertation investigates the perceived variation among employees and how it can influence the managerial use of controls in relation to them. Prior studies show that cultural and generational variations within members of an organization lead to variations in the use of controls (Chenhall, 2003; Chow et al., 1999; Harrison & McKinnon, 1999; Petroulas et al., 2010). These studies view employees as a generic group. Despite the above, many behavioral studies show variations among individuals in terms of their commitment, teamwork abilities, belief in organization's mission, and respecting its rules (Curtis & Upchurch, 2008; Mowchan et al., 2015; Sims, 2002; Thau et al., 2007; Whitener, 2001). Many employees act positively, within or better than expectations and rules, and some do not. Some employees even steal or vandalize organizations' properties. (Balfour & Wechsler, 1991; Giraud et al., 2008; Gottfredson, 2006; Mowchan et al., 2015; Thau et al., 2007; Whitener, 2001).

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Managers develop an understanding of such individual variations and can use controls based on their understanding. Nevertheless, these behavioral studies, do not investigate whether and how such individual-level variations influence managerial use of controls in regard to employees.

Investigating the potential influence of perceived individual variations on managerial use of controls is important at least in two ways. First, variations in employees' behavior, ranging from high commitment to being critical, negative, or even steal from the organization, could have serious consequences for organizations (Balfour & Wechsler, 1991; Thau et al., 2007; Whitener, 2001). Facing such variations, controls can help managers to ensure desired behaviors that contribute towards the organizational objectives and to limit undesired behavior. Second, by incorporating the possible influence of individual variation in how controls are used, this study moves beyond the commonly assumed generic view of employees, towards a more realistic understanding of controls as they are used in practice.

Following the above, the second essay of this dissertation contains an investigation of how individual-level variations among employees, as perceived by managers, influence their use of controls. Toward that end, interviews are conducted with 25 managers from mostly SMEs[1]. Social exchange (Cook et al., 2013) and social bond theories (Hirschi, 1969) provide conceptual perspectives for the analysis of the data. According to the social exchange theory, individuals' behavior is a function of rewards and costs. If the reward of a certain behavior reliably surpasses its costs, individuals are prone to repeat that behavior. Therefore, managers consider the rewards

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1 - There are some commonalities between the sampled firms in chapter 2 and 3. Nevertheless, chapter 2 does not include the large firms that are used in chapter 3. Also, chapter 3 does not include some of the firms of chapter 2 due do not having the relevant information regarding employee related controls. In chapter 3, some large firms are included in the sample to see if the findings are consistent across different sizes of organizations. This provides a chance to capture potential differences.

and costs of their use of controls in relation to employees. According to this theory, employees also behave based on their expectations of how controls would lead to rewards or costs for them.

Based on the social bond theory (Hirschi, 2002), individuals behave in accordance or against the rules of a society or an organization, depending on the strength of their social bonds. These bonds include commitment, involvement, attachment, and belief. Stronger bonds lead to higher respect for social norms and rules, and vice versa. Accordingly, employees, based on the strength of their social bonds, behave according to /or regardless of the expectations of their organizations and require less or more enforcement of controls by managers.

The analysis of interview data suggests that managers use controls in social exchange with employees. They use controls to reinforce employees´ desired behavior through rewards such as higher autonomy, more important position, verbal affirmation, empowerment, and financial compensation, and to eliminate or control undesired behavior by penalizing, removing rewards, and positioning.

Furthermore, based on the findings, managers observe employees' behaviors in response to existing controls and develop an understanding (or a perception) of employees' level of commitment, attachment, and belief (i.e., social bonds based on Hirschi (1969)). Thereafter, they adapt their use of controls based on their understanding of the employee's strength of these bonds. Additionally, interview data reveals that commitment in addition to the strong attachment between employees and their manager reduces the need for other controls such as penalizing, job descriptions, tight boundaries, and close supervision.

The above-mentioned two essays along with most studies in the domain of management accounting and control see controls as tools in the hands of managers to achieve organizational objectives (Malmi & Brown, 2008; Simons, 1994). Nevertheless one cannot ignore the cases where

controls are used for personal interests and to detriment of others (Bartlett & Bartlett, 2011; Stouten et al., 2010). Withholding resources, ambiguous or unreasonable objectives, and lack of boundaries for different behaviors of managers are examples of such uses or lack of controls. A troubling and readily seen example is when individuals rely on their position in the organizational structure - which is supposed to serve organizational objectives -, to mistreat or exploit others. These instances can have severe negative consequences for organizations and their employees. Google's $US 310 million settlement following its executives' sexual misconduct (Elias, 2020), or widespread exploitations by high ranks in the Canadian Armed Forces (Brewster & Burke, 2021; Connolly, 2021), or the harassments in the office of the Governor-General of Canada, Julie Payette (Burke & Everson, 2020), are only a few recent examples of how organizational structure is abused.

The third essay of this dissertation provides such an alternative view of controls and investigates how they can be used (or withdrawn) by managers, to bully employees. This study investigates a case of perceived managerial bullying - as a form of harassment - over the span of several years in a small firm. Toward this end, a longitudinal case study is conducted to capture the sequence of events, conversations, and feelings over time revolving around bullying behaviors and the use or lack of controls. The case study relies on qualitative data, including interviews with employees who were bullied and archival documents.

The work of Hoel et al. (2010) provides the theoretical lens, as it describes the managerial styles that are associated with bullying. This study (essay 3) defines three uses of controls based on such styles (Hoel et al., 2010). They include an autocratic use, a laissez-affair use (otherwise defined as the withdrawal of controls), and arbitrary use of controls to punish.

The evidence suggests that the laissez-affair use of controls (i.e., without concern for the consequences of the use vis-à-vis employees) contributes to an environment that fosters bullying. Moreover, the arbitrary use of controls to punish (i.e., not based on clear rules) is implicated in the act of bullying by managers. As an additional finding, data indicates that informal controls, with their flexibility and lack of documentation, can facilitate the above uses.

Together, the findings of this study show how different forms of controls (and not only budget (Armstrong, 2011)) can be used in bullying employees. This shows a darker side of controls that reflect personal aims (bullying by managers) rather than organizational goals (Malmi & Brown, 2008; Tessier & Otley, 2012). Furthermore, this study defines alternative modes of use of controls (i.e., Laissez-affair, arbitrary punishing, and autocratic) which can lead to questionable outcomes.

In summary, this dissertation focuses on the role of managers in how controls are used in SMEs. It illustrates how managers influence controls and their use, which in some cases, could be negative for the organization or its employees. The flexibility or adaptability of controls in an SME context can be seen in all three essays, which stands in contrast to how they are applied in larger firms (Auzair & Langfield-Smith, 2005).

The next three chapters of this dissertation present the three essays, followed by chapter 5, which presents the conclusion.

Chapter 2. Sameness and Variations in the Practice of Control: Insights from Small and Medium-Sized Enterprises.

2.1. Introduction

This study aims to understand and conceptualize how managers apply management controls within their worksite. Such controls can exhibit sameness or variation relative to controls used in other worksites or by other managers. In other words, this study tries to answer the following research question: how managers along with their intentions, beliefs, background, and skills influence how controls are used in a worksite that entails its own necessities and rules?

This question is relevant on two dimensions. First, controls influence organizations in many ways (Chenhall, 2003; Chenhall & Euske, 2007; Frucot & Shearon, 1991). Based on their skills, background, sense of responsibility, and intentions, managers play an important role in the application of controls (Ahrens, 2009; Lavia López & Hiebl, 2015). Managers' potential influence on controls can lead to unfortunate circumstances, or it can contribute to the firms' success (Chenhall & Euske, 2007; Christ & Vance, 2018; Long, 2018; Ritchie & Richardson, 2000). Some of the existing studies, relying on actor-network theory, conceptualize control systems to be a result of heterogeneous arrangements of human and non-human actors which "produce[s] a fragile network – in a constant state of transformation" (Tekathen, 2019, p. 978). Other studies, relying on Schatzki (2002), add to the above by conceptualizing controls as a "mesh-work of organized practices and arrangements, … fabricated out of various non-human [and] human actors" (Tekathen, 2019, p. 978). These theoretical conceptualizations provide many insights on the fluidity or persistence of controls. However, they mostly focus on the role of the site and attribute

a less important role to managers and their intentions in how controls are applied with sameness or variation among different contexts.

Second, there is an interaction between the worksite and the practitioners (managers). Research informs us that factors related to the site, such as risk, feasibility, culture (Ahrens & Mollona, 2007; Chenhall, 2003b; Tekathen, 2019), and factors related to the practitioners (managers), such as skills, sense of responsibility, and intentions (Ahrens, 2009; Lavia López & Hiebl, 2015) can lead to sameness and variations in controls. Practice-based studies also include roles from the site as well as the practitioners in their conceptualization of controls (Tekathen, 2019). However, these two sides (the site and the managers), not only play a role regarding controls but also continuously influence each other. At a minimum, managers gain information, experience, and background by operating in the site (Tekathen, 2019) and they may change their approach. On the other side, managers can architect and make changes in the site over time, which could allow them to perform alternative practices (Baxter & Chua, 2008). This ongoing mutual interaction between managers and the site is an interesting dynamic that plays a role in how controls are applied. However, current research does not provide a conceptualization of such a two-way relationship (Ahrens & Chapman, 2007; Arena et al., 2010; Tekathen, 2019). Practices emerge following this dynamic relationship and influence organizations in many ways. Understanding, and conceptualizing the mutual influence between the site and the practitioner contributes to a better conceptualization of controls that is closer to their nature and reality.

Following the above, this study examines and conceptualizes the role of managers with their intentions, beliefs, background and skills in the application of controls, while they operate in a worksite that entails its own necessities and rules.

To achieve the above purpose, this study investigates how managers, while interacting with the site, apply practices with sameness or variation across contexts. Prior work suggests a strong tendency for similar management control practices (e.g., accounting and budget) to be applied in a similar manner within organizations. Ahrens and Chapman (2007) "emphasise the ways in which organisational members actively reconstitute their management control systems by drawing on them as a shared resource". Nicolini and Monteiro (2017) mention that "practices have a collective and normative nature", and as they are learned and performed by different actors, they establish a "mutual accountability" that indicates what is right or wrong and what are the restrictions when performing a practice (p.5). Relying on Schatzki (2001), Ahrens (2009) mentions: "Practice theorists recognise repetition and its potential to order activities but they conceive of practices as much wider tangle[s] of samenesses and similarities". These statements align with a characteristic of control practices, that is, possessing a degree of sameness and repetition, especially in similar contexts. Indeed, accounting practitioners and scholars have all witnessed similarities in a variety of control practices.

However, despite the apparent prevalence of sameness in the application of management controls, many studies make a detailed description of how control practices are fluid and vary even in the same field and the same organization (Ahrens & Chapman, 2007; El Masri et al., 2017; Quattrone, 2009; Tekathen, 2019). Tekathen (2019) mentions that: *practices are both organized and open ended spatial–temporal manifolds of actions: actions execute practices (i.e., actions carry out practices), but in carrying these on, practices also change. They are continuously evolving. In that sense, actions both maintain and alter practices* (p.982).

Hence, while actions within a specific practice may show similarity and persistence, variations also exist within a particular practice. The application and implementation of practices

thus carries and seems to combine both similarities (i.e., sameness and repetition across contexts) as well as differences (i.e., variations among contexts). Some practice-based studies investigate the role of contextual features in how control practices become fluid and show variations (Ahrens & Mollona, 2007; Tekathen, 2019). For instance, Tekathen (2019) shows how **the site** "as mesh-work of organized practices and arrangements" is implicated in enhancing the fluidity of control practices.

The focus of the above studies is conceptualizing the role of the site in the application of controls. In addition to the site, many studies show that managers (practitioners) also play an important role in the application of control practices (Lavia López & Hiebl, 2015; Marriott & Marriott, 2000; Ritchie & Richardson, 2000). However, researchers do not yet incorporate a significant role for managers and their intentions, skills, and background in their conceptualization of controls (Ahrens & Chapman, 2007; Tekathen, 2019). Ahrens (2009) calls for a better understanding of the role of practitioners, and their intentions, in how controls are applied.

To understand and conceptualize the role of practitioners and how they interact with the site in the generation of control practices, this study takes a qualitative approach to capture various control practices in organizations. To capture similar contexts inside groups and variations in contexts above group level, the qualitative data is captured from 25 small and medium-sized firms (SMEs) arising from various industries. The qualitative data includes 27 interviews with managers, in addition to archival data from the firm or online sources.

SMEs provide for the purpose of this study: "The small firm provides a more accessible and advantageous research setting where … management accounting can be studied with greater ease and clarity than is often possible in larger, more complex organizations" (Mitchell & Reid, 2000, p.387). Section 2.4.2. (on sample selection) discusses the benefits of SMEs in more detail.

Several reasons underlie the decision to rely on Bourdieu's practice theory as conceptual underpinnings. First, Bourdieu's theory of practice emphasizes and explicitly discusses the role and position of practitioners who function in fields. In this view, practitioners live and breathe (i.e., embody) their position (Baxter & Chua, 2008). Second and more importantly, Bourdieu's concept of habitus underlies his view of practitioners and helps the interpretation of the data. Habitus is an embodiment of lasting transposable dispositions (Bourdieu & Wacquant, 1992; Spence & Carter, 2014). Bourdieu theorizes how the field provides habitus (of practitioners) with conditionings and a repertoire of actions (Bourdieu & Wacquant, 1992), and how these elements lead to specific ways of practicing in different contexts. A practitioner's habitus is perceived to be relatively persistent over time. However, it varies from one individual to another depending on the social conditions and the fields that each habitus inhibited. Furthermore, Bourdieu specifically discusses the "principle of the transformation of habitus" (Bourdieu, 2000, p.149) which occurs in certain circumstances (Bourdieu, 2000; Bourdieu & Wacquant, 1992). Accounting scholars including Spence and Carter (2014), and Baxter and Chua (2008) rely on the principles of transformation of habitus to interpret their findings. Durability or changes in habitus can lead to durability or changes in practices (Bourdieu, 1977, 2000). Finally, Bourdieu (2000) posits that practitioners, while being influenced by the site, work towards what they believe to be their favorable conditions and adjust their practices accordingly.

Managers' descriptions of financial and personnel-related control practices, and three vignettes from different firms, show how context and practitioners, together, lead to sameness or variations in practices. The findings highlight how variation or stability in the elements of the context (i.e., using Bourdieu's terminology, fields) flow into variations or stability in practitioners' habitus and their practices. Here, illustrations also indicate the influence of larger fields that host

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organizations (such as the industry, city, country). Furthermore, findings indicate that practitioners' habitus (i.e., prior conditionings and learnings), personal style (i.e., distinguishing characteristics and attitudes), and their favorable conditions work toward variations or similarities in their practices. In other words, within the range of possibilities, practitioners structure the site and carry out practices in a way that is favorable to them and resonates with their style and social conditions.

This study contributes to the practice-based stream of research in management accounting in the following ways. First, the main contribution of this study is to bring forward and incorporate the role of practitioners, with their intentions, beliefs, and backgrounds, in the conceptualization of controls, while prior studies mostly focus on the role of the site. This study builds upon prior practice-based studies (Ahrens, 2009; Ahrens & Mollona, 2007; Nicolini & Monteiro, 2017; Tekathen, 2019) by showing how, on one hand, the necessities and rules of the site, are understood (or internalized) by the habitus of practitioners, and how on the other hand, practitioners try to structure the site to apply practices towards their favorable conditions, and in line with their personal style. Together this dynamic leads to practices that reflect practitioners' intentions, as it would be possible by the necessities and rules of the site. This conceptualization complements the prior conceptualization of controls that mostly focus on the role of the site.

Second, this study builds on above mentioned practice-based studies and specifically answers the call of Ahrens (2009) by incorporating the role of intentions in the conceptualization of controls. This study provides insights and adds to prior work (e.g., Ahrens, 2009; Ahrens & Mollona, 2007; Nicolini & Monteiro, 2017; Tekathen, 2019) by showing how habitus tries to structure the field towards what it believes to be its favorable conditions and to allow itself to perform practices in its preferable way.

Another contribution of this study is illustrating and conceptualizing how personal style could lead to different practices. It provides illustration and conceptualization that extend the discussion of Baxter & Chua, (2008) regarding the role of personal style on the application of controls.

Finally, this study extends the use of Bourdieu's in the domain of management accounting and control. By considering habitus (that contains a repertoire of action and durable predispositions), the principle of its transformation, and fields, this study provides a conceptualization of control practices, that is complementary to prior practice-based theorizations (Ahrens & Chapman, 2007; Tekathen, 2019). Furthermore, based on Bourdieu's (2000) view, habitus works towards what it believes to be its favorable conditions and also has a personal style. This provides a way to include practitioners' intentions in the dynamic between the site, the practitioners, and the practices. This complementary view can be beneficial to conceptualize the role of practitioners, in a dynamic relation to the site and practices. Currently, there is scant use of Bourdieu in this domain (Baxter & Chua, 2008).

The remainder of this paper is structured as follows: After reviewing the literature, the section of theoretical underpinnings discusses the work of Bourdieu (1977). The following section will present the research approach. That would lead to presenting illustrations from the field. The discussion and conclusion follow at the end.

2.2. Prior Research

According to Malmi and Brown (2008) management controls are: "systems, rules, practices, values and other activities management put in place in order to direct employee behaviour" (p.290).

This also includes monitoring employees to ensure compliance with prior decisions (including financial decisions).

Researchers conceptualize controls (including management controls as in the topic of this study) in different ways. Some see them as tools in the hands of managers (Simons, 1994), while others conceptualize them as practices (Tekathen, 2019). Conceptualizing controls as practices provides a valuable and detailed understanding of them as arrays or nexus of activities that are meshed with each other and "acquire sense when organised around an end or object" (Nicolini & Monteiro, 2017, p. 3). These nexus of activities (practices) form the site of the social within the context of organizations and influence organizations in many ways (Ahrens, 2009; Ahrens et al., 2018; Ahrens & Chapman, 2007; Baxter & Chua, 2008; Jørgensen & Messner, 2010; Nicolini & Monteiro, 2017; Tekathen, 2019). As practitioners, in many cases, work towards multiple and even sometimes contradicting ends simultaneously, these arrays of activities are interwind together (Ahrens et al., 2018; Jørgensen & Messner, 2010).

Practices are also fluid. Tekathen (2019) mentions that "fluid nature of practiced MACs is implicated in the way that the site as mesh-work of organized practices and arrangements prefigures actions by qualifying a path to be carried out, and on, in multitudinous ways (e.g. as more accurate, responsible, relevant, unpleasant, or riskier)" (P. 979). Ahrens and Mollona (2007), in their 11 months ethnography of Sheffield steel mill, provide descriptions of control practices that constitute two different subcultures in the hot and cold departments and their subdivisions. This study depicts different practices, along with different motivations and understandings, between the two departments. In this ethnography, although practices vary from one department to another, they are persistent in each department in the way they are: "The practical nature of organizational subcultures is revealed through the ways in which their members actively

reconstitute their control practices by drawing on them as a shared resource" (Ahrens & Mollona, 2007, pp. 328–329). Indeed, variation according to context is also the main premise of the long-standing contingency approach (Chenhall, 2003; Otley, 2016).

While the study of Ahrens and Mollana (2007) brings out the sameness within, and variations among contexts, other studies depict variations and fluidity of control practices in one context based on the necessities of the situation. Jørgensen & Messner (2010) illustrate how specific circumstances and challenges are associated with a particular project (Modularization) in an R&D-intensive firm. As a consequence of all the ambiguities and variations of strategic objectives, in this case, a considerable "leeway" (in other words, possible paths of action) exists in the relevant interpretation and evaluation practices (Jørgensen & Messner, 2010, p. 201). Tekathen (2019) aims to unpack "the Fluidity of Management Accounting Concepts". He "shows the ways in which the ERM [enterprise risk management] site prefigures multitudinous paths for carrying on and carrying out risk management activities, which in turn, render the ERM site into a fluid space of intelligibility" (p.977).

The above studies, - some relying on actor-network theory and some on the work of Schatzki (2002), - mainly focus on the role of the site in forming practices. However, according to Ahrens (2009) functionalist view of practices (such as accounting) brings in the element of agency of practitioners and their intentions. Prior studies show that managers' skills, background, sense of responsibility, and whether they are the founder or not, influence their application of controls (Lavia López & Hiebl, 2015). For example, Ritchie & Richardson (2000) in their longitudinal study illustrate how the sense of responsibility of a key manager affects managerial use of controls which potentially affect the overall performance of the firm. Marriott and Marriott (2000) find that

the skills of managers is an important factor in their use of accounting financial information. Davila et al. (2009) report that managers' backgrounds play a role in the adoption of certain controls.

The above studies show the importance of managers' skills, intentions, and background in the adoption and use of controls. Prior research also indicates that the site and the practitioners can influence each other. Practitioners learn from the site and gain many experiences, while they can also create changes in the site (Baxter & Chua, 2008; El Masri et al., 2017; Tekathen, 2019). Despite the importance of the role of managers and their mutual influence with the sites, the above studies do not provide a theoretical conceptualization of the role of practitioners, and their dynamic with the site, on how controls are applied.

For a potential theorization that serves the purpose of this study, Baxter and Chua (2008), provide useful insights. In their longitudinal study on "becoming a CFO", they show how in one context (one organization), occupying a key position (CFO) by a specific individual contributes to variations in practices (i.e., "the heterodox accounting practices that this CFO was attempting to implement" (Baxter & Chua, 2008, p. 212). The authors rely on Bourdieu and reflect on how the practitioner in this key position (CFO) draws on his personal style and habitus to work towards his strategic goals. In this case, the CFO had "mobilised the [basic/traditional] accounting practices embedded in his habitus" (p.225). He also relies on his personal style to allow high autonomy to his staff, to remain attentive to the ways of communications and meetings with his personnel, and more.

Baxter and Chua (2008) use two beneficial concepts from Bourdieu. First, the concept of habitus helps explain how a practitioner performs practices similar to what he/she has seen or learned in the past from other contexts (basic/traditional accounting practices). Such practices (i.e., a repertoire of actions) are rooted in habitus and can include items such as skills and background.

The habitus not only provides the practitioner with the know-how of the basic accounting functions but also a vision of the right and wrong ways of doing things in the general management of the business (Baxter and Chua, 2008). The second beneficial concept is the personal style that acts like a "personal stamp", marking all practices of an individual (Baxter & Chua, 2008, p. 214).

The following section discusses the theoretical underpinnings of this study based on Bourdieu's vision of a practitioner.

2.3. Theoretical Underpinnings: Habitus and Personal Style

Bourdieu's theory of practice focuses on and explicitly discusses the practitioners (actors) who function in social fields. In this view, practitioners live and breathe (i.e., embody) their position (Baxter & Chua, 2008). The practices they apply are meaningful and make sense towards the creation of "favourable" conditions of their "fulfillment" (Bourdieu, 2000, p. 150), and also based on their social positions and trajectory.

> *...All the products of a given agent, by an essential overdetermination, speak inseparably and simultaneously of his class - or, more, precisely, his position in the social structure and his rising or falling trajectory* (Bourdieu, 1977, p. 87)

An important concept in Bourdieu's conceptualization of practitioners is habitus. Habitus is a durable embodiment of predispositions from the social fields. An individual operates in and embodies predispositions from different social fields throughout his life. These durable predispositions provide operating principles and the ways in which an individual behaves, thinks, perceives, or acts in different contexts (i.e., a repertoire of actions) (Bourdieu, 1977, 2000;

Bourdieu & Wacquant, 1992). In other words, practitioners' actions are more often based on this repertoire of action and practical sense, rather than rational calculation: "habitus has the primordial function of stressing that the principle of our actions is more often practical sense than rational calculation" (Bourdieu, 2000, p. 64)

Habitus relies on its repertoire of actions facing different circumstances. Furthermore, habitus adjusts its practices to immanent necessities and rules of the field or the game (Bourdieu, 1977a; Bourdieu & Wacquant, 1992; Reay, 2004). Routines, or commonly accepted or valued rules of the game that exist in every field, including "juridical or quasi-juridical type of principle(s)" (Lamaison & Bourdieu, 1986, p. 111), are conceptualized by the notion of doxa (Bourdieu, 1998; Golsorkhi et al., 2009). An important matter about doxa is that they are followed automatically, most of the time, without any questioning (Golsorkhi et al., 2009). Habitus is most likely to perform practices according to doxa (Bourdieu, 1977).

The habitus of a practitioner is perceived to be relatively durable over time. If an accountant has learned and used the basic accounting functions in a certain way for years, it is expected that she/he draws on the same repertoire of action in other relevant contexts. However, there are different ways that variation or transformation in habitus can occur. First, when a habitus, compared to another, passes through different social trajectories and fields and has different social conditioning and position, it naturally embodies different predispositions. Therefore, although durable, an individual's habitus is different from another individual because of the differences in their fields and their experiences and learnings. For example, an individual who works as general labor in a firm in a developing country is expected to have different understandings, predispositions, and ways of dealing even regarding the same matters, in comparison to a CPA who works in the big four. Looking at accountability habitus of an organization (not individuals),

Goddard (2004) shows how it varies in different organizations of similar type, "The way in which accountability was perceived and the budgetary practices were quite distinct in each of the four case studies" that they conduct in UK local government organizations (p.543).

Second, habitus can also change over time. Bourdieu and Wacquant (1992) see that field shapes the habitus by "conditioning**"** and "cognitive construction[2]" (p.127). Therefore, when new situations and experiences arise, habitus is again posed to being conditioned or cognitively constructed. Bourdieu (2000), in his book "Pascalian Meditations", explains different ways in which changes in social conditions revises habitus' dispositions: *Habitus change constantly in response to new experiences. Dispositions are subject to a kind of permanent revision* (p.161). He also mentions that:

> *...being the product of incorporation of the structures and tendencies of the world, [schemes of habitus] are at least roughly adjusted to them, make it possible to adapt endlessly to partially modified contexts, and to construct the situation as a complex whole endowed with meaning, in a practical operation of quasi-bodily anticipation of the immanent tendencies* (Bourdieu, 2000, p. 139).

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[2]- Bourdieu does not specifically explain what he means by conditioning and cognitive construction. To better understand their meanings, we rely on the learnings from Psychology. Conditioning can happen in two ways (Henton & Iversen, 2012). Classical conditioning involves an involuntary reaction (response) to a stimulus. An example would be a person dodging away from the trajectory of a flying item. Operant conditioning involves voluntary behavior towards an expected consequence. Therefore, when that expected consequence changes, it is feasible that operant conditioning would not function the same (Henton & Iversen, 2012). Regarding the notion of cognitive construction as used by Bourdieu and Wacquant (1992), there is no specific definition of this combination of the two terms. However, cognition, in general has been studied extensively and theorized in different ways (Huitt & Hummel, 2003; Schunk, 2012). Cognition involves modes of learning, thinking, and reasoning which varies in different ages and includes social elements (learning from how others behave) (Huitt & Hummel, 2003; Schunk, 2012). In brief, Bourdieu posits that whether by conditioning or use of cognition, habitus is influenced by the field.

Baxter and Chua (2008) follow that "alternation in context", "conscious desire on the part of agents" associated with "a broadening gap between agents' expectations and experiences of practice" are the situations that can facilitate changes in habitus (p. 215). Bourdieu (2000) mentions: "principle of the transformation of habitus lies in the gap, experienced as a positive or negative surprise, between expectations and experience" (p. 149).

Also, regarding the possible transformation of habitus, Spence & Carter (2014) describe how "partners and other senior accountants embody institutional logics into their habitus" (p. 946). They respond "to critics of Bourdieu's notion of habitus, highlighting how habitus does not merely denote the passive internalization of external structures, but is also capable of disembodying constraining institutional logics" (p. 946). Kornberger et al. (2011) describe how managers in the big 4:

> *[first] experience that their previous identity[3] is destabilized; and second, ... how a set of new practices (performing, playing games and politicking) shape the identity of managers, enabling them to navigate the complex organizational network of a Big 4 Firm* (p.514).

This durability or transformability of habitus is associated with sameness or variation in its practices (Bourdieu, 2000).

Finally, each individual has a personal style that varies from others (similar to leadership style (Baxter & Chua, 2008)). Bourdieu sees "personal style "as just a deviation from the common style of a class or a period. Nevertheless, he sees them as a "particular stamp marking all the products of the same habitus" (Bourdieu, 1977, p. 86). Baxter and Chua (2008) describe the

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[3]- Many scholars rely on the concept of habitus to describe or provide an understanding of identity and how it can be conceived or how it is influenced (Adams, 2006; Bottero, 2010; Husu, 2013).

personal style of a CFO and how it resonates with his practices, such as delegating tasks as long as he was informed and the way he was conducting in-person communications. Assuming personal style marks all practices of an individual, it can make practices sometimes similar and sometimes different than others.

2.4. Research design

2.4.1. Research method

Qualitative and interpretive field research provides researchers not only with a close connection with the field and rich data but also provides "methodological flexibility and multivocality" (Gendron, 2009).

> *The former stresses data collection and analysis being adapted to significant trends and patterns emerging (oftentimes unexpectedly) out of the data. In particular, ... the researcher should avoid being locked into rigid methodological designs that eliminate responsiveness. For its part, multivocality relates to the belief that no single theory, perspective of analysis, or way of producing knowledge can account for the complexity of human behavior* (Gendron, 2009, p.126).

Furthermore, interpretive research requires an "ongoing reflection" between data and theory. This reflection contributes to a further understanding of a phenomenon in question (Ahrens & Chapman, 2006, p. 820). This openness in methodology and theorizing benefits researchers (Gendron, 2009) as it is "conducive to the generation of novel and interesting ideas" (Dai et al., 2019, pp.26-27).

The quality of this interpretive research is assured following Guba and Lincoln (1982), and Lukka and Modell (2010). Triangulation is done between different sources of data, including interviews, companies' and managers' online profiles, and direct observations from the firms and the managers' social and career paths. The next sections clarifies the choices made during data collection and analysis. Furthermore, the result section provides "thick descriptions" of the phenomenon to get across social actors' meanings, reasoning, and thought process communicated during interviews (Gephart, 2004, p. 457). These meanings provide an explanation and a sense of "what is going on in the social world" (Lukka & Modell, 2010, p.466). After all, the interviewees are the managers/practitioners who direct or oversee many control practices.

Another contributing factor in capturing different aspects of practitioners' practices, in this study, is the prolonged involvement of the main investigator of this study with the business world (Ahrens & Chapman, 2006; Guba & Lincoln, 1982). The main investigator has been working for about a decade in manufacturing and production environments in a variety of positions including executive management, and used controls over financials, operations, and personnel. This experience provides a background that helps the investigator to inquire about different elements that may not be obvious to a nonfamiliar person, and to see the interconnection between them.

Prolonged involvement and familiarity are not only the case with running a business but also with some of the interviewees and their firms. Several interviewees are known to the researcher since at least a decade ago and therefore he is well familiar with their social and career trajectory. To avoid potential bias by the investigator, these cases are checked to be consistent with other cases in terms of how managers would react to similar issues. Furthermore, the aim of the study is not to judge the ability or the behavior of managers. In fact, familiarity with some of the managers (interviewees) has an important benefit. That is the trust and strong rapport with the researcher.

Familiar managers easily talk about different issues and don't feel that they need to keep a face or use legitimate language. These interviewees are from firms #1, 3, 4, 10, 12, 16, 17, 18, 19, 21. The researcher also spent several days at the location of some of the firms before and during the research period (Firms # 9, 12, 13, 15, 16, 17, 24, 25).

2.4.2. Sample selection

Small and medium-sized enterprises (SMEs) provide several benefits for this research. First, SMEs provide researchers with a manageable size of the research field in which the different aspects of a phenomenon are within the reach of the researcher and the required information can be collected from a few key personnel and a single location. It's important to see the different aspects of the context in which such arrays of activities unfold while looking at a variety of firms. Second, SMEs exhibit much lower complexity in comparison to large enterprises. Large enterprises have several divisions and workgroups probably spread in different locations with different ways of using controls. SMEs' lower complexity helps to see the cause of events (Mitchell & Reid, 2000). Third, finding resources and getting access to do qualitative research from a variety of SMEs in different countries is feasible, while having such resources to access and adequately research large enterprises is less probable. Researchers usually rely on surveys to study a high number of large enterprises. However, surveys are not suitable to capture the details of arrays of activities along with their central meanings and contexts. As such, this study investigates 25 SMEs, through interviews, direct observations, and archival documents from online profiles and websites.

[SMEs] facilitates fundamental research on the origins and evolution of the discipline in an organizational context. Indeed, in the larger firm research can be hindered by the complexities of the organizational context as many complicating factors, often absent in the small firm, are present, e.g. geographical fragmentation, lack of uniformity in intra-organizational accounting, bureaucratic structures and processes hiding informal practices, limited scope of participants' current and historical knowledge and a constant multiplicity of dynamic influences on internal accounting (Mitchell & Reid, 2000, p.387).

Within the focus on SMEs, sampled firms arise from a variety of industries and locations to maximize generalizability (Cooper & Morgan, 2008; Flyvbjerg, 2006), while also include some firms from similar industries for the sake of comparability of practices in similar contexts. Although qualitative research does not seek generalization, higher variation enriches the theoretical abstraction by providing learnings from different firm sizes, industries, personnel, and more (Lukka & Kasanen, 1995). High variation also helps in identifying common versus context-specific phenomena.

The sample includes 27 interviewees including CEOs, general managers and division managers from 25 SMEs (1-500 employees). 25 SMEs could be grouped based on their industry (manufacturing, software, restaurants, retail, health care, others). The biggest group is manufacturing with 8 firms. Other than variation in industry, firms are different in size, governing structure, and are from two different countries (one developing economy and one developed economy). The state of regulations, available infrastructures, and national culture are different between the two economies. Potential firms are identified through the researchers' professional network and asking for referrals from existing interviewees.

Furthermore, interviewees have different backgrounds and preferences. Their education, age, prior experiences, family status, and residing country vary. Section 2.5. (findings) discusses the background (such as having an MBA degree) or preferences (such as spending time with family) only where it is relevant to the discussion. The interviews continued until common themes emerged, repeated, and no tangible further related insight is expected. Appendix 1 presents the information regarding the enterprises and the interviewees.

2.4.3. Data collection and analysis

The data collection upon which this study relies has received ethics clearance from Concordia University[4]. To understand the details of how control practices emerge with a degree of sameness or variations, this study relies on qualitative research methods (Ahrens & Chapman, 2006). Semi-structured open-ended interviews provide the main body of the data. Further archival data collection of the manager's LinkedIn profile is pursued for validation purposes. Furthermore, direct observations and familiarity with many of the firms help complete the picture. Interviewees are the key executives of the firm (CEOs or general managers). In two exceptions, interviewees include more than one person (e.g: logistic manager and production manager) to complete the learnings.

A semi-structured interview guide is used to conduct the interviews. First, managers are asked to talk about themselves, their prior experiences in related functions. The next section asks about the current experience and the way they are managing and controlling different areas of their business. In this section, different important areas and functions in the organization are explored

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and for each area, managers are asked to explain how they carry out practices that provide them with control over their organization.

Appendix 2 presents the interview guide. The questions are posed in an open-ended form to allow more in-depth discussions. Interviewees are free and encouraged to talk about any matter that they felt related or interesting (Patton, 2002). Many managers, aside from how they manage and control different functions, also provide specific stories to emphasize how they see, feel, and understand the organization, the work, and the ways of controlling and directing different functions. Interviews are recorded as permitted by the interviewees. Only three interviewees preferred not to be recorded. Interviews range from 40 to 90 minutes. The interview audio files are transcribed. The interviews which are not in English are translated. In some cases, follow-up questions are asked from the interviewees to clarify specific matters.

An interpretative approach is used to analyze the data (Ahrens & Chapman, 2006) based on Bourdieu's theory of practice. The next sections (2.5 and 2.6) discuss Bourdieu's vision of habitus and personal style which are useful to explain of the qualitative data.

2.5. Findings

The following section (2.5.1.) illustrates the sameness and variation in some financial control practices across firms as well as a change in a financial practice inside a firm. The next section (2.5.2.) includes a similar discussion regarding personnel-related practices. Thereafter three vignettes, each from one firm, illustrate a more complete picture of controls within each firm. Vignettes 1, and 2 illustrate how personal style marks all practices of managers and how it leads to sometimes similar and sometimes varying practices. Vignette 3 illustrates the role of immanent

necessities of the situation whether in sameness or variations in practices. Indeed, these practices are not exhaustive.

2.5.1. Financial control practices

Interviews show many similarities as well as variations in control practices among firms. For instance, the main accounting functions (such a record-keeping and use of the double-entry method) in SMEs show similarities across the board, while there are some variations in financial analysis and controls from one firm to another and across time. Practitioners usually don't question the sameness in accounting functions. Responding to why they use the double-entry method or a common way of record-keeping of documents (invoices, packing slips, etc…), the manager of F5, does not understand the question. He says: "I don't understand the question properly, can you please explain more…, there are some standards that we have to follow". With further questioning, he mentions that "these are the principles of accounting under IFRS". These practices that go across the board (IFIRS for the developing country, or GAAP in Canada) point to the doxic ways of doing things (rules) in the bigger field that hosts organizations. These legal rules apply to all actors in the field and lead to a sameness in practices.

Common necessities of a field can also lead to similarities in practices (one can refer to these common or routine practices again as doxa)[5]. In the developing country, in most of the SMEs in the sample, owners oversee the business every day and directly manage the finances. Normally, owners of SMEs in the developing country, do not delegate such functions. In the developing country, as in the case of a retailer in a touristic city shows (vignette 3, section 2.5.5), delegating finances can lead to many issues including fraud, and long court battles. While these issues are

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[5] - One can also perceive the common or accepted ways of a practice as doxa. For the argument of this paper, we do not claim exclusivity between doxa or common practices caused by necessities of a field.

less likely in developed economies in comparison to the less developed ones. In the developed country, in many SMEs, owners delegate these functions and stand outside as shareholders. While no rule requires the above, it seems that the common necessity of the situation in the developing country leads to this practice, while a different situation in the developed countries allows the owners to stand outside.

Based on the above observations, it seems that a common doxa or necessity in a field leads to similarities in practices in that field. Furthermore, variations of them among the fields lead to variation in practices.

Regarding variations in practices, they are also common among firms even in the same industry. The manager of F5, after mentioning the sameness (to act within IFRS standards), discusses that under these standards there are many areas in which they develop and follow their own "Company policy". For instance, the way that they recognize the cost of goods sold by "monthly inventory taking and recording the beginning and ending stocks" is acceptable under IFRS, but it is not the only possible way of action. He also mentions:

> *We recently started to do [incremental prepaid] sales, in which we fix the price for the client, and he pays us in increments. We release the goods at the final payment. To establish this service, we created internal policies and procedures such as ....*

Although these practices are acceptable under IFRS (doxa), but not all companies perform these functions in this manner. Managers specifically design these practices for this firm because of their new service. Furthermore, most retailers in this country do not necessarily have a similar service. Therefore, it is the immanent necessity of the specific situation that this firm develops a

series of accounting practices to be able to provide this specific service. To do so, they rely on the skills of their accounting department (repertoire of action).

Looking at the variety of practices in other firms, managers calculate and work on different financial information depending on the specific situation at hand and availability of skills. In the firm (F16), upon hiring an individual with higher knowledge of financial analysis than prior members, they incorporate certain analyses into the monthly meetings. These analyses include calculating the break-even point, and cost and profit per pound of the product (F16). The CEO (who has an engineering degree) mentions: "When we hired H., he had the knowledge of calculating breakeven points, and calculating cost and profit per pound of [the product]. That analysis was beneficial".

This CEO although sees himself as "good in controlling costs" but does not have the skills or the time to calculate the above. This specific quote points to the availability of repertoire of action within the habitus of the practitioner that provides the knowledge and skills of practice.

In the discussion of financial control practices, all firms indeed monitor the costs and revenues. However, firm number 7 is an interesting case. Its manager faces a new situation (i.e. alternation in context or a new necessity) and draws upon his repertoires of actions (skills) that come from his MBA studies. He takes a specific financial approach to deal with the situation at hand. The CEO of F7 mentions that by reaching over 100 employees, it is harder and harder to have enough cash flow on hand. To adapt, he starts using a pay for performance system for the firms' technical drawing staff, considering that he can not apply the same practice for many other functions (e.g., the secretarial functions). CEO of F7:

There was a tremendous change when we switched to pay for performance. I never knew when the firm gets big, profitability and enough cash become very hard to achieve. I always assumed if we can make money with say 40 people, we should be making more money or at least the same amount when we grow bigger.

He mentions this practice comes from his learnings during the MBA program and that "General Electric uses it successfully". Here, it is not only the immanent necessity of the situation but also the habitus' repertoire of action that leads to the practice of pay for performance. In comparison F5, has a pay scale that is "lower than pays in other firms" to control the cost of human resources.

Overall, the above quotes show that in the absence of legal requirements, managers choose a specific path of action based on the immanent necessities of the situation, and available skills (the repertoire of action within a habitus). The below paragraph provides a similar example, however with an addition for the role of beliefs (durable pre-dispositions that provides a vision of what is right and what is wrong).

Firm F17 in the manufacturing industry faces a specific situation that is different from others. This situation calls for a specific set of financial calculations and decisions that are also different from others firms. At the point of the interview, F17 faces a tough financial time as the whole industry is suffering for several years and the owner-manager considers exit options after receiving "a large amount of account receivable from [the main client]". The payment allows him to pay out his employees and suppliers properly before shutting down the business. Therefore, he focuses on the liquidity of the firm to see if the received cash in addition to the "sales of the old equipment and machinery" would make it possible to exit in a proper way. He wants to pay his employees

properly and his suppliers. There exist other options such as taking the cash out as dividends and then announcing bankruptcy. However, this practice is not something the owner-manager entertains because of his beliefs.

In this case, not only the immanent necessities of the situation and habitus' repertoire of action (skills) but also Habitus' durable predispositions (beliefs) are at work. The owner-manager, after 37 years of work in this field, is well aware of other options but he does not want to take those paths. He performs practices in line with his durable pre-dispositions. These dispositions can be different in other habitus and that may lead to another practice (such as announcing bankruptcy). Vignette 1 (pharmacy in the religious city) presents more illustrations on the role of belief in carrying practices.

Another example of the role of beliefs is the situation regarding payments of salaries in the developing country in which many of the interviewees work. Because of the tough economic situation and years of sanctions, long delays in making salary payments are common (1 to 12 months delay is quite feasible even in big institutions). Although justifiable to delay payments and sometimes very hard not to so, managers of firms 17, 21, and 15 do not allow that delay to happen. They feel a moral obligation, compassion, and "respect" (F17) for their employees and cannot accept delaying salaries. In Bourdieu's words, beliefs could be seen as durable predispositions that managers embody through their social trajectory. Here, it is not only the site that influences practices. Within the same field, some practitioners carry the predispositions that allow them to choose within their repertoire of action to delay employees' pay, while some are simply not able to accept such a thing to happen although they are aware of this possibility.

This section indicates that while the site plays a role in many ways in application of practices with sameness or variations, practitioners also have a role in applying practices as per their durable

predispositions (e.g., beliefs), and repertoire of action (e.g., skills) that may be the same or different from others.

2.5.2. Personnel related control practices

Insights in this section are regarding personnel-related control practices. In these practices, similarities and sameness readily exist. Many practices are similar across the board. An example in the employee selection process would be verifying candidates' resumes and looking for their skills, personality, and level of commitment to prior jobs (i.e., how many years he stayed within previous jobs. That is indeed necessary to ensure that the employee will serve the company reliably. Manager's habitus learns after a few hiring, through cognitive construction, what constitutes a reliable employee. These elements are common necessities of running a successful business that habitus learns over time by operating in the field.

As an example, for other similarities, most of the firms that are relatively larger (over 100 employees) require managers to record verbal and written notices that they give to employees (e.g. F15, F5, F1, and F4). They have a human resources function that requires to see a trend of decline in performance evaluations before any layoff or a significant enough cause for a sudden layoff. That is to avoid wrongful dismissal, and also to avoid such a claim by the laid-off individual. In other words, this practice enforces the rules (doxa).

Exploring more in-depth, managers also vary in how they look into potential candidates while going through the employee selection process. F24 looks on the candidates' "Facebook profile and checks if the person has any strongly political or any weird content posted". She also likes when a candidate removes his hat when entering the room because she sees it as a sign of "manner and politeness". The manager of F17 looks for "maturity" in the candidates as he finds it

essential. The manager of F12 prefers religiously inclined employees (i.e., "believers") as he can trust and relates to them more. Some firms also get help from personality tests. This variation in practices relates to managers' preferences, their repertoire of action (such as checking a candidates' Facebook profile), or durable predispositions such as religion.

In controlling or directing the employees, also there are similarities as well as variations in practices. As expected, higher performance usually gains higher compensation. Normally, high-performing employees who are also in good relationships with colleagues can get into key positions. That is an important necessity or a doxic rule of the game if a manager wants to be successful in running a business whether it is in a developing economy or a developed one.

When it comes to working with employees, the interviews again point to the role of the site as well as practitioners in variations of practices. The manager of F19 requires everyone to communicate over WhatsApp about the procurement and logistics so all communications remain for future reference. That is a specific necessity for his three small fast-food restaurants as they require a lot of material on daily basis. He also asks his friends to go to his restaurants and evaluate if his employees are providing clients with good service. In comparison, the manager of F20 owns and manages one restaurant. Since he is present at the restaurant every day, he does not rely on WhatsApp or on a friend to evaluate his service. The necessities of the situation are bold when comparing these two firms.

We also see the role of habitus and personal style in causing variations in practices. As a distinguished practice, the CEO of a small health care delivery firm (F13) works with zero or minimum supervision. His employees don't even need to punch cards even though he is outside of the firm a lot of times. F13: "I ask them for what I need and just take the outcome". This manager

relies on trust as a preferable way of action. In comparison, almost all other firms, even small ones require punching cards.

Another case of the influence of personal style, is shown in the practices of the manager of F17. Managers respect their employees but none of them emphasize as heavily as the manager of F17 on compassion and mutual relationship with employees. He emphasizes and discusses in length how he works and dines with his employees "like a family" (F17). This manager has built and is running his firm for 37 years (about 80 employees). He sees his employees "as lovely human beings" and is proud not to penalize any employee over 37 years, except once that the employee's clear neglect causes a severe quality issue. "Even in that case [he] talked with him and [the employee] agreed that this was a major neglect". The manager discusses the picnics they go with the personnel and their families and that he asks the employees' kids to write for him what is good and what could improve in these picnics. Many of his employees are with him for 10 or 20 years. As he is working towards getting enough cash to pay his employees and to close his business (due to a bad economic situation), he gets emotional during the interview and collects himself when he thinks about his employees and their families. He mentions that the employees are always in his mind, "even when [he] sleep".

The above-mentioned distinguished vision or characteristic that seems to be influencing all practices of a manager with his personnel, brings in the element of personal style. The role of personal style is also clear in vignettes 1 and 2.

Furthermore, even in the same firm, managers exhibit different ways of personnel control. F9 is a fast-growing small firm (with about 70 employees) in health care delivery. The CEO and the CTO (Chief Technology Officer) of the firm provide their vision in regard to employee controls. The CEO needs to see devotion and commitment from each employee towards their team.

She manages employees by relying on such values. She has a discussion with a high-profile employee who does not "wash the dishes" in the sink. Since all employees including herself involve themselves in all tasks including washing dishes, the CEO sees that behavior as a sign of not having "a good culture fit". She emphasizes that if an employee commits and makes the effort, she is flexible on numbers (quantitative objectives) and protects the employee or the mid-manager in front of the board. Overall, the CEO speaks with a lot of compassion and enthusiasm about this enterprise that she founded, like a loving mother. In comparison, the CTO (co-founder) formulates and thinks about his answers and tries to be as accurate as possible. The CTO also mentions the importance of culture as the main element in hiring. Nevertheless, he emphasizes the way he prefers to manage:

> We try to keep our management style in a friendly manner as much as possible. We don't want to have a distance between us and the employees. But unconsciously however, doesn't matter how much you try, there is a distance between you as a manager and the employees. If you are in the same space as the employee, the employee is not as comfortable. This works unconsciously.

In the above firm (F9), while one manager is more attentive towards working with values of commitment and devotion, the other relies on strong personal bonds to manage employees. These differences in dealing with personnel, even in the same site (one enterprise) bring us to the role of practitioners' habitus and personal style. Habitus' repertoire of action contains all the above-mentioned possible ways of practice with employees. It could be the style of the manager that chooses one way out of these possible ways. The next section illustrates a more complete picture of how personal style can cause variation or sameness in practices.

2.5.3. Vignette #1: A pharmacy in a religious city, manager's style

This vignette includes not only the interview data, but also the main researchers' direct observations of the firm, the city, and the manager's home in several rounds. This vignette illustrates how personal style marks all the products (practices) of the same habitus and causes variations and in some instances sameness to other contexts. According to Bourdieu (1977):

[personal style is] the particular stamp marking all the products of the same habitus", and it is no more than "a deviation in relation to the style of a period or class so that it relates back to the common style not only by its conformity - .... - but also by the difference which makes the whole "manner". (Bourdieu, 1977, p. 86).

This conformity and difference are what would be seen as sameness and variations. Furthermore, Bourdieu sees that practitioners work towards social/career positions and conditions that are "most favourable to what it [their habitus] is" (Bourdieu, 2000, p. 150). This vignette focuses on the owner-manager of firm 12, a privately-run pharmacy with twelve employees. Being family-oriented and not pursuing profit maximization is a distinguishing characteristic of this owner-manager. One can see how all of his practices resonate with this specific style. The career that he chose, his decision on the location and size of his pharmacy, his practice of personnel selection, and his financial and product selection practices, all come together in one picture that resonates with a style of a family man who pursues a peaceful life, so he could provide a high amount of care to his immediate and extended family.

Graduating from high school, this individual decides to pursue pharmacology because he knows, through his older brother, that he would have financial safety. Having the options to become a surgeon or a dentist (with higher income), his personal preference directs him to pharmacology at the time. He says: "pharmacology is less stressful, and financially okay. I always thank my brother who told me so [at the time of selecting his major]". In other words, while selecting a major of study, he positions himself in a way that is favorable to what he is.

He does not open his pharmacy in the capital city where he graduates, with all its possible glory and chaos. He opens his pharmacy in his hometown where all his siblings live. His hometown (social field) is much smaller than the capital city. It is highly religious and seen as the religious center of the country. In this city, through decades and centuries, the social norms (drawn from religion) are deeply internalized in the habitus of citizens. These religious norms are the way of living for the community. Nevertheless, not all citizens abide by religion. An older sibling of the owner-manager is not practicing it. However, going against religion seems not to be a preference of this individual. His style seems to prefer a familiar and peaceful life. The manager consciously carries the religious predispositions and acts accordingly. He is self-aware of the effects of such beliefs. He states that "believing in higher power provides peace and confidence. … I explained these [benefits] to my brother [a non-believer] when he was facing very challenging times".

At the personal level, the owner-manager is also very family-oriented and pays a lot of attention and care for his children, his wife, and even his extended family, rather than aggressively following the growth of his business. For his family, this care includes paying attention to all family members, so they receive the best nutrition, have enough moral and financial support for their education, their career, and in making important decisions. Essentially, he is in love with his family that includes four children. He also sidetracks during the interview to discuss family

matters. He recommends "capable individuals" should not delay having kids because the situation "will be prepared when the kid comes".

Coming back to the pharmacy, according to industry level regulations (doxa in the field of industry) in this country, it is only possible for a Pharmacologist to operate a privately-owned pharmacy. As the law requires, the owner-manager carries a Ph.D. in pharmacology. He must also, as per the regulations, attend annual training sessions of the health authorities. Therefore, he has the expertise and the fundamental skills (repertoire of action) to monitor and provide a level of pharmaceutical/medical training to his employees.

In caring for patients, an important matter for the owner-manager is to provide them with "a good treatment" without "complications or any unnecessary cost". Therefore, he draws on his pharmaceutical knowledge (repertoire of action) and provides regular training to his employees, so they are well aware of the medicines' side effects, treatment costs, and other important information. Furthermore, in dealing with pharmaceutical sales representatives, he describes the way of action that he believes in:

> *Pharmaceutical reps bring free samples every day and there could be a lot of profit, if I promote a certain medicine for them. But I only accept a medicine if I truly believe it is scientifically well established and beneficial for the patients.*

Another industry regulation (doxa of the industrial field) in this case is a restriction on the number of pharmacies in each region of a city (controlled competition). Controlled competition brings in a good sales volume and margin. As such, the owner-manager indicates having "healthy margins", without any "crises" in the life of his business. Having a healthy margin removes

financial pressures from the owner. This point is also present in the owner-manager's lifestyle and properties which is to remain confidential. The absence of financial pressure means the absence of an immanent necessity to tightly control financials. Now, it is up to the manager if he wants to pursue growth in his business, maximizing revenue, or enforcing effective controls (as many owners in the same positions do).

Following his style, this manager does not intend to maximize profit. After more than 20 years in business, he has kept the size of the Pharmacy the same. The Pharmacy is relatively small. All four corners are in sight and one can reach each side of it within seconds. It has a limited number of employees (twelve) therefore allowing for a closer relationship and better understanding of the employees' characteristics by the manager. The business operates two shifts per day and the manager distributes the tasks considering the skills and capabilities of the staff. The physical setting allows only employees to access and give the medicine or beauty products to customers. This leaves almost no concern for shoplifting. These structures are purposely in place by the manager through over 2 decades of operating the pharmacy.

Furthermore, in the hiring process, one of the important traits that the manager looks for in the candidates is having the religious or moral beliefs that the community and himself appreciate; "When I want to hire, I choose guys who have these beliefs". He feels that by having such beliefs, the person will respect certain moral expectations without the need for close monitoring. This also makes it much easier for him to trust and relate to the employee. This employee selection practice carries a heavy influence from the durable predisposition that the habitus embodies from the social field (religion). Nevertheless, this decision along with many other decisions helps the manager to structure the site (of his business) in a way that is very well favorable to what he is and allows him

to carry out other practices in a way that he prefers (i.e., performing practices based on trust and being able to attend to his family needs).

The owner-manager's prior decisions in his life/career trajectory include what major to study, where to locate his business, and whether invest to grow or not. The consequences of those decisions are having healthy margins for his small business (with a limited number of employees), without being overly occupied for long hours at work. He also employs individuals who possess certain religious and moral beliefs and keep the size of the pharmacy small, readily observable, and safe from shoplifting. Together, it appears that the owner-manager purposefully performs practices towards occupying a certain position and towards structuring his site of operation the way that fits him best or allows him to carry out other preferable practices.

Examples of other preferable practices are the ways he monitors and controls valuable inventory and financials. Although it is usual to have close monitoring of financials and properties by business owners in this developing country, this case is a little different. The setting that the manager creates minimizes or eliminates many concerns. He doesn't see a need to tightly control financials, access to the cash register, and inventory. He loosely controls the inventory of his pharmacy only once a year, although this inventory includes expensive medication and beauty products. His checkpoint is that annual profit should be approximately "**within a certain percentage**" of the total sales based on inventory (beginning inventory + purchases − ending inventory) and "it has been always the case". He also leaves the cash register accessible to all his employees: "All employees have access to the cash register and nothing wrong ever happened". All these practices are very much in line (stamped) with his style. His explanation brings us back to the structures that he set up previously:

We have a saying between our guys that it is our moral responsibility to do the right thing and [accept that] the consequences are out of our hand and rest with god. Our focus is on doing the right thing and not what would happen if we do this or that. When you, or anyone, truly believe, is wary of doing wrong, and believes in doing right, that is the highest form of assurance… . When I want to hire, I choose guys who have these believes.

Many of the above practices show sameness and similarities to other contexts. Examples are attending annual training sessions, providing training to employees, distributing the tasks among employees, and basic accounting functions. This sameness apparently relates to the necessities of the situation, possible paths of actions (repertoire), and doxa of the field. Habitus learns or embodies and repeats such practices without much questioning.

There are also many variations in this manager's practices in comparison to other contexts. The owner-manager by structuring the field creates the possibility for himself to perform practices in a way that he prefers. These practices, in some cases, vary in comparison to other contexts. Examples are trusting all employees to access the cash register, or not worrying about inventory control vs revenue. In other words, in some cases, even if at the first view it is the site that allows some practices, taking a step back, one can see that practitioners at least partially architect or structure the site with clear intentions that allows such practices. In addition to sameness and variations, this vignette illustrates how all practices of a manager relate to or resonate with one style.

2.5.4. Vignette #2: A small manufacturing firm

The second vignette is about the style of the manager of a small manufacturing firm with about 27 employees (F25). He has a strong emphasis and preference on the culture and the atmosphere in his workplace. He carries out many practices like an architecture of a system (system being his team), so the system in return results in a preferable culture or atmosphere. He is very well aware of what he wants to achieve and how to achieve it: "It is my responsibility to provide good work environment. How I treat the employees, will be repeated by them to others. Who and what I give voice to, will exercise his power on others is one way or another". The manager discusses the reasoning behind this emphasis: "culture is one of the most important factors in a business, I don't want a hostile culture, or a messed-up team. I want us to enjoy working here". The manager also mentions a book that he likes (The Culture Code: The Secrets of Highly Successful Groups) (Coyle, 2018). This book discusses the importance of culture, feeling of safety and belonging, to the success of groups. He evaluates employees not only by their performance but also by how they treat others and even "the feeling that you get from them, [because] some people are not happy individuals". Over time, the manager keeps the employees who have acceptable performance but who also work very well in a team.

> *I had a guy, his name was ..., he was very good in what he did, he could process four batches of product a day, basically when he was here, I knew when I get a load, the load will be out of the door in a few days. .... . But unfortunately, he was, sorry, nasty to other employees, he was turning his eyes and eyebrows on [another employee named F.]. So, Although I really appreciated the performance, but I said goodbye to him because my team is much more important than one person.*

The manager also has a specific way of not engaging with inter-employee discussions. He knocks on any door even the conference room before he enters. He respects employees' privacy and believes that "they need to talk within themselves as they wish. That's how they release the pressure of work and all the tough demands of an operation". Furthermore, if one employee comes to him and expresses a negative opinion of others, the manager does not engage unless he evaluates an employee's behavior as not-acceptable: "it's a working relationship that they have to figure out. If someone is actually aggressive to another, I will take care of it, but if the issue is he said this, or she said that, I won't bother".

Another set of practices is the way the manager sees and deals with menial work such as cleaning the bathroom and taking the garbage out. For him, these menial tasks are not only to be done, but they are meaningful. He does these works regularly himself and asks others to do so too. For him: "this shows the care and the attention that I want to show to [his] team". Over time these practices have become a habit for all the team members "even the older guys who had bigger egos, are now wanting to show their team spirit". Not only with the menial work, but he is also very much hands-on with the maintenance of the equipment. He likes to "get [his] hands dirty like others".

Although the manager directly involves himself with maintenance as well as menial works, he has a hands-off approach when it comes to employee-managed areas. He does not micro-manage. The manager wants his employees to feel comfortable at work. He does not bother them unless there is a task to be done or information to be given, or there is a chance to create a good atmosphere. He says, "if an interruption is not necessary or positive, I prefer to leave them in their own bubble". Regarding the very quiet days, he mentions: "I try not to hang out in the shop because

it makes the guys uncomfortable not having much work to do, … I want them to be comfortable here as if it's their second home." Furthermore, the manager makes sure that his conversations with his team are not "bossy". He recites his prior conversations with one of his employees (Mr. F.):

I told him that, years ago I was thinking I should say, and employees should listen. But now, after many years, I realized that if I want my company to operate well and grows, I should be the one who listens.

These practices seem to come from a vision that applies in all domains that relate to employees. The manager does not want to pay the minimum salary to his operators. "If I pay minimum salary, what should I expect from my guys? I don't want any secondary employee or background operator, each one of them should count, like Costco". The manager makes sure all operators receive a decent salary and that no one "male or female" gets a lower pay except for "a few dollars' variations based on years of experience and complexity of tasks". On the other hand, he has recently cut a senior employee's salary to make his pay appropriate to his contributions, saying that it "was not fair to others". Finally, the manager has a preference for motivated and ambitious people who want to learn and grow. He mentions:

if I hire who is already passed this stage or is over-qualified, I am not doing something good for that person, and he will also lack motivation and enthusiasm. I had the experience of people who were not hungry for their work. that's not fun.

Many practices in this vignette resemble or vary in comparison to other contexts or other managers. Similarities of practices to other contexts include not micro-managing (e.g., F17, F9), being hands-on (e.g., F17, F16, F19, F18), and paying above minimum salary. These similarities seem to be common characteristics of habitus among many actors in the manufacturing field. There are also non-common practices in the sample such as high emphasis to be fair in the pay, and very high attention to culture and teamwork.

Overall, most of the practices in this vignette do not carry a heavy influence from the necessities of the situation, or doxa. All these practices resonate with one style, which is about a strong, supportive, and a fair team culture. In this vignette, it is the specific vision of the manager that guides his practices and causes some variations or sameness. This purposeful pursuit of team culture through practices, as well as the purposeful practices in vignette 1, are good examples of the intentionality of practitioners (Ahrens, 2009).

2.5.5. Vignette #3: A retail store in a touristic city, immanent necessities, doxa, and gap between expectations and experiences

The vignette in this section is from a retail store (F21) with 30 to 50 employees depending on the season. The retail store supplies three lines of product: clothing, home appliance, and sleep products. Its location in a small touristic city in a developing country brings all kinds of visitors. The owner-manager rigorously monitors and controls three specific areas of his business: logistics of having a high variety of products on time and with a competitive price, cash flow, and human resources including employee recruitment, training, positioning, and job design. To explain the need for the rigorous use of employee-related controls (recruitment, training, positioning, and job design), the manager of this firm (#21) mentions:

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Professional culture doesn't have much of a meaning here. The right and wrong are mixed up and there is no clear line anymore. As a general rule, the situation, the culture, and the legal system is such that employees will take advantage or abuse if they find a chance. The culture actually promotes it and many thinks that this is their chance to become rich and see this as a way of advancing and going higher. ... Then it would be a huge headache to go through courts and prove a wrongdoing.

It is worth noting that this interview happens after the manager has a negative experience of fraud by one of his key employees (more details about this incident follow). The business is in a social field that does not provide high intrinsic motivations for self-control and to avoid wrongdoing. Accordingly, the manager feels the need to emphasize external controls. Examples of these external controls are close supervision of "how employees organize their areas", taking regular inventory of merchandise and verifying against sales, and holding supervisors "accountable". It is the necessity of the situation that contributes to taking this path of action. However, considering prior vignettes, it is also possible that the manager's preferences and style play a role as well.

The manager also explains that his business is very seasonal (field characteristics of the retail industry). In peak times (holidays) he may have up to 6000 customers a day, and on low times it could be even a few hundred. He explains more on how he deals with the necessities of the location in a small touristic city and the industry:

In the small city that we are, it is very hard to find professional sales personnel. So, having proper selection, training, and monitoring staff is vital. I monitor this process myself continuously to make sure we don't fall short of salespeople. Also because of our seasonal market and the high variety of products that we supply, financial discipline and accurate cash flow management is crucial. If we don't have financial discipline, it will soon become a mess. I need my cash on time as I need to keep paying on time and this process is always on going. It is never a routine or regular operation. Another matter to take care of is the season. You need to always track the season manually. The weather each year is different, and people buy their clothes exactly when the weather changes. If you miss those few weeks you have lost the high season. Also, holidays [in that specific country] rotate on the calendar and doesn't stay on same days. Religious holidays fall in different time every year. So, one needs to watch them all the time. Of course, there are always some consistent holidays, but other change and affect us considerably.

The above quote shows how immanent necessities of the field (the small city) lead to the importance of controls on employee selection, hiring, and training, and why the manager directly gets involve in these controls. It also describes the importance of cash management for this business. Based on the type of the industrial field (retail) and its requirement to continuously purchase from different vendors, the manager sees a strong need in conducting precise cash flow management. He continues about the field of the retail industry that he works in:

The competition is very high too. This area… is full of retail stores. As a result, another important thing is to keep prices very competitive. We also have to have all variety of

products. I can't say I don't have something. My competitive factor is I have everything here. I need to satisfy all needs. So, if a tourist comes, he knows that he doesn't need to bring anything with himself and he can find everything in my store with a good price. He doesn't need to go anywhere else. Having all his needs and with good price is my competitive edge.

The above two quotes show the manager's understanding of the competitive edge of his business as being able to satisfy all customer needs in one place at a good price. In addition to that, some holidays rotate over the calendar and coincide with different weathers that are not predictable far in advance. The above two together lead to a high importance of prompt and precise logistics management, procurement, and consequently cash flow management. The case of this firm shows a heavyweight for the immanent necessities of the situation. The manager understands these necessities cognitively.

Furthermore, in this case, there is another interesting matter in managing financial transactions. According to the manager, in setting the terms of payments with suppliers, it is his "word" that counts, and not a contract. He receives material from many suppliers as they can now trust the manager's word that the payments would be coming on time. This specific way of dealing is specifically seen with the firms in the developing country. The rule of the game is as such that contracts (at least in between SMEs) are not seen to carry a large weight. Rather it is the trust that allows such transaction and agreement. This specific practice does not exist in firms in a developed country. Making transactions on the basis of a manager's word is a doxa (rule of the game or common way of action) of the bigger field of the society that hosts this firm.

Another interesting matter in the case of this retail store (F21) is a major event emboldening the gap between the manager's expectation and experience. The retail store benefits from being in

a touristic city. However, the owner-manager lives with his family in a major city about 400 km away from the retail store. Being present in the bigger city also facilitates working with different producers, manufacturers, financial institutions.

> *All the paperwork happens in [name of the city of the head office], plus my family lives here. I am basically a taxi driver in this road, moving passengers [joking about driving back and forth between the two cities]…. . We have a house in [name of the touristic city] since years ago for my stays.*

As a result, he establishes the head office in the major city away from the retail store. He spends certain days per week in each city. On busy days such as weekends and high seasons, he is in the retail store attending the operation and, on quiet days, he is in the head office taking care of the paperwork and bigger financial transactions. He also mentions that: "An important time is the new year holidays, I have to stay at the store for the whole two or three weeks, that is when most of our sales happen".

Since he is away many days, he appoints a "store manager" to attend to the day-to-day needs of the operation in the retail store. In other words, the manager uses the control practices (organizational chart and employee's job design and placement) to fit the necessity of the situation and his intention to be with his family (head office and the owner's family being in another city). The use of controls is to create the position of a full-time store manager in the organizational structure of the firm.

However, during 2018-2019, the manager has a negative experience that gave him more insights on the potential risks of having this specific configuration of controls in terms of job design

and level of authority of the store manager. After a few years of giving the store manager different levels of authority, he commits financial fraud by abusing the authorizations for his personal benefit. The owner-manager takes the issue to court and wins. After that incident, the owner toughens the organizational controls, changes the organizational chart, the job designs, and the level of authorization for employees. The owner-manager mentions:

After that incident, I changed my approach in two ways. First, I became much more tough and less forgiving with all employees, so they know it is serious. I established a different way of work. Second, I would never again give the same amount of authority to any one person. Some of those authorities I keep with myself and do not delegate anymore. For some simpler ones, I spread between different personnel and not one.

In essence, this event shows a wide gap between the actual risks of his practice and what he expects. The owner-manager, upon experiencing and learning pitfalls of his control practices, becomes less trusting, decides to change the organizational chart, job designs, and to some degree the organizational culture by being tougher and less forgiving. In Bourdieu's words "principle of the transformation of habitus lies in the gap, experienced as a positive or negative surprise, between expectations and experience" (Bourdieu, 2000, p. 149).

2.6. Discussion

This study aims to provide an understanding of the role or practitioners, and how they apply practices while operate in a dynamic relationship with the site. Analyzing the data through the lens of Bourdieu's theory practice, it illustrates how practitioners and site influence each other over

time. Site influences practitioners through conditioning and cognitive construction. On the other hand, practitioners structure the site and carry out practices in a way that is favorable to them and resonates with their style and social conditions. Similarities in the elements of this phenomenon (the elements of the site and the practitioners) lead to similarities in practices, while their variations lead to variations in practices. The elements of the site include its immanent necessities and doxa. The elements that relate to the practitioners are their habitus and personal style. Figure 1 depicts this phenomenon. Illustrations also provide additional insight. They show how all practices of a practitioner make sense and resonate with her/his personal style.

[Insert Figure 1 About Here]

In the first two sections of the findings (5.1. Financial control practices, and 5.2. Personnel-related control practices), many practices show sameness or variations to other contexts and over time. Bourdieu (1977, 2000) explains the role of the practitioner in the phenomenon that leads to this sameness or variations. Examples of sameness include practices such as the double-entry method, accounting record-keeping, collecting and verifying resumes, and record-keeping for verbal and written notices given to employees. Some of these practices exhibit similarities across the board while others are common in a certain size of firms. To understand how this sameness in practices emerge, one needs to take into consideration, A) many commonalities in the situation that firms face when they are in the same industry, or country, or in general, and B) commonalities in the repertoire of action or pre-dispositions of habitus that inhibit in similar fields.

The commonalities that relate to the site (A), relate to immanent necessities of the situation or doxa of a field. An example of the immanent necessities of a situation is the need to verify the

level of commitment of future employees to run a successful business. Another example would be the need for owners to involve themselves in financial controls of SMEs in the developing country. Regarding the doxa of the field, examples would be the accounting regulation as per the IFRS, or the weight of the "word" of a manager in agreeing on terms of payments in the developing country.

In addition to the site, habitus (B) also plays a role in making practices the same as other contexts or over time. Habitus embodies dispositions from acting in the field and by learning from others (Bourdieu & Wacquant, 1992). These dispositions, although can change in certain circumstances, they are durable (Bourdieu, 1977, 1990). Since habitus dispositions (including repertoires of action and beliefs) come from the field, it is no surprise that in facing similar immanent necessities, and similar doxa, habitus carries out practices similar to others.

Regarding the variation in practices among firms, one can see A) a role for variation in the site's immanent necessities and doxa, and B) a role for practitioners' variation of habitus (including durable predispositions and repertoire of action), as well as variation of personal style in comparison to other practitioners.

Variations in immanent necessities and doxa among different sites are rather a clear concept. However, such variations can also incur over time in one context. Examples are switching to pay for performance in F7 when facing low cash flow, and changing job designs and organizational structures in F21 (Vignette 3).

In the case of F7, low cash flow (immanent necessity) causes the switch to pay for performance. However, one could perceive putting in a lower pay scale for all employees when a firm faces such an issue. This brings in the role of the repertoire of action. Following his education in an MBA program, the habitus of this manager embodies a different repertoire of action in

comparison to others who did not attend such a program. This difference in habitus allows him to perform a different practice facing this immanent necessity.

In the case of F21, it is indeed a major alternation in context when a key employee commits fraud. Alternation in context, emboldening a gap between the habitus expectations and the reality of the event, can cause alternation in habitus (Baxter & Chua, 2008; Bourdieu, 2000). This is also possible by cognitive construction (Bourdieu & Wacquant, 1992). In this case, a change in habitus (becoming less trusting and forgiving) leads to variations in practices in terms of job design and treatment of employees.

The above paragraphs discuss how variation in habitus whether in comparison to others or over time, can lead to variations in practices. However, not only habitus, but also personal style can also lead to practices with similarities and, in some cases, with variations in comparison to other contexts. The case of firm F9 shows how two managers in one organization exhibit different preferences in dealing with personnel. One emphasis on commitment, devotion and she protect her committed employees. The other is more inclined to management through bonding with them. Furthermore, Vignettes 1 and 2 provide extensive descriptions of how personal style exhibit itself like a stamp on all the products (i.e., practices) of a practitioner (Bourdieu, 1977). Such an effect makes some practices vary and some of them the same as other contexts. But they are all meaningful around an end that fits with the managers' personal style.

For example, in vignette 1, the owner-manager of a pharmacy in a religious city performs work practices in line with his style, that is about morality, religion, and peaceful family-oriented life. Following this style, the manager performs practices that are sometimes similar to other contexts and sometimes different. Examples of similarities in practices are creating a physical structure of the store in a way that prevents shoplifting or serving clients genuinely. Varying

practices include trusting all employees to access the cash register, or not worrying about inventory control vs revenue.

Vignettes provide some additional learnings as well. The vignettes show how managers structure their site as they know the site will be influencing the possible paths of action to choose from. In the case of the pharmacy (F12), the owner-manager's prior decisions and the way he set up and maintain his business allow him to conduct his career and his life in a peaceful and trusting manner that he prefers. His way of structuring his business allows him to trust his employees and not worry about inventory control or calculation of profit margin. It also allows him to provide the care and the attention that he desires for his immediate and extended family (this is a preferred or favorable condition for this manager). This vignette can also make sense through the eyes of Bourdieu, as the manager's approach to his work, matches his approach to family relations.

And we do indeed observe (in the form of a significant statistical relationship) a striking agreement between the characteristics of agents' dispositions (and social positions) and those of the objects with which they surround themselves - houses, furniture, household equipment, etc - or of the people with whom they most durably associate - spouses, friends and connections (Bourdieu, 2000, p. 150).

Structuring of the work environment is also the case for vignette 2. In the case of the small manufacturing firm (F25), the manager performs practices (hiring, giving voice, not bothering employees, and doing menial work to show care) that lead to having a team culture and friendly environment. According to Bourdieu (2000):

Habitus as a system of dispositions to be and to do is a potentiality, a desire to be which, in a certain way, seeks to create the conditions of its fulfillment, and therefore to create the <u>*conditions most favourable to what it is*</u> (p. 150).

Structuring of work environment and performing practices in a favorable way, also exist in vignette 3. The manager prefers to be with his family when he can. Therefore, he structures his business and distributes tasks in a way that allows him to be with his family, which is away from the retail store, when possible. Towards this favourable condition, he establishes the head office in the city where his family resides (use of spatial controls). Essentially, he structures the site in favorable way, which allows him to perform the financial transactions and purchasing while being with his family. This is not a necessity of the site.

Extant literature in the practice-based approach of organizational controls extensively illustrates and discuss the role of the site and how it leads to fluidity or variation in practices (Ahrens, 2009; Ahrens et al., 2018; Ahrens & Chapman, 2007; Baxter & Chua, 2008; Jørgensen & Messner, 2010; Nicolini & Monteiro, 2017; Tekathen, 2019). A good example of the above is the study of Tekathen (2019) who draws on Schatzki (2002) to discuss how the mesh of practices and arrangements qualify some courses of action as "more accurate, formally correct, recognizable, yet not-so-straightforward, …, responsible, more or less relevant, tougher, more unpleasant, stressful, as well as riskier path" (p. 999).

Discussions with managers in the sample show that, in finding a path of action qualified or not, managers behave in accordance with the available' skills (repertoire of action), their conditionings (beliefs), styles, and intentions. For instance, the owner-manager of the pharmacy (vignette 1) emphasizes doing the right thing according to his beliefs and he uses his knowledge

of pharmacology in that regard. His practices also allow him to have a peaceful family life. That is his intention, or in Bourdieu's words, it is a "favourable" condition of his "fulfillment" (Bourdieu, 2000, p. 150). Following the above, the findings of this study contribute by incorporating and conceptualizing how practitioners play a role in applying controls with a degree of sameness of variation across contexts. In doing so, this study contributes -, by conceptualizing the role of practitioners, - to the practice-based studies of controls that historically emphasis the influence of the site on controls (Ahrens & Mollona, 2007; Tekathen, 2019).

According to Ahrens (2009) functionalist view of practices bring in the element of "agency" and intention (p.11). Bourdieu's (1977) view of practices bring in a central concept of habitus that embodies different elements from the site through conditioning and "cognitive construction", and who in turn tries to structure the site towards what it believes to be its favorable conditions, and it also possesses a certain style (Bourdieu, 1977, 2000; Bourdieu & Wacquant, 1992, p. 127). Relying on these elements, it becomes clear how elements of site and practitioners, together, influence practices that in some circumstances vary and in other circumstances similar to other contexts. As previously mentioned, similarities in the sites, and what habitus learns from it, many times lead to similarities in practices. On the other hand, when conditions of fulfillment of practitioners (favorable conditions) differ, they may try to structure their site towards their favorable conditions.

Furthermore, extant literature discusses how controls can be seen as cultural practices (Ahrens & Mollona, 2007). Based on vignettes 1 and 2, this study presents a role for managers in structuring the culture of their organization in a way that following practices fall in line with their style. This suggests that the culture or general approach of an organization could be influenced by its leaders' approaches and style.

The above discussions illustrate how Bourdieu's (1977) theory of practice can be beneficial to conceptualize control practices. In specific, Bourdieu's (1977) theory of practice could complement the prior practice-based conceptualizations of controls (Ahrens & Chapman, 2007; Arena et al., 2010; Quattrone, 2009; Tekathen, 2019) by illustrating the role of the practitioners, in mutual relation with the site.

2.7. Conclusion

This study brings the focus on the role of practitioners and their relation to the site, on how practices are applied with a degree of sameness or variation. It presents how and in what circumstances, the site and practitioners would influence each other and would lead to practices with similarities or variations among context and over time. Bourdieu (1977) sees a dual relationship between the site (the field) and the habitus. In this relationship, habitus influence the site and also embodies different elements from it. While this mutual relationship is ongoing, at any given point, practitioners perform practices as per the immanent necessities of the situation, doxa of the field, their durable predispositions, their repertoire of actions (last two being parts of habitus), and personal style.

In other words, this study illustrates how practitioners (managers) adapt their use of control practices based on the necessities and rules of the field, and also their intentions, favorable conditions, and style. It also shows how the site influences managers' habitus, and how managers can structure the site to perform favorable practices. By doing so, this study provides more emphasis and elaborates on the role of practitioners and provides a complementary view for prior practice-based studies of controls. Furthermore, the findings and the conceptualization in this study

show how Bourdieu's (1977) theory of practice could be beneficial in a complementary way to the conceptualization of control in a practice-based approach.

Although this study is limited in generalization based on its qualitative method, the learnings are transferable to different contexts. This study raises several interesting avenues to be explored further. Future studies can explore more in-depth the mutual relationship between the site and the actor and especially on how actors architect or structure their site in a way that allows certain practices. Furthermore, since habitus performs practices that resonate with its social position and trajectory, future research can investigate the influence of managers' social or career trajectory on the way they perform practices.

2.8. References, figures, and appendices

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Figure 1

Figure below, represents a summary of the findings. Practitioners and the site influence each other. Practitioners can structure the site towards favorable conditions, while the site influence practitioners through cognitive construction and conditionings. In this dynamic, practitioners relay on their repertoire of action, durable dispositions, and personal style to generate practices that works withing the rules and the necessities of the site.
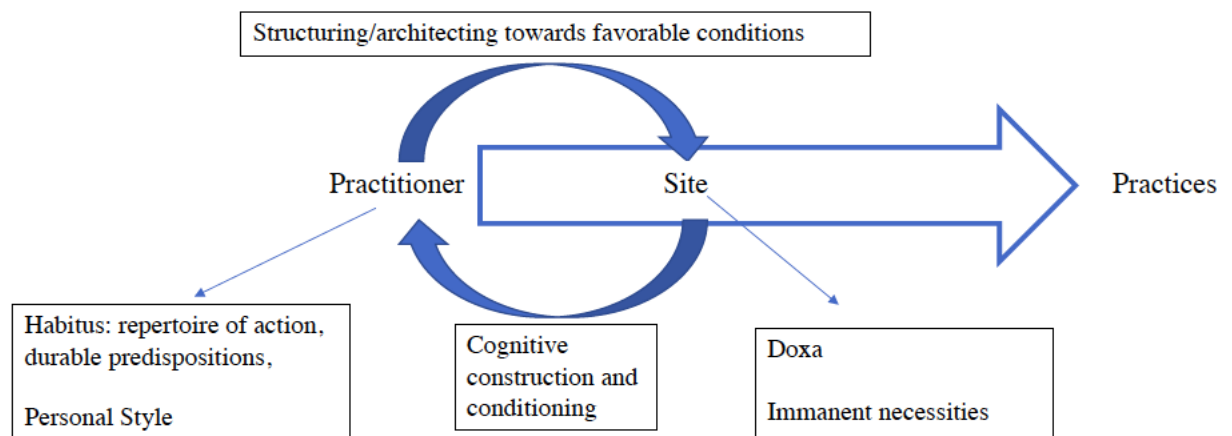
Figure 1. The dynamic between the sites and the practitioners as they carry out practices

Appendix 1: Firms in the sample.

According to statistics Canada:

https://www150.statcan.gc.ca/n1/pub/11f0027m/2011069/part-partie1-eng.htm

Small sized enterprise 0-99 employees

Medium sized enterprises 100-500 employees

Count	Firm Code	Size	Industry	Type of economy
1	F1	Small	ecommerce - Household appliances	Developing economy / Middle east
2	F2	Small	Child Care	Developed economy / North America
3	F3	small	Manufacturing/construction	Developed economy / North America
4	F4	Medium	Retail	Developing economy / Middle east
5	F5	Medium	Retail	Developing economy / Middle east
6	F6	Small	Education	Developing economy / Middle east
7	F7	Medium	Engineering design and testing	Developing economy / Middle east
8	F8	Small	Entertainment	Developed economy / North America
9	F9	small	Health Care	Developed economy / North America
10	F9	Small	Health Care	Developed economy / North America
11	F10	Small	Software	Developed economy / North America
12	F11	Small	Health Care	Developing economy / Middle east
13	F12	Small	Health Care/Pharmacy	Developing economy / Middle east
14	F13	Small	Health Care	Developed economy / North America
15	F14	Medium	Health Care - delivery	Developing economy / Middle east
16	F15	Medium	Manufacturing	Developing economy / Middle east

17	F16	Medium	Manufacturing	Developed economy / North America
18	F16	Medium	Manufacturing	Developing economy / Middle east
19	F17	Medium	Manufacturing	Developing economy / Middle east
20	F18	Medium	Manufacturing	Developing economy / Middle east
21	F19	Small	Food/restaurant	Developed economy / North America
22	F20	Small	Food/restaurant	Developed economy / North America
23	F21	Medium	Retail	Developing economy / Middle east
24	F22	Small	Software	Developing economy / Middle east
25	F23	Small	Software	Developed economy / North America
26	F24	Small	manufacturing	Developed economy / North America
27	F25	Small	Manufacturing	Developing economy / Middle east

Appendix 2 – Interview guide

Before starting:

·   Obtain consent to conduct interview

·   Explain interview structure

Structure:

Part A. Introduction of interview partner, his career experience and the business he developed

Part B. Discussion of control practices.

Part C. End of interview

Part A. Introduction of interview partner, and his career experience

Could you please introduce yourself and your prior career experience?

Could you please introduce your business?

Part B. Control systems and their use.

Let's talk about the systems/procedure that you have in place to control your organization either in the financial aspect or in the operational aspect or in strategy formation.

What main areas of activities you oversea and what systems you use to control each area?

What working systems/procedures you have in place at your organization?

How do you formulate Strategy and what systems did you use to do so?

How do you plan? What systems did you use to plan the operations and sales?

How do you allocate resources? Which system do you use in order to do that?

How do you set sales and operational objectives? Which systems do you use to do that?

How do you monitor performance of the firm? What key performance indicators do you use?

How do you monitor, direct, and empower employees? What systems do you have in place in that respect?

How did you gather different information and apply your learning in the strategy (or operation) of the firm? Which control systems helped you in this process?

Could you please discuss your activities and systems regarding planning and strategizing for your business?

Could you please give an example?

Could you please discuss your activities and the systems or established regarding directing personnel, motivating them or making sure they don't cross the red lines?

Did you develop written work procedures? How do personnel know the objectives?

What was the importance of these practices for your business?

Could you please give an example?

Do you develop annual or monthly budget or forecast?

Do you have a formal system to measure employees' performance?

Do you have a formal system to measure the firm's performance?

What are the work procedures (planning, quality, reporting, etc..) that you have developed for your work? Can I see their forms or the computer-based system for that procedure?

Could you please give an example?

Explain: Now let's go through a list to make sure we don't miss any control system. Some SME don't and some do have these systems. Both are okay.

We would like to see what you have in place and how do you use each one?

Probe for examples of control systems and levers of control

KPIs - financial or non-financial

Learning and strategizing systems, risk management (interactive)

- Operation or production Planning system (interactive or diagnostic levers)

- Managing personnel's systems or practices (belief and boundary)

- Measuring personnel's performance (diagnostic)

- Budgeting and forecasting practices, annual or monthly (diagnostic, and boundary)

- Production-related reporting systems used (diagnostic)

- Production-related performance measurement systems Used (diagnostic)

- Inventory management

- Risk management

- Security control

- Organizational chart

- Balanced scorecard

- Mission Statement

- Written statement of the firm's values

- Compliance control

- Benchmarking

- Continuous improvement

- Quality Control / Assurance

- Knowledge management

- Asset management

- Code of conduct

Use of controls

For each of the control systems that you have confirmed in this interview:

Repeat for Control System # 1 to #N

Could you give an example of the use of this control system?

How did you use it?

Why did you use it?

Which of the four levers of control (belief, boundary, diagnostic, and interactive) were more important for you during your work?

You spend most of your time on which parts of the business activities? why?

What are your personal values and goals for the business?

How do you use the discussed control systems towards reaching these goals?

Part C. End of the interview

Is there any other work procedure or system you would like to tell me about?

Would you please suggest another member of the team who worked with the discussed practices and systems for my next interviews?

Chapter 3. Variations of perceived employee behavior and managerial use of controls

3.1. Introduction

This study's research question is whether and how perceived variations in employees' behavior in response to existing controls and expectations influence how managers use controls in regard to their employees. The significance of this question derives from the fact that individual variations in employees' behavior, could have serious consequences for organizations (Balfour & Wechsler, 1991; Thau et al., 2007; Whitener, 2001). Given this, managers would probably try to control or direct such consequences, and in doing so they rely on their own understandings (perceptions) of employees' behavior. By incorporating the possible influence of individual variation in how controls are used, this study moves beyond the commonly assumed generic view of employees, towards a more realistic understanding of controls as they are used in practice.

Ensuring desired employee behavior is a main function of managerial controls (Hopwood, 1976; Merchant & Van der Stede, 2007). In fact, researchers often define management controls on this basis (Malmi & Brown, 2008; Merchant & Van der Stede, 2007). For managers in the field, success in controlling employees' behavior or empowering them is important because it has many consequences for organizations (Flamholtz, 1971; Merchant & Van der Stede, 2007; Whitener, 2001). To do so, managers use several controls as a system or package to enable or direct desired behaviors and to restrict undesired behaviors (Malmi & Brown, 2008; Mundy, 2010; Tessier & Otley, 2012). However, in this stream of research, employees are seen as a generic group that is subjected to control mechanisms more or less in a uniform manner. There is scant reference to the use of controls in response to nuances and variations in behavior that managers observe among employees.

Several behavioral studies investigate variations in employees' behavior along with its antecedents and consequences (Balfour & Wechsler, 1991; Giraud et al., 2008; Gottfredson, 2006; Mowchan et al., 2015; Thau et al., 2007; Whitener, 2001). Many individuals act positively, within or better than expectations and rules, and some do not.

Social exchange theory (Cook et al., 2013), and social bond theory (Hirschi, 1969) provide conceptual lenses to examine variations in employee behavior and their interactions with managers in reaction to controls. Social exchange theory considers the balance of financial and non-financial exchanges between an organization (including manager and colleagues) and an employee. In this view, organizational members' interactions and relationships are perceived as a social exchange, in which rewards (or gains) may or may not be worth the cost (Cook et al., 2013). Behaviors could make sense by understanding the social and monetary exchanges. An employee's perceived contribution may be returned by a manager's supportive decision, or if the rewards do not match the costs, one may leave the interaction or contribute less. In social exchanges, perceived fairness and low possibility of exploitation, facilitate individuals' contributions (Cook et al., 2013; Homans, 1974). When the risk of non-reciprocity is low, and rewards are achieved as expected, individuals are more likely to commit, and act in the interest of the organization rather than in self-interest (Aryee et al., 2002; Cook et al., 2013; Thau et al., 2007). In other words, receiving rewards as expected, reinforces a behavior.

Furthermore, Hirschi's (1969) social bonds theory posits that the strength of individuals' bonds (commitment, attachment, involvement, and belief) to an organization or their society, in general, determine the degree to which their conduct is in accordance with the expectations and rules of their organization or their society.

The studies that look into social bonds and social exchanges, do not explicitly consider how managers may adjust their use of controls in response to perceived differences in employees' behavior. Naturally within the context of an organization, and as managers rely on different mechanisms to control, direct, and empower employees, one would expect variations in employees' behaviors in response to these control mechanisms. What happens to control mechanisms when they lead to a variety of responses across employees? An important question here is how managers face or deal with perceived variations of employee behavior as they use different control mechanisms. Do managers introduce nuances to their use of controls to account for employee differences?

To investigate these questions, 25 in-depth interviews are conducted with managers who work in a variety of organizations of different sizes, industries, and governance structures. Moreover, sample firms emanate from two different economies (Canada and a developing economy in the Middle East).

We rely on social exchange and social bond theories to interpret the data. This selection is based on their relevance. First, social exchange theory provides a lens to interpret managers' use of controls. When managers perceive variations in employees, their subsequent use of controls can be seen as a behavior with its own costs and rewards. In other words, managers can use controls in exchange for desired outcomes or to limit undesired ones. These reflect the rewards and costs of their use.

Second, the social bond theory posits that individuals behave in line with the rules and expectations, based on their strength of social bonds (commitment, attachment, involvement, and belief). As data indicates, managers, in their interactions, develop an understanding of the strength of these bonds for each employee. In other words, managers do not use controls necessarily based

on a sole behavior that they observe, rather they develop a perception and understanding of overall attributes and characteristics of employees while observing their behavior at work. Social bond theory provides a lens to understand these attributes and help us understand managers' subsequent use of controls in response.

Interpretation of the data illustrates how controls are used in a form of social exchange by managers (organization) in response to perceived employee behavior. In other words, managers rely on controls, in a social exchange vis a vis employees. In this social exchange, managers use controls to reinforce employees desired behavior through rewards such as higher autonomy, more important position, verbal affirmation, empowerment, and financial compensation. Furthermore, similar to the premises of social exchange theory, managers use controls to reduce or eliminate costly and undesired behaviors.

We also find a role for three (out of four) forms of social bonds (Hirschi, 1969). Managers, by observing employees' behaviors in response to existing mechanisms of controls (e.g., directives), develop an understanding (or a perception) of employees' level of commitment, attachment, and belief. In exchange, managers take specific approaches toward specific employees and purposefully adapt their subsequent use of some controls to reinforce the existing behaviors, or to achieve the desired level of control or outcome. In a more general way, managers introduce nuances in their use of specific controls for specific employees. Such nuances reflect received feedbacks. Furthermore, findings indicate that a strong attachment between managers and employees along with commitment reduce the need for other controls such as penalizing, job descriptions, tight boundaries, and close supervision. Managers who have strong attachments with their employees, tend to leave them to operate on their own with minimum supervision.

This study contributes to the management control literature in several ways. The main contribution of this study is to illustrate how perceived variations in employees' behavior lead to different uses of controls by managers in regard to their employees. This study brings into the discussion a new contingent factor that affects the use of employee-related controls by managers. Researchers show that national culture and generational characteristics of members of organizations (employees) are among the factors that determine the effective ways of control (Chenhall, 2003; Chow et al., 1999; Harrison & McKinnon, 1999; Petroulas et al., 2010). This study builds on the above literature and shows how perceived individual-level variations, also, influence the use of management controls such as personnel selection, job design, performance evaluation, rewards and compensation (Campbell, 2012; Heinicke et al., 2016; Henri, 2006; Malmi & Brown, 2008; Mohamed et al., 2014).

Another contribution of this study is towards the discussion on controls that complement and/or substitute others (Chenhall, 2003; Malmi & Brown, 2008). It provides additional insight by illustrating how strong attachment between managers and their employees could reduce the need for other forms of controls such as close supervision, tight boundaries, penalizing, or written work instructions.

Finally, this study extends the use and show the relevance of Hirschi's (1969) social bond theory, as well as social exchange theory in the domain of management accounting and controls. The social bond theory is useful in understanding why some individuals behave according to or regardless of expectations and rules. Social exchange theory provides an alternative vision to understand how managers may use controls to reinforce or reciprocate employee contributions or to direct or restrict other behaviors. Despite this relevance, researchers in the domain of management accounting and control, have not benefited from these theoretical views.

The rest of this paper is structured as follows. The next section reviews management accounting and control literature on employee-related controls and behavioral variations. The subsequent section discusses the theoretical underpinning. Afterward, the paper's qualitative research approach is presented, followed by findings, discussion, and conclusion.

3.2. Prior Research

According to Merchant and Van der Stede's (2007):

management control involves managers taking steps to help ensure that the employees do what is best for the organization. ... [and] to guard against the possibilities that people will do something the organization does not want them to do or fail to do something they should do (Merchant and Van der Stede, 2007, p.8)

In line with the above, this study defines management controls as "systems, rules, practices, values and other activities management put in place in order to direct employee behaviour" (Malmi & Brown, p.290). Literature informs us about a variety of employee-related controls and how they function. Examples include rewards and compensation, administrative controls (Malmi & Brown, 2008), standardized work procedures (Daft & Macintosh, 1984; Falkenberg & Herremans, 1995), belief system such as mission statements, boundaries such as code of ethics (Simons, 1994), employee selection (Campbell, 2012; Wang et al., 1998), and social/cultural/clan controls (Hopwood, 1976; Malmi & Brown, 2008; Ouchi, 1979).

Among social/cultural controls, Ouchi (1979) provides a conceptual framework and categorizes different controls. One of the control classifications is clan controls which is related to

common expectations, values, and beliefs in a group. Malmi and Brown (2008) discuss this concept under the term of cultural controls. By reviewing the literature, they describe cultural controls as: "The values, beliefs and social norms which are established influence employee's behaviour" (Malmi & Brown, 2008, p. 292). Furthermore, it should be mentioned that different forms of controls can replace or complement each other (Kreutzer et al., 2016; Malmi & Brown, 2008).

Controls can be used in different ways. For example, they can be used in a loose or a tight fashion, or an enabling and restricting ways (Khandwalla, 1972; Mundy, 2010). Also, to achieve desired results, controls should be used with fairness. Cogueró-Escofet and Rosanas (2013) argue that "(in)justice are determinants for MCS to achieve specific levels of goal congruence, independently of the situation". Giraud et al. (2008) show the importance of fairness in the measurement of managers' performances.

It is well established that "appropriate [controls] will depend upon the specific circumstances in which an organization finds itself" (Otley, 1980, p. 84). Examples of these circumstances are the type of the firm, technology, and size (Chenhall, 2003). Some of these influencing factors are related to human actors whether they are the user of controls (managers in a supervisory setting) or their subjects (e.g. lower-level employees being supervised). For instance, national culture and generational differences are found to influence the effective or preferred ways of controls in organizations (Chen et al., 2002; Efferin & Hopper, 2007; Etemadi et al., 2009; Petroulas et al., 2010). In these studies, employees from one culture or one generation are seen together as a generic group. For example, Pertoulas et al., (2010) look at the controls that are effective or preferable by generation X and generation Y. Efferin and Hopper (2007) study "socio-cultural aspects of management control in a Chinese Indonesian manufacturing company" (p.223).

To advance this stream of research, this study goes beyond the generic view of employees and considers their individual variations and nuances, in response to existing controls. Since it is the managers who decide to use controls, this study captures employees' individual variations and nuances as perceived by the managers. Even from the same culture or generation, and even in the same context, employees vary in their characteristics and behaviors (Balfour & Wechsler, 1991; Hollinger, 1986; Thau et al., 2007; Whitener, 2001). Social exchanges and social bonds provide ways to understand these variations, as well as managerial responses to them based on their own perceptions.

Social exchange theory posits that individuals (employees and managers) consider the reward and cost of their relationships (Aryee et al., 2002; Cannon & Herda, 2016; Herda, 2010; Herda & Lavelle, 2012). Therefore, if individuals expect exploitation or no reciprocity, they shall not contribute to the other party in that social exchange or vice versa. Furthermore, to maintain or "reinforce" received benefits, individuals honor or continue their contributions in the social exchange (Cook et al., 2013, p. 54). In other words, an employee who perceives that he/she receives fair rewards is more probable to contribute to the organization.

In addition to the view of social exchanges, some employees, in general, have a higher tendency to conduct themselves according to the rules, while some show unethical or antisocial behaviors such as aggression toward colleagues, spreading rumors, stealing or damaging properties, taking longer breaks than allowed and more (Curtis & Upchurch, 2008; Mowchan et al., 2015; Sims, 2002; Thau et al., 2007). These behaviors can be understood with the strength of an individual's social bonds to their organization and society (institutions). These bonds include commitment, attachment, involvement, and belief. According to Hirschi's (1969) social bond theory, the strength (or weakness) of social bonds of an individual relates to the degree of

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compliance of that individual to social expectations and rules. Different studies find weakness or strength in Hirschi's (1969) social bonds can explain deviant behavior, ethical rule-breaking, creating a positive service culture, and turn-over (Banerjee-Batist & Reio, 2016; Curtis & Upchurch, 2008; Hollinger, 1986; Sims, 2002). Managers, as they work with their employees, gain an understanding (a perception) of these employees' attributes. Whether objective or not, they may use controls in response to their understanding of employees. The question that remains to be answered is how managers face and deal with these behavioral variations in order to obtain their desired level of control and to achieve behavior that they perceive the best for their organization. More specifically, whether and how managers adapt their use of controls in response to these behavioral variations which they perceive at work?

3.3. Theoretical underpinnings

3.3.1. Social exchange

Social exchange is defined as exchanges of activities, tangible or intangible, that carry some cost and reward. In this view, behaviors are seen as functions of payoffs (or rewards), and costs are mostly seen as forgone opportunities (alternative possible reward). Social exchange theory is used to find the consequences of auditor-client commitment (Herda & Lavelle, 2015), and to explain organizational citizenship behavior of The Big 4's alumni in relation to their prior employer. When an actor perceives that her/his behavior is rewarded fairly, the behavior is reinforced (Blau, 1964; Cook et al., 2013; Homans, 1974). Individuals react with emotion (e.g. anger) if they don't receive a "fair rate of return" which brings in the concept of distributive justice (Cook et al., 2013, p. 55).

Relying on the social exchange theory, Herda & Lavelle (2012) find that "perceived fair treatment by the firm" relates to the auditor's commitment to the audit firm, and reduces auditor burnout or intention to leave (p.707). Fairness (organizational justice) is also found to influence employees' job satisfaction and turnover in public accounting firms (Parker & Kohlmeyer III, 2005).

Social exchange theory is not only useful in understanding employees' behavior, but also managers and their use of control. Managers make one side of social exchanges with employees. Based on the premises of social exchange, managers (as representatives of the organization) are expected to use the tools that are within their control, whether to reinforce desired behaviors (rewards for the organization) or to restrict undesired behaviors. In other words, managers can use controls, considering the social exchanges with employees. In fact, many studies find human resource practices, that are designed to influence employees' commitment and their level of contribution to the firm (Gould-Williams, 2007; Gould-Williams & Davies, 2005; Whitener, 2001).

This section discussed the view of social exchange to understand behaviors and responses to them. In the following sections, the social bond theory will be discussed to present the elements that cause individuals to behave according to or regardless of social expectations or rules.

3.3.2. Hirschi's social bond theory

According to Hirschi (1969), the strength of social bonds of an individual to his/her institutions (or organization), is related to the degree that the individual behaves according to or regardless of the rules and expectations of that institution (or organization). Furthermore,

individuals who have personal investments in themselves in the form of education, career,

and personal relationships are less likely to engage in deviant behavior because they are

able to rationally anticipate the risk of losing their investments in conventional behavior

(Bielby, 1992, p. 292).

Hirschi (2002) puts forward four elements of social control or bonds: attachment, commitment, involvement, and belief. According to Hirschi (2002), when a committed person understands that her decisions and actions would have "consequences" for her "other interests", she reconsiders those actions and decisions (Hirschi, 2002, p.20). In other words, "commitments are associated with sustained lines of activity across situations" (Bielby, 1992, p. 283). For instance, if a person is interested in developing his career and in moving to higher positions in the same or other organizations, he would refrain from going against expectations which could, in some way, have consequences on his career. Hollinger (1986) finds an association between lack of commitment and acting against an organization's property. In the context of an audit group, Alleyne et al. (2019) show that commitment and attachment to the group prevent individuals from acting against it even if the group is engaged in questionable practices.

Another element of the social bond theory is attachment. The managerial control literature informs us that shared values and norms are internalized by members of organizations. However, not all members of an organization (or any group) internalize such values to the same extent. According to Hirschi (2002): "the essence of internalization of norms, conscience, or superego … lies in the attachment of the individual to others" (p.18). Hirschi (2002) does not explicitly define attachment but in his discussion of attachment to parents, he refers to attachment as "emotional bonds" (Hirschi, 2002, p.86). Curtis and Upchurch (2008) find that attachment contributes to

positive work culture. Bru et al. (2002), find that teachers' emotional support leads to a higher attachment between students and teachers and therefore leads to desired behavior in class. Thau et al. (2007) find employees' level of trust increases their attachment to other members of their organizations and reduces anti-social work behavior. Batist and Reio (2016) find that secure attachment to mentors reduces junior faculty turnover and increases their commitment to their universities. Hollinger (1986) and Sims (2002), respectively find attachment to reduce counter-productive behavior and rule-breaking.

The third element of social bond according to Hirschi (1969) is involvement. The essence of the argument is that when a person is occupied doing conventional things, he/she will not have the time and energy to engage with deviant behavior. "The person involved in conventional activities is tied to appointments, deadlines, working hours, plans, and the like, so the opportunity to commit deviant acts rarely arises" (Hirschi, 2002, p.22). Hollinger (1986) finds that "counter-productive behavior is better understood using a combination of commitment, attachment, and involvement variables in the model" (p.53). Sims (2002) also finds that involvement is associated with a lower likelihood of rule-breaking (Sims, 2002, p.101). Involvement along with attachment is also found to contribute to positive service culture and to have a fun work environment (Curtis & Upchurch, 2008).

Last but an important element of social bond is belief. A clear example is a newcomer to a group or a society. Not carrying the same beliefs, the newcomer does not necessarily respect or even understand all the social norms. Not only newcomers but anyone could possibly reject certain rules. According to Hirschi (2002): "Many persons do not have an attitude of respect towards the rule of society; many persons feel no moral obligation to conform regardless of personal advantage" (p.25). The role of belief (systems) in-group norms and values, as a control mechanism,

is well established in managerial accounting literature (Hopwood, 1976; Malmi & Brown, 2008; Merchant & Van der Stede, 2007; Ouchi, 1979). However, Hirschi (1969) sees individuals ranging in the degree of acceptance or internalizing those values and norms. Drawing on Hirschi's (2002) work, Mowchan et al (2015) study the antecedents to unethical corporate conduct in an accounting context. They find believers in the rules and standards of a society better identify unethical directives.

As discussed above, Hirschi's (1969) social bond theory, as well as the view of social exchanges help us to understand causes of variation in employee behavior including prosocial or anti-social. These theories also help us understand managerial use of controls in response, which has its own rewards and costs. In other words, managers face behavioral variations among their employees and follow through with their side of social exchange. They use controls, which is a behavior in itself, and in doing so they consider the rewards and costs of their use. This study benefits from these insights to explore the ways that managers control their employees who exhibit a variety of behaviors in the context of an organization.

3.4. Research design

3.4.1. Qualitative research method

Qualitative research methods provide a close connection between the researcher and the field. In specific, in-depth semi-structured interviews provide a chance to receive rich data from the field participants (Ogden & Cornwell, 2010; Schultze & Avital, 2011). Interviewees provide explanations, insights, and a sense of "what is going on in the social world" (Lukka & Modell, 2010, p.466). In other words, the application of an interview-based qualitative method helps to find explanations or causations from the point of view of direct witnesses/interviewees (Lukka,

2014). In case of this study, the rich data from interviews help in the understanding of what is going on in the social world when managers face variations of individual behaviors among their employees. While surveys are suitable to test hypotheses, this study aims to capture managers' understanding of the phenomenon and the causal sequence that is involved. It is important to mention that it is the manager's perceptions and understandings that lead him to any potential use of controls in regard to employees. Therefore, this investigation is based on managers' perceptions of employees' behaviors and characteristics.

Following semi-structured interviews, taking an interpretive approach has the potential to provide new insights (Ahrens & Chapman, 2006). "Interpretive approaches encompass social theories and perspectives that embrace a view of reality as socially constructed or made meaningful through actors' understanding of events" (Putnam & Banghart, 2017, p.1).

This study assumes views of social exchange theory and Hirschi's (1969) social bonds regarding individual behaviors and managerial responses. Interpreting the data by encompassing these theories provides us with new learnings about how managers use controls when they face a variety of individuals with different attitudes and behaviors.

The works of Guba and Lincoln (1982), and Lukka and Modell (2010) are used as a guideline to assure the quality of this interpretive research. The result section of this paper provides detailed and thick explanations of the phenomenon to get across social actor's meanings, reasoning, and thought processes as collected during interviews (Gephart, 2004). Additionally, prolonged involvement of the main investigator with the business world and with some of the interviewees helps better capture the underlying factors and different aspects of the phenomenon (Ahrens & Chapman, 2006; Guba & Lincoln, 1982).

3.4.2. Sample selection

The focus of this study is to capture managers' understanding of employees' behaviors and how they adjust their use of control in response to these perceived behaviors. Accordingly, managers from a high variety of firms are selected to participate in the interviews. The sample selection aims for a high variation to include different contexts in which managers supervise their employees. Firms with different sizes, industries, governance structures, and from two different economies (Canada and a developing economy in the middle east) are interviewed. The above interviewee selection is to maximize variation to support higher generalizability (Cooper & Morgan, 2008; Flyvbjerg, 2006), or in the case of qualitative research, strengthens the theoretical abstraction (Lukka & Kasanen, 1995). High variation also helps in identifying common versus context-specific phenomena, and finally, it provides plural views regarding the same phenomenon.

The sample includes 25 interviewees from 23 firms. Potential firms are identified through the researchers' professional network and asking for referrals from existing interviewees. The interviews continued until common themes emerged, repeated, and no tangible further insight was expected. Appendix 3 presents information regarding the sample.

3.4.3. Data collection and analysis

The data collection underlying this study has obtained ethics clearance from Concordia University[6]. Data is collected via semi-structured open-ended interviews. In the case of small and medium-sized firms, interviewees are the central executive figure of the firm (CEOs or general managers). In large firms, interviewees are managers of departments or teams.

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6 - Ethics approval based on summary protocol form # 30011644

An interview questionnaire is used to guide the interviews. First, managers are asked to talk about themselves, and their organization. The next section asks about how they control, direct, and empower their employees and the ways they are using controls in relation to them. Thereafter it also inquiries about varying employees' behavior and how this affects the way managers control their teams. Appendix 4 presents the interview guide.

The questions are posed in an open-ended form to allow more in-depth discussions and inquired about examples to illustrate the responses made by interviewees. Interviewees are free and encouraged to talk about any matter that they felt related or interesting (Patton, 2002.). Interviews are recorded as permitted by the interviewees. Only three interviewees preferred not to be recorded. Interviews range from 40 to 90 minutes. Interviews that are not in English are translated, then transcribed. In some cases, interviewees are contacted after the interview for follow-up questions to clarify specific matters.

To analyze, mental maps are developed based on the interview data (similar to (Abernethy & Brownell, 1997; Byrch et al., 2007; El Masri et al., 2017) and compared across cases. "A cognitive map is a representation of an individual's personal knowledge and own work experience" (Abernethy et al., 2005, p. 138). It helps visualization of information that is in the format of text or is communicated verbally (Davies, 2011). It also helps by visualizing causality as perceived by the interviewee, and by comparing or joining together similar observations and therefore seeing trends.

There is no specific rule to develop mental maps and it could adapt to serve the purpose. Microsoft Office is used to graphically visualize the two central concepts of the study, by drawing a shape around the word on a blank page. The first central concept is variations of employees' behavior, as perceived and described by managers, and the second is managers' use of controls in

response. Then the observations are listed underneath the main concepts. For example, specific behaviors are listed under variations (e.g. staying late at work, listed under behaviors), while managers' actions such as hiring, penalizing, or giving benefits are listed under uses of controls. Thereafter a line is drawn to show causality (as perceived by the interviewees) between one observation (e.g. staying late at work), to another (e.g. giving benefits). Repeating this practice helps us to visualize common trends. For example, by listing uses of controls, one can observe that some uses are accommodating while others are limiting. Then sub-concepts of "accommodating" and "limiting" are written close to the uses of controls and related the to their respective uses. A similar practice is performed regarding the behaviors and they gather around emerged sub-concepts such as commitment, or good relationships (attachment as in the social bonds). Repeating the same practice, provides a visualization of the data, and a relation between events as described by interviewees.

Wheeldon & Faubert (2009) discuss mental maps and point to the researcher's bias as a potential issue. Prolonged engagement and familiarity of the investigator with the business world, having 25 interviewees' points of view, and interpreting the findings with two long-standing sociological theories assures against researcher's bias.

3.5. Findings

All the references to employees' behavior in this section are based on managers' perception and their view of the events.

3.5.1. Social exchanges and use of controls

Interviews show the social exchanges and the role of fairness in the use of controls. Findings illustrates how managers respond to employee variations (including potential future employees), by using controls in enabling or restricting ways to balance the reward or costs of the social exchange. Regarding social exchanges in the personnel selection process, managers look for the gains of hiring a specific candidate. The manager of firm #25 (F25) mentions regarding the hiring process:

I asked questions in 6-7 different areas. [I look for] values like problem solving skills, cooperation abilities, trying to help solve other people's issues, their commitment to the organization, reason for them for looking for the job (only money or also learning). If they are willing to stay for a long time or a short term. How much creativity they have?

In this social exchange, managers understand that employees from the working class, or, a certain gender can provide the firm with more gain, in comparison to other classes or genders. Therefore, hiring them is preferable. The manager of F6 (an education institute) hires teachers that "their life and financial level are not too high or low". Also, the manager of F24 mentions that:

Men usually have higher expectations, they look for higher salaries and they soon leave if they have a good CV. Girls are better in that term, but also their marriage and maternity leave and etc. can also be an issue. They have lower expectations. Overall, I think in [this country] female employees are better than men.

The above quote from the manager of F24 shows how this manager sees and explains the rewards or costs of each choice in the personnel selection process. He sees a reward for hiring female employees in comparison to men because they stay committed to the organization longer. He continues onto another point about the importance of class:

[Family] shows their social level. People who come from families whose parents are teachers or work at office, they are highly compatible with our team. Their families are also more understanding when the company is much busier, and the employee has to stay long at work. But the applicants that come from families that have Bazari jobs [buying and selling businesses], they do not really understand the situation and they do not cooperate.

Not only class, but managers also consider candidates' career trajectories to see if the job is rewarding enough for the candidate. The manager of F3 mentions: "if I hire someone that is already past this stage or is over-qualified, I am not doing something good for that person, and he will also lack motivation and enthusiasm". The manager of F24 usually hires "less experienced people and train them. If they perform well, then" he promotes them. This shows that managers also consider the rewards that the employees receive and the consequences of that.

The above quotes illustrate managers' considerations of rewards and costs for themselves and for the employee in using personnel selection controls. Consequently, this consideration influences managers' use of personnel selection control to enable or restrict the candidate from moving forward in the process.

Not only in the hiring process but considerations of rewards and costs of social exchanges also show themselves in setting the compensations for employees. The manager of F23 mentions

how he provides a fair rate of return for the contributions he wants from employees: "If I pay minimum salary, what should I expect from my guys? I don't want any secondary employee or background operator, each one of them should count, like Costco". The manager of F6 also rewards the desired behavior to reinforce it: "The bonus could be verbal or financial. If someone [a teacher] influences a student very well, I acknowledge that in the whole group".

The manager of F19 (three small restaurants in the Toronto area) emphasizes that cleanliness is a high priority for his business. He gives financial rewards for a "high number of sales and serves" or if the employees "do a good job in terms of cleaning". On the other side, he recites an argument that he had with an employee which ends up with a layoff: "I am very serious about cleaning. When that employee said he cannot do the cleaning, I fired him. In other cases, if the employee did not do the cleaning well, I did not tip them". In this case, the manager considers the cost of this employees' behavior, or in other words, the cost and benefits of his decision (penalizing or not) regarding the employee, considering that lack of cleaning has serious consequences for a restaurant.

The manager of F8, recites a prior experience "I tried to share my experience. The person did not care much about the job, he cared about the paycheque. What I wanted to do was to transfer him to a different department". In these incidents, managers use controls to reduce or eliminate the cost of undesired behaviors.

As it appears to this point, uses of controls, carry with them social exchanges. In the use of controls, managers consider the reward and cost of their decisions when they face a variety of employees' behaviors, or indicators of future behavior such as candidates' resumes, their social class, and gender.

Furthermore, findings indicate that perceived fairness plays an important role in the use of controls. The manager of a primary school (F6) discusses how she rewards her employees (teachers):

I try to exceed their expectations. But reasonable. This is why, if we have an emergency at some unusual time, they always show up and help. I also try to be fair. I do not limit these opportunities to a few employees. I try to offer that to everyone.

The manager of F23 makes sure all operators are paid a decent salary and that no one "male or female" gets a lower pay. He allows "a few dollars' variations based on years of experience and complexity of tasks". While at the same time he cuts the salary of a higher-paid senior employee because it "was not fair to others". For firm F2, because of seasonality, it is hard to maintain a good number of employees for low and high seasons. Nevertheless, some employees stay with the company year over year, because of perceived fairness. The manager mentions: "they get equal hours of work. I realized that if the hours they worked differ, they do not like it". The below quote from the manager of F20 shows the considerations of fairness in promoting an employee to a leadership role. For a leadership role, she considers

Somebody that is neutral to people, it's not very good if you have somebody that is best friends with someone under him or starts off already having a grief against somebody… [it should be] somebody who has an equal attitude towards everybody under him.

The above quotes show how managers try to provide a fair rate of return and distributive fairness in using rewards and compensation controls. These interviews show that managers

understand that if the social exchanges (occurring here by use of controls) are not fair in the eyes of employees, they shall not sustain.

In this section (3.5.1.) interviewees mention controls including employee selection, reward and compensation, employee positioning, and layoff. The learnings of social exchanges can help understanding of the influence of employee variations on managers' use of controls. In effect, managers observe an employee's behavior and use controls to increase the rewards and reduces the cost for the firm. They also consider fairness in the eyes of the employees because they know it is an important element to maintain employees' contributions. The following section illustrates how social bonds, as they lead to a variety of behaviors, influence managers' use of controls.

3.5.2. Employees social bonds and managers use of controls

The social bond theory posits that an individuals' strength of social bonds to their organization (or institution) leads them to behave in accordance to or regardless of social expectations and rules. According to Bielby (1992), individuals who have prior investments in the form of education, career, and relationships, consider the consequences of their actions concerning their prior investments. The interviews show different uses of controls based on the variation of employees in three forms of social bonds (commitment, attachment, and belief). A role for involvement is not evident in the data with enough clarity.

All the organizations in the sample have a set of existing controls that apply to all. For example, all employees have certain responsibilities, they have a salary relative to their level of responsibility and experience. There is a set working hour, a desired work culture, and a way of behaving with colleagues. However, managers also use controls differently based on individual variations. The manager of F6, discusses what is important for her in hiring teachers for her

educational institute: "It is important that the applicant has been raised in a good family. …. Three criteria: family, school and society. These all make their personality". The manager in F20, in hiring for an important position, goes on "Facebook" and checks the candidate's profile to see if he has "anything weird", or "not professionally appropriate". These quotes show that managers look for the indicators of social bonds, as they know that their weakness or strength leads to future desired or undesired behaviors. It is important to note that in many of the following quotes, the role of social exchanges can also be seen. However, the discussions of this section only focuses on social bonds only.

3.5.2.1. Commitment

Hirschi (1969) views commitment as perseverance in a line of action and reconsidering decisions that can jeopardize that line. Commitment means a sustained line of activity despite challenges or other options. The manager of firm 17 has been interviewing and hiring his employees for over three decades. He mentions:

For people who have work experience, I pay attention to how long they worked in other places. If a worker changes 4 places in 3 years, he is probably not a good worker. People who stay long in one place, they take priority.

Based on the above quote, if an individual jeopardizes his/her line of activity often, it is an indication of a lack of commitment. Managers indicate the importance of commitment and that it leads them to use controls differently between committed and non-committed individuals. The

manager of F18 sees commitment to getting the job done as one of the most important traits in the selection of key employees:

Sometimes we were working 72 hours without going home to make sure we could sort out a specific situation and get an important order. In such situations, it is important who you have along with you.

The manager of F24 needs some of his employees to "pull long hours when it comes to the end of the financial year, when [they] have to close the books". The manager pays attention to put in key positions, employees who show such commitment. He sees commitment as an important trait in promoting an employee to a higher position in the firm:

We even had an employee who started at the shop level [grocery retail], he did the job very well, learned different accounting tasks, even took courses and got promoted to the office level, and now he is sitting at a supervisory level in the head office.

So far, the discussion in this section includes employee selection and positioning, and how commitment influences managers' use of these controls. Commitment also influences how managers perform performance appraisals or give verbal or written notices. Dealing with the same situations, such as absenteeism, managers act differently based on the employee's commitment. When a committed employee needs repetitive time off, managers try to accommodate. The manager of F21 compares his bookkeeper, who needs to be absent one or two days a week to care for her mother, with another employee who had a day off in her contract.

I was completely okay with that and wanted her to attend her family as much as possible. I know she would take care of her job completely with no issues anyways. When the team needs her, she even came over for a few hours, get the job done and leave. But we had a sales lady, who negotiated on her contract to have one day a week off permanently because she had three kids to take care of. I understand the importance of the family, but I was not okay with that. Mainly because she treated the work as it was someone else's responsibility to deal with issues and she was only here from 8 to 4.

In this quote, both employees have frequent time off. For the perceived committed employee, that did not create any issue. The manager use controls rather in a loose fashion in this case. However, for the perceived non-committed employee, although she had a day off on her contract, the time-off contributed to the manager's decision to "let her go". This manager continues to discuss another employee (a team lead) who prefers to go home when the work is quiet. Since this employee takes care of her area "very well", going home often, is completely okay with the manager (F21).

The same applies to other control mechanisms. Managers, in general, are more accommodating and less strict on similar issues between committed or non-committed employees. In one case the manager of F15 suspends a non-committed employee for days because of a common unsafe behavior: "[not putting] on the seat belt while driving a forklift". While in fact, many employees did not respect the same or similar safety rules.

Commitment to an organization also affects employees' compensation even when the employee has the skills that match the pay. The manager of F15 recites an incident in which one

of his maintenance employees asks for a big raise on his salary only after three months from his hiring day. The request comes after the employee realizes that his capabilities are worth much more for the company and in the job market. The manager gives him the salary only after he shows commitment to the firm. He mentions:"He had to stay longer and prove that he would take care of the job long term before I can raise him to that level".

The above examples are about using controls in relation to individual employees. They show that managers use controls differently for a perceived committed in comparison to a perceived non-committed employee.

Not only at the individual level, but also if there is a lack of group commitment to an important issue, managers may use controls differently for all. The manager of F16 mentions an incident where an employee punches the timecard for another employee, so his friend receives a salary for more hours. In that incident, they got away with a verbal notice. However, later on, the company decides to change to a "fingerprint time registry" to record accurate working hours of employees to prevent the incident for all employees. In firm F15, dangerous driving on forklifts leads managers to control the forklifts' speed with modification on the machine, so no one can get any tangible speed with the forklift. In an attempt to maintain a proper level of hygiene, the manager of F21 made a written list of all employees and made it mandatory to take turns and clean bathrooms every week. These cases show lack of commitment to a necessary issue leads managers to use controls for the group.

Furthermore, an interesting pattern emerges about employees that are sufficiently skilled but do not show expected levels of commitment. These cases indicate that for many managers having skills is not enough, and commitment is essential or takes priority. The manager of F9 mentions the below quote about an employee who had the skills needed for the job:

Someone told me, that it was not my responsibility to wash the dishes in the sink. And I was like, I also wash dishes and I'm the CEO. I didn't accept that. When I saw the person does not want to get involved in different tasks, I said goodbye, because we don't have a good culture fit.

The manager of F18 mentions:

When a machine is down, I better see my maintenance guy, the machine operator, and the supervisor there on the job. Otherwise, it is a problem… . I need to see they did what they could before going for break. If my team manager, for instance, does not do that, it simply gives me a signal that she is not committed enough for that position.

The manager of F24 mentions that "If I see the person is capable but does not have a sense of responsibility, I give a few warnings and if that does not work, I fire them". But for committed employees he has another approach:

When something goes wrong, someone cannot really do a job, not capable, That is a miss-management. Why the manager put the person on that job? … If it is a matter of capability, …. If I know the person is really trying, … I would try ask him to learn more skills. If not, I would try to move [him or her]. If the person is really trying, I don't fire her. Even if she is not capable in one specific field. A person who is responsible and putting effort, he

deserves to continue his job. It was a manager's bad decision to put him in the wrong position.

The above quotes show, even having skills, commitment is seen as an essential factor. Lack of commitment, in many cases, can lead to the employees facing negative treatment, even if they possess the required skill sets. On the other hand, strong commitment leads managers to protect the employees against the consequences of not having skills. The next section presents a similar situation regarding attachment and that it takes priority over skills.

3.5.2.2. Attachment

Aside from commitment, the relationship of employees with their colleagues and managers repeatedly emerges as an important matter in the interviews. Managers prefer to see their employees get along, or even better, show affinity and support for each other. In the social bond theory, attachment is seen as an emotional bond (Hirschi, 2002). Managers discuss the importance of attachment among employees and with themselves. Regarding the employee selection process, the manager of F25 mentions:

In the soft skills of the applicant, I check how much teamwork the applicant has. I check if they are introvert or extrovert. I check their EQ. to see how much they can connect to others. How much they try to make the teamwork successful. Usually, introverts are less team workers and are self-centered. Extroverts are more team workers and collaborate better and make better communications with their co-workers.

The manager of F9 mentions:

for us the goal is to keep the atmosphere as friendly as possible. And make sure all the team members are friendly with each other. Because they look at us and they replicate. If we treat someone bad, they will treat each other bad. And all of a sudden, we have a negative and a hostile culture.

He continues

If someone is very good at technical things and highly experienced, but he can't work with others, we surely don't hire him. And also, in reverse, If there is someone who is very nice and friendly with everyone and cooperate with people but have difficulty in performance. We try very hard. We may change his place. We may mentor him as much as we can. We try to keep him. we say maybe he's not in the right place.

Previously, we had the experience of having some people that could not work with the team. Eventually, we had to put them aside. Although they may have been very strong people technically.

The manager of F23 adds to the above:

I had a guy, ..., he was very good in what he did, he could process four batches of product a day, ... But unfortunately, he was, sorry, nasty to other employees, he was turning his

eyes and eyebrows on [another employee]. So, Although I really appreciated the

performance, but I said goodbye to him because my team is much more important than one

person.

The above quotes indicate that attachment is an essential factor, and even takes priority over performance or skills. Managers may lay off a high-performing employee because who lacks attachment, while they accommodate good attachment even if skills are low. The following paragraphs show how lacking attachment influences the responsibilities that are given to an individual (job design). The manager of F15 mentions about his bookkeeper:

she could not establish a good relationship with others, was not a supportive figure, and

time to time became critical [of others]. I was very hesitant to give her responsibilities that

put her in the position of power over the others. Even on the items that she had to validate

I was watching her not give a hard time to other employees.

In this case, based on the lack of a good and supportive relationship, the manager monitors and modifies the employee's job design and work instructions, even though the employee has the required skill set for the task. He made sure this employee's job design is independent of others, and he removes her validating power over other employees' working hours:"I asked her only to send me the hours and pay the employees accordingly". The manager continues:

time to time she was coming to me and pointing out that other colleagues have given her

vague information to make an invoice for a client. She could not establish a working

relationship herself. I ended up creating a very clear form to be filled by others to deliver

the information to her… .

The above quotes show how the attachment of an employee can influence her job design, instructions, and her level of authority. It also shows the importance of attachment despite possessing the required skill set.

In another case, the manager of firm F15 discusses how he uses health and safety regulations to deal with an employee who did not get along with others even though the employee is committed to the job: "there were no issues with his commitment, that was a positive side. The problem was that he was not able to maintain a good relationship with others. He was critical of his colleagues and making jokes about them". The mentioned employee had instructions from his doctor to only lift light weights.

I realized having this guy here would be a problem. I could not fire him since he was

protected by labor law and could take us to court. I simply said we don't have light work

for him, and it is unsafe for him to work with us.

Furthermore, the manager of F25 does not like having a completely different culture and language in a coherent group as he believes that it reduces attachment between employees. This has become one of the elements that this manager pays attention to, during employee selection. He mentions:

Their understanding of how we work is different and they group together and talk in a whole different language and leave others outside. I know when people don't speak together, they miss out on many details at work and problems comes up afterwards

Based on the quotes in this section, attachment (or its lack) influences employee selection, positioning, job design, and can even lead to lay off. It also becomes clear that attachment takes priority over skills or performance in many instances.

3.5.2.3. Belief

In addition to commitment and attachment, shared beliefs between team members and managers emerge in many interviews as an important element in how managers direct, or control employees. Managers discuss the importance of beliefs regarding the organizational objectives (mission), in how decision-making should be done, or how work should progress, as well as the resources or a payment that is fitting for a job. Regarding the employee selection process, the manager of F25 mentions:

I think the applicant's beliefs matter. We try to have similar cultures in our start-up. We try to hire people with similar beliefs. We like open-minded people. If they are not open-minded, I try not to hire them even if they are very qualified.

The manager of F20 see belief as an important element if one wants to do a good job:

If you don't believe in something it's hard to do a good job. If you are not proud of what you are doing… . that is something that I saw when I was working with unionized [employees], a lot of people don't believe in what they are doing. They are just there for the pay. So, often these are people that you feel like you need, ha ha, a boost to get them to work…

In the above quotes, managers discuss the importance of belief and that it matters in the process of employee selection. Managers also indicate that those who share similar beliefs with them about the ways of work or dealing with different matters seem to have higher chances of getting into a decision-making position. The manager of Firm 18 mentions the following about an employee (here called Mr. S.):

He was thinking that he was a supervisor, or senior employee, and was not comfortable only being a regular employee. I never found him to be having such capacity… . he was forcing that this is not a good time [to get back a client] because we are not ready. He could not explain why we are not ready, and I am confident in establishing clients and don't really rely on his input. He also believed that his work worth much more than what he was receiving. In my mind, his salary was much more than what he worth for the company. Finally, when he showed bad behavior to other employees [attachment issue], [at that point] there was no other way than letting him go.

The above example is based on different beliefs about ones' worth and way of work. When an attachment issue also emerges, the manager lays off the employee. Even in the process of lay

off, an employee who sits higher in elements of social bond would have a better experience. The manager of Firm 18 continues the discussion on laying off Mr. S., whose beliefs regarding his worth, position, and way of working opposes the management:

[S.] asked me for a reference letter. I told him I am not a good candidate to give him one. I really could not recommend him to other managers

The manager does not believe in this employees' way of work and rejects giving a reference letter. But in another incident, the same manager describes a layoff of an employee who is higher on the elements of social bonds, specifically she had "good collaboration with her colleagues".

Saying goodbye to T. was very hard for me. She was very organized, friendly, and did not really deserve to be laid off. Nevertheless, we had to do it for other reasons. So, I made sure I give her a good severance pay, I covered the amount that she owed the company for health insurance, and I gave her a strong recommendation letter.

The manager of F15 discusses his experience with a senior employee who did not carry similar beliefs regarding the firm's objectives:

[he] was very negative. He believed and openly discussed that the company is paying peanuts to their employees and there was no proper control. I believed it was our responsibility to maintain control in a humane way and it was our duty to lower costs so

each person could receive a proper salary while the company makes money. I had to

remove him from his position. I could not have someone like that in a key position.

In the above firm, the beliefs of a senior employee have been opposed to the manager's beliefs regarding the firm and the role of the administration. This lead to the removal of the employee from his position despite all the seniority. The importance of beliefs and belief system as a control mechanism is clear in managerial control literature (Heinicke et al., 2016; Hopwood, 1976; Malmi & Brown, 2008; Simons, 1994). Following the importance of beliefs, it becomes important to establish a common belief system that motivates employees towards the organization's mission and objective. However, this section adds to this picture by discussing how managers treat individuals who do or do not believe in organizational objectives and missions. In other words, managers do not stop at establishing a belief system. They also treat believers and non-believers differently. The manager of F15 mentions: "I don't waste my time convincing a lazy person, or a non-believer to commit to the objectives and our mission".

This section shows that managers see beliefs as one of the elements based on which they select, position, or lay off employees. In essence, they sort out the perceived believers from non-believers and tend to rely on believers.

3.5.2.4 Control replacement

We observe that managers who emphasize strong relationships and commitment of their employees, do not tend to rely heavily on other forms of control such as written job descriptions, close supervision, or in some cases like F13 and F3, even registering times. The manager of F3 mentions:

[communication] is super important. For example, M. is taking some time off. I called him on a Saturday because of some unpredictable stuff at work. And he comes to work. Many times, I called S. or M. at 11pm to move the truck in front of the building, and they accepted to do so, because of our friendly relationship. We were behaving each other equally. Our staff are cooperative and flexible. We let them be flexible. We trust them. We do not check their hours. They should just fill in the online form about their hours of work and what they have done each day.

In the below, the case of F17 provides a more complete picture of how high attachment and commitment reduce the need for other forms of controls. The manager of the firm F17 has been hiring his employees for 37 years. Previously section (3.5.2.1) shows how this manager pays attention to candidates' resumes to see if they change too many jobs in a short time frame (as an indication of commitment). He discusses the importance of employees' attachment to their job, as well as other elements, such as respect and maturity, that help establish a good relationship between them and other colleagues:

In the conversations during job interviews, I pay attention if the person is caring, attentive, and worried about providing a good job. I am looking for someone who feel personally connected to the job and was concerned about the job. Not someone who feels disconnected with the job and only see it as a way to have a paycheque

He continues to discuss the importance of maturity, honestly and then relationship with his employees:

I pay attention to how polite, respectful, understanding, and mature they are. I try to find out how honest the person is. ... We work with mutual respect. My management is based on friendship. I always try to establish a relationship with employees or even with their families. We have 2 picnics per year. I ask their family, their kids, to write what they liked and didn't like about these picnics. These resulted in a homogeneity and a family spirit among us. We have lunch every day together at the company! The lunch is cooked in the company and we have lunch together every day.

Manager (F17) sees "emotional bond" as the most important factor that enables him to control and direct employees. Responding to how he controls and direct employees, he mentions:

The biggest factor, most far-reaching factor, that exists between us is the emotional bond between me and my employees. I truly see them as humans. Oftentimes, in companies, personnel are seen as tools not humans. I didn't have this vision and I see them as lovely humans

In the case of firm 17 (the above), strong attachment between the leaders and the members of an organization reduces the need for many other controls (written standard work procedures or job instructions, written boundaries, tight supervision, and penalizing and layoffs). It also reduces the employees' turnover. Many employees stay "15 to 20" years with this manager. With over 80

employees, the manager still selects and hires employees himself and does not delegate that function. Filtering committed and reliable employees, along with a strong attachment to them, the manager does not need tight controls to align or direct the employees. He is very respectful with his team. He does not rely on establishing written standard work procedures or job instructions, written boundaries, and penalizing and layoffs. He is very satisfied with his relationships with his employees which results in many of them staying over a decade or sometimes more than three decades. So far, he only penalized an employee once in over 37 years of running his company. Other than that, "a normal and friendly conversation" is enough for the employees to follow through.

3.6. Discussion

3.6.1. Social exchanges

Following the same order in the prior section, the discussion first focuses on the findings that relate to the social exchange theory, and then moves forward to complete the picture using the social bond theory. Based on the social exchange theory, behaviors including those of employees and managers' use of controls, are mostly functions of payoffs (rewards), and costs (or foregone opportunities) (Cook et al., 2013). The interviews show that managers consider the rewards and costs of their use of controls and adjust accordingly. For instance, in the hiring process, managers consider the benefits and the potential costs of hiring a candidate. The manager of F25 describes these as "values like problem solving skills, cooperation abilities, trying to help solve other people's issues, their commitment to the organization". Managers look for different signs that indicate future rewards of having an employee. Being from the "working class" is a sign for managers of F6 and F24. On the other side, if the cost of employees' behavior is higher than its

reward, managers try to limit, lay off, or "transfer" (F8) the employee to another department. Examples of costly behavior for F19 are lack of cleanliness and lack of teamwork abilities (for F9, F23, and F15).

Multiple studies in the domain of organizational behavior show the importance of justice in desired work outcomes, commitment, and turnover (Aryee et al., 2002; Cannon & Herda, 2016; Herda, 2010; Herda & Lavelle, 2012).

The interviews show that managers also understand that to achieve and reinforce desired behaviors they need to consider the employee's side of the equation, which brings in the elements of "fair rate of return" or distributive justice (Cook et al., 2013, p. 55). Regarding a fair rate of return, managers know that if an employee is overqualified for a position, probably the position would not be as rewarding for them, or they need higher salaries relatively. Therefore, the manager of F24 relies on less experienced employees and trains them. The manager of F3 considers the career trajectory of candidates in the hiring process.

Managers also know that they need to reward the desired behavior to maintain it. The manager of F19 uses financial and non-financial rewards and tries to reward employees desired behavior higher than their expectations but in a reasonable range. The manager of F23 avoids paying minimum wage because he wants solid contributions from his team.

Considering the employees' side of the equation also includes distributive justice (fairness) in pay and in treating employees. So, it makes sense when the manager of F23 cuts an overpaid senior staff's salary to be fair to all or maintains only a few dollars variation in the salary of his employees based on years of experience. The manager of F2 also tries to give equal working hours to his employees. The manager of F20 mentions that for her, being fair and equal is an important criterion when appointing a person as the team lead.

3.6.2. Social bonds

Through the lens of social bond theory, employees show a variety of behaviors based on their strength of social bonds (Hirschi, 2002). This behavior could range from social to antisocial, ethical or unethical, leave or commit, and to creating a positive service culture (Bru et al., 2002; Curtis & Upchurch, 2008; Mowchan et al., 2015; Sims, 2002; Thau et al., 2007). Indeed ensuring desired behavior and eliminating the undesired behavior is the role of management controls (Hopwood, 1976; Merchant & Van der Stede, 2007). The interviews show that managers see the variation in employees' degree of commitment, attachment, and belief in the organization, and use controls accordingly.

In the hiring process, changing too many jobs (F17) is a sign of a lack of commitment. Managers look for committed employees who stay long hours at work when need be (F18, F24). Not only in employee selection, but managers also use other forms of controls differently between committed and non-committed employees. They accommodate committed employees with more time off when the employee needs (F21), and they rely on safety policies in a looser fashion with them and avoid penalizing them (F15). Furthermore, commitment takes priority over skills in managers' use of employee-related controls (F9, F18, F24).

The perceived attachment of employees also plays a role in managerial use of controls. Managers refer to the importance of EQ, soft skills, teamwork in the hiring process. The manager of F23 lays off a high-performance employee because he treats colleagues "nasty". The manager of F15 also limits the job description of the firm's accounting technician and uses health and safety rules to get rid of an employee because of their attitudes towards others.

Finally, belief in the organization and the team shows itself in the interviews. The manager of F25 looks for individuals, who possess a set of beliefs like being "open-minded", that is suitable

for a "start-up" culture. The manager of F20 sees belief as an essential element of doing a good job, and finally, managers of F18 and F15 laid off employees whose beliefs are either negative or vastly different about the correct approaches at work.

As an additional insight, managers (e.g. F3 and F17) indicate that by having strong relationships with committed employees, they do not need to check their hours or rely heavily on other methods to direct or control them. In other words, strong attachment and commitment reduce the need for other forms of controls such as time cards, detailed job descriptions, written instructions, or penalizing.

3.6.3. Summary

The analysis of the interview data with the lens of social exchange and social bond theory, shows how perceived variation in employees' behavior leads to different uses of controls by managers. It appears that the use of controls carries with them a form of social exchange, which to sustain, needs a fair balance of rewards and costs for the firm and in the eyes of the employee. Different behaviors (or indicators of behaviors) on behalf of employees, provide managers with an understanding of rewards (or gains) of their decisions in the use of control regarding them. Managers use controls based on this perception.

The view of social bonds, however, takes a step back and looks at the foundation of employees' behavior. Employees, based on their strength of social bonds, including their prior investments, behave differently. This behavior provides managers with an understanding of the employees' social bonds such as their attachment, commitment, and beliefs. Managers use controls accordingly to restrict undesired behavior and to promote and enable desired behaviors. As an additional finding, this study also shows how strong bonds of attachment, in addition to

commitment, reduce the need for other forms of controls such as written work instructions, or close supervision, and penalizing. Figure 2. Presents an illustration of the phenomenon in which controls are used differently based on perceived employees' social bonds, behaviors, and in order to balance rewards and costs.

[Insert Figure 2 About Here]

Extant literature shows how variations at higher levels (i.e. culture, and generation) lead to different ways or preferences of controls (Chow et al., 1999; Petroulas et al., 2010). This study brings in the influence of perceived individual variations in the behavior and social bonds, on the ways managers use controls.

Prior studies in accounting also discuss the importance of fairness in the successful use of controls (Cugueró-Escofet & Rosanas, 2013; Giraud et al., 2008). Analyzing the findings of this study with the lens of social exchange theory, not only emphasizes the importance of fairness but also shows the role of social exchanges, in general, in the use of controls.

Extant literature also shows the relation of social bonds to employees' desired or undesired behavior (Banerjee-Batist & Reio, 2016; Curtis & Upchurch, 2008; Hollinger, 1986; Thau et al., 2007). Researchers also shows that controls can be used in different ways to enable, restrict, or direct employees (Mundy, 2010). This research brings these two separate lines of studies together by showing how social bonds result in variation in the use of controls by managers whether to enable, restrict, or direct.

Finally, research in management accounting and control indicates that controls in some circumstances could complement or substitute each other (Malmi & Brown, 2008; Tessier & Otley,

2012). This study shows how strong bonds reduce the need for controls such as penalizing, close supervision, or written work instructions. Strong bonds such as attachment and commitment cause individuals to act according to managers' expectations. In other words, they can be seen as elements that strengthen clan (or cultural) controls, which reduces the need for other forms of controls.

3.7. Conclusion

In conclusion, not only cultural and generational differences (Chenhall, 2003; Chow et al., 1999; Petroulas et al., 2010), but also individual-level variations in employees, as observed by managers, result in different uses of controls. Management controls ensure desired behavior and limit the undesired (Merchant & Van der Stede, 2007). Employees at the individual level vary in their behavior, and managers use control differently in response. Managers consider the rewards and costs of employee behavior for the firm, and also the rewards and costs of their decisions for the employees. They also observe and develop a perception of employees' characteristics in terms of their strength of social bonds. This perception of employees' level of commitment, attachment, and belief leads them to use controls either in a more accommodating or limiting way in relation to them.

Prior research shows that commitment and attachment contribute to a positive work culture (Curtis & Upchurch, 2008). Since managers understand the implications and the early signs of different possible behaviors, they can proactively select committed employees who possess higher "maturity" like firm F17. This selection along with a strong attachment leads to desired behaviors without reliance on other forms of control.

Being qualitative, this study is limited in its generalizability. Nevertheless, interpretation of the findings "through existing theories", in addition to "comparative case analysis" in this study,

helps this issue (Lukka & Kasanen, 1995, p. 77). Another limitation of this study lies in its focus on managers' perceptions of employees' behaviors. However, as argued, it is the managers' perception that drives their use of controls. Future research could extend the perspective by taking an employee or manager-employee perspective.

Future research can explore more cultures to see the relative weight of each social bond in the eyes of managers. It is plausible that in some cultures, attachment to management is perceived as being more important than commitment to work. Finally, considering that support increases attachments between individuals (Bru et al., 2002), future research can investigate if supportive managers will experience better attachment with their employees and if that causes compliance without the need to rely on other forms of controls.

3.8. References, Figures, and appendices

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Figure 2

The below figure represents that accommodating or restricting uses of controls based on

managers' understanding (perception) of employees behavior.

- Perceived strong social bonds
- Perceived Rewards
More accommodating/enabling use
of personnel selection, benefits, employee positioning, etc.

Employees' behaviour

Employees' social bonds:
- Commitment
- Attachment
- Belief

Manager ———— using MC to control employee ————▶ Employee

- Perceived Social Bonding of Employee as Low
- Perceived costs
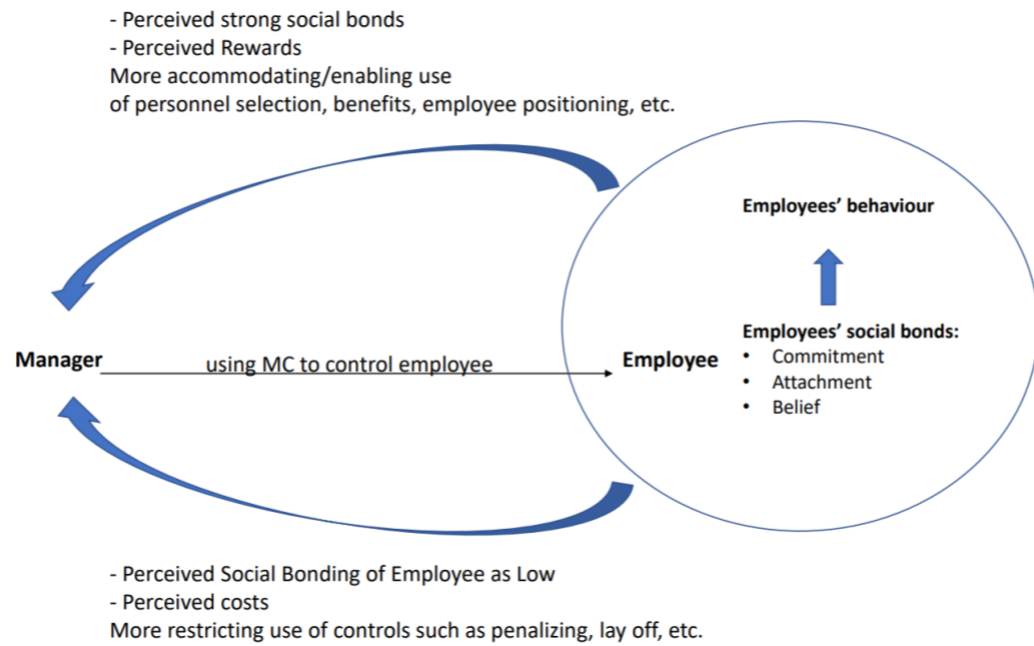More restricting use of controls such as penalizing, lay off, etc.

Figure 2. Different uses of controls based on employees' social bonds, behaviors, and to balance

rewards and costs

Appendix 3: List of the firms in the sample.

Size categories: small 0-99 employees, medium 100-500, large >500.

Count	Firm Code	Size	Industry	Type of economy
1	F15	Medium	Manufacturing	Developing economy / Middle east
2	F17	Medium	Manufacturing	Developing economy / Middle east
3	F25	large	Customer service - tourism	Developing economy / Middle east
4	F7	Medium	Engineering design	Developing economy / Middle east
5	F18	Medium	Manufacturing	Developing economy / Middle east
6	F9	small	Health Care	Developed economy / North America
7	F3	small	Construction/renovation	Developed economy / North America
8	F9	small	Health Care	Developed economy / North America
9	F14	Medium	Health Care - delivery	Developing economy / Middle east
10	F16	Medium	Manufacturing/production	Developed economy / North America
11	F21	Medium	Retail - Consumer	Developing economy / Middle east
12	F2	Small	Child Care	Developed economy / North America
13	F5	Small	ecommerce - Household appliances	Developing economy / Middle east

14	F6	Small	Education	Developing economy / Middle east
15	F8	Small	Entertainment	Developed economy / North America
16	F11	Small	Health Care	Developing economy / Middle east
17	F12	Small	Health Care/Pharmacy	Developing economy / Middle east
18	F13	Small	Health Care	Developed economy / North America
19	F19	Small	Food/restaurant	Developed economy / North America
20	F20	Small	Manufacturing	Developed economy / North America
21	F16	Medium	Manufacturing/production	Developing economy / Middle east
22	F23	Small	Manufacturing	Developed economy / North America
23	F1	large	Telecommunication / logistic team	Developing economy / Middle east
24	F22	Small	Software	Developing economy / Middle east
25	F24	large	Retail	Developing economy / Middle east

Appendix 4 – Interview guide

Before starting:

- Obtain consent to conduct interview

- Explain interview structure

Part A. Introduction of interview partner, and his career experience

Could you please introduce yourself and your prior career experience?

Could you please introduce your business?

Part B. Employee related control systems and their use.

Let's talk about the systems/procedure that you have in place to control, direct, empower your

employees.

Could you please discuss your activities and the systems or established regarding directing

personnel, motivating them or making sure they don't cross the red lines?

Did you develop written work procedures? How do personnel know the objectives?

What was the importance of these practices for your business?

Could you please give an example?

Do you have a formal system to measure employees' performance?

Do you have a formal system to measure the firm's performance?

What are the work procedures (planning, quality, reporting, etc..) that you have developed for

your work?

Could you please give an example?

How do you recruit employees? What are your criteria?

Can you provide an example please?

How do you make sure employees behave in a desired way?

Can you provide an example please?

How do you motivate or direct your employees?

Can you provide an example please?

How do select employees for key positions?

Can you provide an example please?

Have there been an example where you had an issue with employees and how did you face the issue?

Can you provide an example please?

How does the behaviour of an employee influence the way you work with them?

I would like to ask, what is your general view in managing human resources in terms of the proper way communicating, treating employees? Or controlling and empowering them?

Part C. End of the interview

Is there any other employee related control procedure that you would like to tell me about?

Would you please suggest another member of the team who worked with the discussed practices and systems for my next interviews?

Chapter 4. Bullying via management controls: a longitudinal case study

4.1. Introduction

This study aims to provide an answer to the following research question: how are management controls used in the act of bullying or in the evolution of a workplace toward one that fosters bullying?[7] Toward that end, this study adopts a longitudinal case study approach within a specific small manufacturing firm to capture how managers use different forms of controls to bully employees who disagree with their decisions and courses of action.

This investigation rests on two premises. First, whether intentional or unintentional, the use of controls can create an environment that fosters bullying, with the act of bullying having ethical, reputational, and financial consequences for organizations, as well as health and financial consequences for the victim(s) (Bartlett & Bartlett, 2011; Calvin, 2012; Vartia, 2001). Recent revelations regarding the office of former Canadian Governor-General (Chief of State) Julie Payette, depicting 'bullying and harassment at its worst' (Burke & Everson, 2020), and the bullying allegations that led to the termination of The Ellen DeGeneres Show (ABC NEWS, 2020) are only two recent examples indicating the significance and consequences of bullying in workplaces. Second, this study provides a better understanding of the nature of controls by showing how specific uses of controls can contribute to bullying, and what distinguishes such applications of controls from a 'normal' use, which is towards achieving organizational objectives (Malmi & Brown, 2008).

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[7] For expediency and fluidity reasons, the study refers to bullying. However, bullying is a type of behavior that is defined and governed by psychological, legal and regulatory guidelines. Hence, in practice, all actions or behaviors described in the study are actually cases of either 'perceived' bullying or 'alleged' bullying.

Research shows that different work processes (i.e., controls[8]) could be used to create an environment that fosters bullying, or to bully employees (Armstrong, 2011; Bartlett & Bartlett, 2011; Einarsen et al., 2010; Stouten et al., 2010). Regarding the former, Armstrong (2011) shows through the case study of a medium-sized shoe and slipper factory how budgets can contribute to creating a work environment that fosters bullying by providing a "medium" for it (p.641). In a similar vein, prior research shows that different forms of controls can be involved in creating a workplace with a harsh work environment (e.g. poor temperature, cleanliness, safety, etc.), poor job design, lack of resources such as tools, equipment, or proper training, undervalued or underpaid work, and hostile or toxic cultures, which all foster bullying (Bartlett & Bartlett, 2011; Einarsen et al., 2010; Stouten et al., 2010). Hence, managers can rely on a variety of control mechanisms, such as budgets, resource allocation processes, reward systems, job designs, cultural controls, rules, systematic and transparent application of rules to either improve or undermine the work environment in these regards (Einarsen et al., 2010; Hoel et al., 2010; Stouten et al., 2010).

Besides potentially creating a work environment that fosters bullying, controls can also be directly implicated in acts of bullying. Armstrong (2011) shows that budgets can be implicated directly in acts of bullying (e.g., cutting off a young individual's salary because she performed above expectations). Managers can directly bully employees also by setting unrealistic goals, withholding resources, close monitoring, unfair distribution of rewards and performance appraisals, arbitrary penalizing, and by manipulating job designs for discriminatory reasons (Bartlett & Bartlett, 2011; Hodson et al., 2006; Hoel et al., 2010; Vartia, 2001; Vredenburgh & Brender, 1998).

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[8] - Work processes in the cited studies include job design, allocation of resources, budget, policies and procedures, and other mechanisms in which managers use to control the organizations. In other words, they include control mechanisms (Armstrong, 2011; Bartlett & Bartlett, 2011; Einarsen et al., 2010; Hodson et al., 2006; Stouten et al., 2010; Vredenburgh & Brender, 1998)

All the above depicts a possible role for controls whether in the creation of a work environment that fosters bullying or in the acts of bullying. However, except for budgets (Armstrong, 2011), these studies do not investigate how managers use controls in such instances. This study aims to go beyond budgets and to investigate how different control mechanisms are used to create an environment that fosters bullying and manifestations of bullying. In other words, the aim is to understand what distinguishes a normal use of controls towards achieving organizational objectives from a use that implies bullying.

This study focuses on a small firm to analyze the use of controls as means for bullying. This small firm is located in the province of Québec (Canada), has between 40 to 50 employees, and its only product is sold to steel mills. The research approach is a longitudinal case study on this manufacturing firm. This study relies on qualitative methods including interviews and archival documents to capture a series of events over a period of time (in this case, five years) (Ahrens & Chapman, 2006; Beattie, 2014; Cooper & Morgan, 2008). Studying the case over a span of time helps to understand the important elements of bullying including the evolvement of the work environment over time and the occurrence and repetition of bullying acts in different instances and regarding different employees (Bartlett & Bartlett, 2011; Hodson et al., 2006; Vredenburgh & Brender, 1998).

This study builds upon the work of Hoel et al. (2010) and Einarsen et al. (2010) who show the leadership styles that are associated with bullying. It defines specific uses of controls in accordance with such leadership styles and relied on them as theoretical underpinnings for the data analysis. Their work helps to define specific uses of controls that are similar to the leadership styles that are associated with bullying. Such uses of controls include autocratic (forceful), laissez-faire, and arbitrary use of controls to punish. Among the above, the role of laissez-fair use of controls in

bullying seems counterintuitive at first. The sections of theoretical underpinnings and the findings, show that when leaders do not get involved, do not monitor and ensure qualifications of lower-level managers, and do not provide clarity on how employees need to cooperate and use shared resources, employees or lower-level managers will proceed as they see fit. In some instances, this could involve destructive or aggressive behavior. Again, the lack of leaders' response to destructive or aggressive behavior, allows it to continue and even exacerbate (Hoel et al., 2010).

Analyzing the qualitative data with this theoretical lens, unfolds how laissez-faire use of controls leads to an environment that fosters bullying, and how an arbitrary use of controls to punish is implicated in the acts of bullying. Furthermore, the findings show how informal controls facilitate the above uses. This case study does not capture sufficient instances of autocratic use of controls, and therefore it cannot discuss whether and how they are implicated in bullying or not.

This study contributes to the literature by showing how specific uses of controls play a role in the creation of a work environment that fosters bullying and could be directly implicated in the act of bullying. By doing so, this study reveals a darker side of controls that reflect personal aims (bullying by managers) rather than organizational goals (Malmi & Brown, 2008; Tessier & Otley, 2012). This study also contributes to the literature in the following ways. It builds on the work of Armstrong (2011) by showing how different forms of controls, and not only budgets, can play a role in bullying. It also contributes to the prior literature that discusses different uses of controls such as enabling or controlling uses (Baird et al., 2018; Mundy, 2010). In this regard, this study shows alternative ways that controls can be used (laissez-faire, arbitrary, and autocratic) and their potential consequences.

The rest of this study is organized as follows. The next section presents a review of the related literature regarding controls and bullying in organizations. The section of theoretical

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underpinnings discusses bullying as destructive behavior and how different uses of controls can play a role in bullying and in the creation of an environment that fosters it. Thereafter the paper's research approach is presented, followed by a thematic presentation of findings. This is followed by the discussion of findings and concluding remarks.

4.2. Prior Research

4.2.1. Bullying

There is no commonly agreed definition of bullying. However, there are certain commonalities in the definitions provided by legal and governmental institutes (CNESST, 2021; Government of Canada, 2021; Government of Quebec, 2019)[9], as well as researchers in psychology and other domains (Armstrong, 2011; Bartlett & Bartlett, 2011; Calvin, 2012; Nielsen, 2013; Nielsen et al., 2009; Vartia, 2001). These definitions have two elements in common. First, bullying includes repetitive mistreatment or hostile behaviors that adversely affect the recipient's dignity (or career, if done at the workplace). Second, bullying relates to the victims' view of the behavior, its consequences, and their lack of ability to defend themselves (Armstrong, 2011; Bartlett & Bartlett, 2011; Vartia, 2001). Armstrong (2011), in agreement with other researchers (Minton & Birks, 2019; Vanderstar, 2004) discusses and shows that bullying does not necessarily aim towards one individual, rather a cohort of employees can be bullied in a strained work environment.

Taking the commonalities in legal and academic definitions (Bartlett & Bartlett, 2011; Calvin, 2012; CNESST, 2021; Government of Canada, 2021; Nielsen, 2013; Vartia, 2001), this

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[9] - We refer to the legal definitions applied in the jurisdiction of the studied case.

study defines bullying at the workplace as repeated and enduring hostile[10] behaviors towards the recipient(s) who feel the negative consequences on their dignity or career. Victims of bullying can experience distress, intimidation, isolation, humiliation, or negative interruptions in their work (Bartlett & Bartlett, 2011; Calvin, 2012, 2012; Einarsen et al., 2010; Government of Canada, 2021; Nielsen et al., 2009).

Different types of bullying can be harmful physically, psychologically, socially, or materially (Government of Quebec, 2019). Physical and psychological harmfulnesses are relatively clear concepts (Government of Quebec, 2019). The social form of bullying involves actions that harm a person's social relationships or standing in a group, and the material type of bullying refers to "actions that damage a person's living environment or deprive them of their belongings or property" (The government of Quebec, 2019). The government of Canada (2021) as well as the literature on bullying provide many examples of different types including isolation at the workplace, tampering with work equipment, unwarranted punishment, belittling, removing responsibilities without cause, and more (Armstrong, 2011; Bartlett & Bartlett, 2011; Einarsen, 2000; Harvey et al., 2007; O'Rourke & Antioch, 2016; Seagriff, 2010).

Bullying has consequences for the victim(s) and the organization. The consequences of bullying for the victims include mental distress symptoms such as depression, stress, fatigue, problems sleeping, as well as feeling helpless, inferior, and lonely. The consequences that affect both the organization and the victim include lower performance and creativity, higher potential for errors, high absenteeism, high employee turnover, and potential court battles (Bartlett & Bartlett, 2011; Matt, 2012; Stouten et al., 2010; Vanderstar, 2004; Vartia, 2001). Calvin (2012) mentions

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[10] - The Merriam-webster dictionary defines the world hostile as: "of or relating to an enemy, …. marked by malevolence: having or showing unfriendly feelings"

that in the United States, bullying "can cost anywhere from \$30,000 to \$100,000 [U.S. dollars] per year for each individual that is bullied" (p. 169).

4.2.2. Management control and Bullying

Malmi and Brown (2008) define management controls as "systems, rules, practices, values and other activities management put in place in order to direct employee behaviour" (p.290). These controls include mechanisms such as cultural controls (i.e. norms and values), rewards and compensation, budgets, control of resources, job design, employee selection (Campbell, 2012; Fisher, 1995). Administrative controls, which encompass "governance structure", "organizational structure", and "policies and procedures" are also components of the management controls' universe (Malmi & Brown, 2008, p. 291).

According to Hodson et al. (2006), less bureaucratic processes can foster bullying. Auzair and Langfield-Smith (2005) conceptualize controls in five dimensions to capture their overall degree of bureaucracy. The dimensions are as the following and each of them includes two relatively opposing types of controls: action/result, formal/informal, tight/loose, restricted/flexible, and impersonal/interpersonal. Less bureaucratic controls emphasize relatively more on results; they are informal, loose, flexible, and interpersonal, while more bureaucratic controls stand in the opposite.

Following the same rationale as the above, one can see the difference between the mentioned types of controls in each dimension. Relative to action controls, using result controls means that managers have considerable discretion in how they can work toward their achievements. Opposite

to formal controls, informal controls[11] consist of "rules, policies, procedures and targets [that] are communicated informally" (Auzair & Langfield-Smith, 2005, p. 418). Tight controls involve closer monitoring while loose controls rely on infrequent monitoring of actions and targets and allowing for higher discretions. Finally, in comparison to restricting and impersonal controls, flexible controls allow managers to provide different responses to new situations and being interpersonal means that they are adjusted as per individual personalities and preferences (Auzair & Langfield-Smith, 2005). Each of these types of controls is beneficial in certain circumstances (Auzair & Langfield-Smith, 2005). For the purpose of this study, loose, flexible, and informal controls together are labled as informal.

Research shows that controls can be implicated in bullying (Armstrong, 2011; Bartlett & Bartlett, 2011; Stouten et al., 2010). For instance, Armstrong (2011) in his case study, shows how managers mistreat employees and do not compensate them fairly following a tight budget. According to Armstrong (2011), in this case, the budget provides "the occasion", "a medium" and a "rationale" for bullying (p. 641).

Besides budgets, a variety of control mechanisms can influence the work environment to foster bullying. A prime example is cultural controls. Leadership style is strongly associated with the culture and whether or not it fosters bullying (Francioli et al., 2018; Hutchinson & Hurley, 2013; Nielsen, 2013; Woodrow & Guest, 2017). Culture can allow or prohibit aggressive behaviors, and destructive rumors (Bartlett & Bartlett, 2011; Einarsen et al., 2010; Hodson et al., 2006; Seagriff, 2010). In other words, bullying occurs "within a culture that permits or rewards this kind of (mis)behavior" (Einarsen, 2000, p. 395).

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[11] - Chenhall et al. (2011) mention that "informal controls [are] related to free-flowing communications and decision processes" (p. 104).

Bullying can occur when managers use controls in specific ways (Bartlett & Bartlett, 2011; Einarsen et al., 2010; Hoel et al., 2010; Lee, 2000; Seagriff, 2010). For example, job designs that include heavy workload, role conflict, low autonomy, and ambiguity contribute to feelings of frustration and anger and having an environment that fosters bullying (Baillien et al., 2009; Stouten et al., 2010). Spatial and resource controls that lead to harsh working conditions that are noisy or unsafe, or with uncomfortable temperatures are other examples (Stouten et al., 2010). Furthermore, unfair reward systems, unclear rules, and unsystematic (arbitrary or as per the managers' term) application of rules provide a strained work environment in which individuals are prone to engage in destructive behavior and bully each other (Armstrong, 2011; Bartlett & Bartlett, 2011; Hodson et al., 2006; Hoel et al., 2010; Stouten et al., 2010).

Another control mechanism that can contribute to bullying is employee selection and the appointment of unfit or aggressive supervisors or managers, which leads to an environment that fosters bullying (Armstrong, 2011; Einarsen, 2000; Hoel et al., 2010; Vredenburgh & Brender, 1998). Related to the above, Hodson et al., (2006) discuss the role of capacity and competency of leaders in bullying (or its prevention), and Vredenburgh and Brender (1998) discuss the attributes of managers who are more likely to exhibit bullying behavior. An example is the production manager, "Mr. Boyle", and his bullying behavior in the case study of Armstrong (2011, p.638).

Controls not only create an environment that fosters bullying but can also be used directly by managers to bully an employee. Examples include refusing leave, arbitrary penalizing (Bartlett & Bartlett, 2011; Brotheridge & Lee, 2007), giving "meaningless tasks" (Vartia, 2001, p. 67), changes in job design "to the employee's detriment without reasonable justification" (Lee, 2000, p. 598), and role ambiguity (Bartlett & Bartlett, 2011; Lee, 2000; O'Rourke & Antioch, 2016; Rayner et al., 2001; Rocker, 2008; Vartia, 2001).

The above studies show that controls can play a role whether in creating a workplace environment that fosters bullying or directly in acts of bullying. Surprisingly, however, these are the same controls that are used in directing organizations towards achieving desired objectives (Malmi & Brown, 2008; Tessier & Otley, 2012). Budget is used in many organizations to maintain control and direct resources toward organizational objectives. Job designs are essential parts of hiring and positioning employees. Cultural controls play an important role in contemporary organizations (Malmi & Brown, 2008; Tessier & Otley, 2012). Hence, what distinguishes the use of controls that leads to bullying, in comparison to more normally assumed uses toward reaching organizational goals? Or in other words, how are these controls used by managers to bully or to foster such an environment? The next section draws on the works of Einarsen et al. (2010) and Hoel et al. (2010) to define and theorize specific uses of controls that could be implicated in bullying.

4.3. Theoretical underpinnings

At the individual level, bullying can be seen as a destructive coping mechanism or destructive behavior in a strained environment or conflict situations (Baillien et al., 2009; Einarsen et al., 2010; Rayner et al., 2001). Rayner et al. (2001) discuss personal attributes in bullying such as aggressiveness, self-esteem, and social skills to manage conflicts:

> *[Social skills] affect the extent to which the individuals are aware of the effect they may have on others, which is especially difficult in a conflict situation when emotions are running high. For many people, stepping back and calming the situation can be almost*

impossible when that situation has become a personal vendetta" (Rayner et al., 2001, p. 130).

Specifically, managers who cannot handle conflicts in a constructive way or can not "motivate and control employees through visible rules and rewards" (Hodson et al., 2006, p. 388), contribute to or commit bullying (Einarsen et al., 2010; Hoel et al., 2010).

Prior research provides many evidence and discussions on the relationship between leadership and bullying or its prevention at workplace (Ferris et al., 2007; Hoel et al., 2010; Hutchinson & Hurley, 2013; Nielsen, 2013; Stouten et al., 2010; Woodrow & Guest, 2017). In this regard, researchers find some styles of leadership to be associated with bullying at the workplace (Einarsen et al., 2010; Hoel et al., 2010; Nielsen, 2013). These leadership styles are autocratic (tyrannic), laissez-faire (passive), or those that punish employees in arbitrary ways (non-contingent on employees behavior) (Baillien et al., 2009; Einarsen et al., 2010; Hoel et al., 2010). The following paragraphs describe these styles of leadership and define three uses of controls in accordance with them. Thereafter, the theorization discusses that such uses can involve bullying or foster such an environment.

Managers with an autocratic style of leadership are willing to apply force or harsh treatments to achieve what they desire. They "fail to manage their own pressures and stress, reverting to or falling into an autocratic or even tyrannical style of leadership in particularly stressful circumstances, where involvement and constructive criticism may be replaced by rage and shouting" (Hoel et al., 2010, p. 456). An autocratic style of leadership can involve acts of bullying or create frustration and aggression among employees, and therefore leads to an environment that fosters bullying.

Following the above, autocratic uses of controls are a tyrannic, harsh, or forceful use of controls in which employees are treated forcefully and not motivated or directed respectfully. Armstrong (2011) illustrates examples of enforcing a budget in an autocratic or tyrannic way that is associated with abundant instances of bullying.

Next, laissez-faire style of leadership is when leaders do not get involved when necessary, "fail to carry out their duties", "turn a blind eye" in a problematic situation, "show little concern for their subordinates", or "ignores problems when they arise" (Hoel et al., 2010, pp. 458–464). Leaders' absence can "give rise to operational and co-operational problems" and therefore it can provoke conflicts among peers followed by destructive behaviors such as bullying (Hoel et al., 2010, p. 457). Furthermore, lack of attention to clear job design and instructions can lead to role conflict and task ambiguity, which provide occasions for destructive behavior and therefore contribute to bullying (Bartlett & Bartlett, 2011; Hoel et al., 2010). Taking the laissez-faire style of leadership, managers fail to meet the expectations of employees or to protect them from poor working conditions. In some cases, this could even be perceived "as an intended and systematic neglect and ignorance" (Hoel et al., 2010, p. 457).

In line with the above, this study defines laissez-faire use (or withdrawal) of controls as instances in which managers use or withdraw control(s) lacking concerns for the consequences of their decisions, especially for employees. The potential consequences of the withdrawal of controls in employee selection, job design, or allocation of resources could be role ambiguities, harsh work conditions, unresolved conflicts, and a hostile culture which all foster bullying.

Not only with the withdrawal of controls, but the provided definition of laissez-faire use can also be met in different ways when managers use controls. That is when managers use controls lacking concerns for the consequences of their decisions, especially for employees. For example,

a lack of due diligence in the use of employee selection controls (Campbell, 2012) can lead to the appointment of an unfit individual with a destructive attitude to a leadership role. In another example, the use of resource allocation without due diligence or concern for employees can lead to a harsh working environment in which employees suffer or get into conflict or destructive behaviors over resources (Stouten et al., 2010). Another example is when managers use result controls with no concern to provide the necessary means, planning, training, or safety equipment also means that they failed to carry out their duties and used controls lacking concerns for employees. In the case study of Armstrong (2011), managers demand high output at a low cost without concern for employees' health and safety and even turn a blind eye to the production managers' repetitive bullying behavior. These instances show that managers' use of controls without concerns for employees (in a laissez-faire mode) can lead to bad work conditions, ambiguous rules, a hostile culture, and therefore bullying.

Finally arbitrary or unpredictable use of punishment based on the leaders' terms, regardless of employees' behavior, fairness, or clear policies can foster or reinforce acts of bullying (Hoel et al., 2010). An example is when "failing leaders attempt to gain or retain control by means of punitive actions" because they "may feel more powerful if they can deliver punishment on their own terms" (Hoel et al., 2010, p. 457). Hoel et al. (2010) does not define punishment. This study assumes punishment it as a decision or behavior that is to the detriment of employees.

Following the above, arbitrary use of controls to punish, is defined as a use that is to the detriment of an employee and conducted as per the manager's terms rather than clear policies, fairness, or the employee's behavior. In the case study of Armstrong (2011) managers make arbitrary decisions to enforce the budget, such as cutting an employees' salary because she overperforms.

Considering the association of autocratic, laissez-faire, and arbitrary punishing styles of leadership with bullying, this study theorizes that uses of controls as the above can involve bullying or foster a bullying environment. As mentioned, Armstrong (2011) illustrates many examples of such incidents with the use of budgets.

In perspective to the above-mentioned style of leadership or their subsequent uses of controls, participative leadership that values employee involvement and participation reduce the chances of bullying (Einarsen, 2000; Hodson et al., 2006; Hoel et al., 2010). Favorable work conditions (Stouten et al., 2010), organizational capacity "to motivate and control employees through visible rules and rewards", mutual respect (Hodson et al., 2006, p. 388), as well as clear and fair work processes are also helpful to avoid bullying (Bartlett & Bartlett, 2011; Einarsen, 2000; Hodson et al., 2006; Vredenburgh & Brender, 1998). In Specific, Hodson et al. (2006) discuss that bureaucracy such as clear and explicit work procedures, rules, and record-keeping prevents bullying (Hodson et al., 2006).

4.4. Research Approach

A qualitative approach helps to capture the details regarding how an environment fosters bullying and how controls are used within this context along with interactions between employees and managers (Ahrens & Chapman, 2006; Beattie, 2014; Cooper & Morgan, 2008). In this case study, the way that managers are selected and left in control without strong oversight, in addition to the ways that they manage the operation and deal with critics, are insightful to understand how a work environment can evolve to foster bullying. These evolvements occur over a span of time, suggesting a longitudinal case study approach to capture them. Observing these elements helps to understand the context that fosters bullying, and therefore helps the transferability of the learnings.

This case of workplace bullying is encountered as a surprise. Based on a conversation with one of the victims, one could observe a role for controls in managers' hostile behavior. Upon further investigation, bullying becomes clear and fits with the definitions available in the literature. Therefore the decision is made to study the specific firm (referred to under the pseudonym IronCo) based on the relevance of using controls by managers to bully (Flyvbjerg, 2006).

The data collection underlying the study has obtained ethics clearance from Concordia University.[12] Sources of data include interviews, archival data such as emails, text messages, LinkedIn profiles of professionals, and the website of the company. Furthermore, notes from direct observations and interactions in the firm and with its stakeholders are used. The use of multiple sources of data in this study supports data triangulation to improve the trustworthiness of this study (Guba & Lincoln, 1982; Lukka & Modell, 2010).

The researcher of this study, as a result of business relations, is familiar and in contact with the firm since 2009, whether directly and through multiple stakeholders. The prolonged involvement of the researcher with this case provides the ability to compare different managers' behaviors over the years in this company and helps in seeing different aspects of the phenomenon (Ahrens & Chapman, 2006; Guba & Lincoln, 1982).

From 2018 onwards, observations and interactions with the firms' employees and managers are captured in a field logbook. Since that year, a record is also maintained from all the conversations through emails, text messages, and WhatsApp messages. Aside from the above-mentioned interactions and observations, three individuals inform us about the details of the specific events. One individual is an interim manager (here called Brian), who works in IronCo for five months and is in contact with the new management team (Stuart and Fred). Two other

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informants here called Sophie, and Smith, have been IronCo's long-time employees and directly experienced the bullying behavior. Three interviews capture their point of view.

Interviews with alleged victims help to capture the details and provide a thick explanation regarding the case, the victims' feelings, and what they go through (Lukka, 2014; Lukka & Modell, 2010; Yin, 1994). As established in the bullying literature, bullying has a subjective element that resides with the victims as they feel directly the consequences in their performance, health, and dignity (Bartlett & Bartlett, 2011; Vartia, 2001). Two interviews with the first victim (Sophie), and one interview with the second victim (Smith) inform us about the manager's approaches regarding the operation of IronCo and his treatment of employees. The interviews, ranging from 40 to 90 minutes, are conducted in an open form to capture the events (what happened and why), the informers' plan, feelings, and the situations they deal with.

Furthermore, during the most critical time frame of the case, spanning several months from May to December of 2019, the researcher remains in contact on a weekly basis (and sometimes more frequently) with the main informer/victim (Sophie), and keeps a record of their conversations. This allows capturing the victim's interactions with managers, her feelings, and her plans to fight for herself and consequent departure.

An interpretative approach based on the theoretical underpinnings (Ahrens & Chapman, 2006) is used to analyze the data. The next sections show how managers use of control in specific ways (laissez-faire, autocratic, or arbitrarily to punish) can be implicated in bullying.

4.5. The Case

This section presents the findings using fictitious names to maintain confidentiality. Sub-section 4.5.1. provides background information about the firm (here called IronCo). Sub-section

4.5.2. discusses the toxic environment of the firm, and Sub-section 4.5.3 follows by illustrating managers' use of controls to bully employees in this toxic environment.

4.5.1. Background

The purpose of this sub-section is to introduce the firm and to illustrate how the environment of IronCo evolves to a strained (or a toxic) environment. Specifically, this section discusses the laissez-faire selection of a new CEO (Stuart), the way he operates, and the selection and the plant manager (Fred). The data presented in this section is based on direct observations of the main researcher and conversations with the informants (Sophie, Smith, and Brian), as well as archival information on the firm's website and professional's LinkedIn profile.

IronCo is a small firm founded in the 1990s that produces an input used in the production of steel. Its clients are thus steel mills. IronCo. purchases, cleans, and cuts its raw material before putting them in its furnace. After smelting at above 1000 degrees Celsius, the molten material is cast onto a mold to solidify. An overhead crane moves the hot slab of metal out of the mold down to a large metallic tray to be moved away for crushing and packing.

From 2000 to 2013 IronCo's CEO, with 30 years of experience in running manufacturing businesses, grows the firm's annual revenue from $2 million (Canadian dollars) to $12 million. Furthermore, from 2008 to 2013 the company increased its production capacity from 8 metric tons per day to 12 metric tons per day while keeping costs under control and staying profitable.

IronCo has several shareholders, among them are the successful CEO, the firm's R&D consultant (Martin), and two brothers (Larry and Edgar) who together own a majority of the outstanding shares. By 2013, the firm's success leads the majority shareholders to consider a change. They decide to appoint Stuart, the son of Larry (the firm's largest shareholder), as the

financial officer of IronCo. This appointment coincides with the main researcher leaving the firm for another employment, keeping contact with several colleagues from IronCo. Stuart's appointment is quickly followed by a promotion to president and CEO in the winter of 2015, with the former CEO thus leaving the firm's management.

At the time of appointment in 2015, the new president and CEO, Stuart, is a young individual (about thirty years old) who has a few years of experience in a stock trading firm followed by a nervous breakdown and burnout. Based on conversations with multiple employees and the prior CEO, it appears that Stuart spent a few years out of the job market, cooking pastries and painting the house to recover from the burnout. Furthermore, when taking up this position, Stuart has neither experience of leading a team nor in managing a production plant and being responsible for the profit and loss of an organization. According to the above, this appointment is not based on Stuart's qualifications. Considering his lack of experience in the specific field of IronCo, in managing any organization, and his history of a nervous breakdown, the consequences of this appointment, especially for the employees remains to be seen.

After the appointment, Stuart is not actively engaged in the organization. His appearances at the firm, a few days a week following his appointment, decrease to once a month or every other month a few months afterwards. Moreover, whenever he visits, Stuart prefers not to get involved with the production, quality, or maintenance demands. The majority shareholders (Larry and Edgar) never inquire about Stuart's performance in regard to the operation of the IronCo or its personnel. Edgar verifies the financials of the firm a few times a year.

Upon his appointment, Stuart hires a plant manager to oversee the operation of IronCo so he can focus on sales and marketing. The first plant manager that Stuarts chooses in winter 2015 (Brian), quits after a few months in April 2016. Brian explains the reasons for his leave: "lack of

production planning", specifically not having a supply of raw material to match the number of orders, "sudden changes, and unrealistic promises" to clients, Stuart's pushes to have "three shifts of operations" without the required resources, and finally, lack of a budget ("resources") for employees and their health and safety. Examples of the latter include not dedicating resources to fix "a broken brick wall that could fall" and injure the employees, and Stuart's decision to give a "50 cents per hour raise" to a "reliable" employee.

Upon receiving Brian's notice of leave, Stuart starts a search for a replacement. He essentially delegates to Brian the task of finding a replacement for himself and conducting the interviews. Brian recites that in some candidates' interviews, Stuart sits in the background, and in many others, he does not attend. After interviewing several candidates, - some of them with very strong backgrounds such as executive management in a "Ford production plant" or from "Alcoa", - Stuart does not follow through with this hiring process.

Finally, Stuart chooses one of his existing employees (a Co-Op[13] master's degree student, Fred) and promotes him from keeping the inventory records to the position of plant manager. Brian leaves but maintains some degree of collaboration and contact with the firm. Brian and Smith (a furnace operator) inform us that at this point, Fred has no experience running a production plant, no work experience in Canada, and has never been in charge of profit and loss. His prior work experience is in the Middle East, in a large company with a heavy political environment. This appointment again is not based on the qualifications of the individual. Fred has no prior experience leading a team of employees or any organization. There has been no formal interview or measurement of the leadership or social skills of Fred in this case, which leaves concerns for the

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[13] - Co-Op program provides a chance for students to get involved and work in the industry while they are progressing in their degrees.

consequences of such an appointment. The following sections depict the negative consequences of this appointment for the employees and the lack of monitoring Fred's behavior. Using controls (here personnel selection) without concern for its consequences especially regarding employees can be seen as a laissez-faire use.

Figure 3 shows the organizational structure of IronCo along with the names of some of the key characters in this case study. According to this organizational structure, the accounting technician, and Sophie (An informant and a senior IronCo employee) report to Stuart, while all other employees, such as the production crew including employees called Smith, John, and Victor report to Fred.

[Insert Figure. 3 About Here]

4.5.2. A strained work environment

The prior section shows that Stuart's approach regarding production planning and employees' health and safety and salaries, and in employee selection, leads to Brian's leave and selection of Fred. This section (4.5.2.) presents the environment of IronCo under the management of Stuart and Fred. The incidents in this section (4.5.2.) are not repeated and enduring, and therefore can not be categorized as bullying. However, the purpose of this section (4.5.2.) is to show how such selection processes for key positions (Stuart in the position of president and CEO, and Fred in the position of plant manager) lead to a work environment with ambiguous work processes and rules, potentially inducing conflicts and aggressive behavior. The findings also illustrate that managers do not reprimand (withdraw control regarding) destructive and aggressive behaviors in the environment of IronCo, therefore allowing such behavior in their work

environment. The next section (4.5.3.) depicts the same environment and provides many examples of conflicts in which managers are involved as one of the parties in the conflict, and respond by bullying (repeated and enduring hostile behaviors) via controls.

As mentioned previously, Stuart and Fred do not have any experience in leadership, nor have been in charge of profit and loss. Stuart is usually absent from the firm. Fred is present but prefers to stay in the office area and rarely visits the production floor contrary to prior managers. IronCo's leaders rely on different policies and procedures regarding safety, job design, and working hours from time to time (as will be described in the following). However, these policies remain informal, and the leaders do not provide an explicit and formal policy to be applied consistently to all employees. After their appointment, the ambiguities in procedures and policies in different areas lead to several operational and co-operational issues including unsafe work[14], ambiguous rules and procedures[15], lack of planning[16], and internal conflicts among employees and managers, and external conflicts with suppliers and shareholders[17] (see specific examples in the footnotes).

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[14] Examples are: splash of high-temperature melt and burning employees; crowdedness of the shop floor with different materials and pallets in the way of operators and forklifts; multiple fire incidents and high cost of insurance; moving a hot slap of metal with a forklift (instead of the overhead crane) which can tilt the forklift on its front and release the molten metal on the production floor.

[15] Such as no training sessions for safety or work procedures leading to many equipment damages, forklift breakdowns and lack of any regular maintenance, breakdown of the furnace because of using a wrong feed material, hitting, and breaking garage doors with forklifts with no reaction from managers, some staff coming to work with several hours delay with no prior arrangement and no consequences, a containers' wheel frozen at the loading dock as no one turns on the pump to empty the water underneath, a container confined in Europe because of leaking oil and causing a large costs to remove.

[16] Indications: having three shifts full of staff while the second and third shift work with less than 50% capacity, long lead time that causes some clients to leave, loading/unloading containers taking several days in comparison to 1.5-2 hours under prior managers, large investments to install multiple extra furnaces left without use because of lack of raw material and power supply.

[17] - Several internal conflicts between IronCo's managers and staff are discussed in the future sections. However, Fred and Stuart also get into several conflicts with shareholders and suppliers. Examples include banning prior CEO from entering the firm and accusing him for revealing confidential information; eliminating any reporting to shareholders except for Larry and Edgar, fighting with subcontractors and withholding payments to an electrician, and electrical supply store, taking to the court a contractor that installs and maintains furnaces, fighting with well-known furnace manufacturer in north America ("Inductotherm"), not paying a forklift repair contractor, not paying a contractor who provides on demand labor and posting their pictures on the production floor to ban them from entry. This situation leads to many members of the community surrounding IronCo publicly discussing their negative opinions about how the firm treats its stakeholders (employees, contractors, and shareholders).

Considering the consequences of such ambiguities in rules and procedures, manager's inaction in these cases suggest a laissez-faire withdrawal of control. This section presents a few examples of internal conflicts and destructive behavior among employees that are captured in interviews with Sophie and Smith.

An incident of aggressive behavior involves the use of rewards. At the end of a year, Fred gives financial rewards to some of his employees. He gives a $500 end-of-year bonus to his senior maintenance technician (with over 10 years tenure in IronCo), and a $1,000 bonus to a recently hired technician, mentioning to both that "I gave you the highest bonus" and asking them not to tell others. A bit later, different employees including the senior technician find out. The senior technician perceives this distribution of rewards as unfair, and that escalates the existing conflicts between the two colleagues. In a tense moment, the senior technician throws a hammer, hits, and injures the new colleague on the foot. The report of the incident reaches Fred but he does not react with any specific reprimand. In this incident, the use of rewards, the related communication to the employees regarding the rewards, and the following inaction after the incident, contribute to and allow such aggressive behavior.

The following incident involves verbal aggression towards Fred's brother. In 2017, Fred appoints his brother, a university student with no prior work experience, as the supervisor of the night shift. Going to university in the day, Fred's brother sleeps often during the night shift, while others need to work in a hot and dusty environment. Night shift employees get frustrated with his behavior and, in an argument, threaten him that one day, they would put "him or his brother [Fred] in the furnace". In this incident, appointment of Fred's bothers (who is a full-time student during the day and does not have work experience) as the night shift supervisor, lacks concerns for the consequences of this decision and therefore could be seen as laissez-faire. Thereafter lack of

monitoring of his performance can be seen as a laissez-faire withdrawal of controls that leads to an unjust situation that fosters frustration and destructive behaviour. Furthermore, the verbal aggression in this incident is not penalized and the involved employees do not face any reprimand. Lack of any penalty sends a signal that aggressive or destructive behavior is tolerated at IronCo. Considering the consequences of such behavior for employees, allowing it can be considered as a laissez-faire withdrawal of control regarding boundaries.

Another incident is regarding two employees who do not get along and disagree over the speed and sequence of crushing and packaging of the products, and regarding who gets to work with the better mobile equipment. As mentioned previously, Fred does not visit the production floor often and usually stays in the office area. He also does not clarify the work procedures and rules for the above employees. After a series of arguments, the disagreements between these colleagues escalate and at one point when both employees are working on forklifts, one decides to drive his mobile equipment to the other's and shouts that "next time [he] would run over [him]". Soon after, Fred receives the report of the incident but does not intervene. Again, in this incident, the ambiguities in regard to the role of each individual and work procedures lead to conflicts between colleagues. Over time the conflicts escalate and provide a chance for aggressive behavior which is tolerated at IronCo. In other words, laissez-faire withdrawal of controls provides a chance for ambiguities which leads to and allows destructive behavior. The following sections show how the conflicts progress when the managers of IronCo are on one side of it.

This section presents how the selection of Stuart and Fred (which is not based on their qualifications) contributes to ambiguities and conflicts and therefore to a hostile work environment that allows for aggressive and destructive behavior. In specific, managers do not communicate clear rules or boundaries, or training on how employees should behave. Therefore, they allow for

ambiguities, potential conflicts, and destructive behavior. Furthermore, in this work environment, aggressive behavior is tolerated with no serious consequence. Such a work environment can be categorized as strained or toxic.

The incidents in this section are not enduring and repeated, therefore do not qualify as bullying, but they present a strained work environment, which allows for hostile and destructive behavior. The next section (4. 5.3.) illustrates several incidents that match the provided definition of bullying (as repeated and enduring) by the managers and shows the role of controls in the acts of bullying.

4.5.3. Bullying employees and the role of controls

4.5.3.1. Bullying a cohort of employees; role of policies and procedures

The previous sections show how laissez-faire personnel selection for the key positions (selection regardless of qualifications of individuals and its potential consequences) and lack of any monitoring of their operational performance lead to ambiguities and lack of directions at IronCo. These ambiguities, lack of directions, and tolerating aggressive behavior is also a laissez-faire withdrawal of controls by the new managers and lacks concerns for the employees. The above contributes to and allows conflicts and destructive behaviors, therefore a toxic or strained work environment.

This section (4.5.3.1), shows how, in the same toxic work environment, the ambiguities regarding the rules and the desired behavior also lead to conflicts between employees and the managers (i.e., Fred and Stuart), and how managers repeatedly respond by hostile behavior relying on controls. Nevertheless, the data also includes some instances of aggressive behavior without the uses of controls (e.g. Fred's physical aggressions and shouting). The purpose of these

illustrations is to provide a more comprehensive picture of the case and managers' approaches to conflict situations. This section also illustrates how these hostile behaviors fit the definition of bullying.

After a few months under Stuart's and Fred's management, operational issues and internal conflicts among employees lead many long tenure employees to leave the firm. Among the employees who left the firm are two key employees in charge of the furnace and one of their colleagues. Smith, who works at the furnace, recites his only direct encounter with Stuart and following encounters with Fred that lead to his leave.

Regarding his only encounter with Stuart, Smith describes an incident in which a senior employee plans to channel funds either by buying overpriced material or selling underpriced material on behalf of IronCo from/to himself while covering as a third-party firm. Smith hears and reveals these plans to Stuart. After firing the individual, Stuart asks Smith to be a court witness. Smith replies that he put in writing what he heard. He agrees to come to court as a witness and to recount exactly that. However, he did not see the act of stealing himself. Later, Stuart gives Smith a written notice for cooperating with the individual in question. In this incident, Stuart relies on the firm's policies regarding boundaries to penalize Smith. However, this punishment is not based on a clear justifiable cause, lacks any evidence of wrongdoing, and therefore can be categorized as arbitrary.

After his only encounter with Stuart, Smith continues to recite his multiple encounters with Fred. He mentions:

> I can give you _so many_ [with emphasis] examples [of abusive behavior]. I was the one who
> ... brought him [Fred] over to our company to do his Co-Op. When he started as a

manager, I and [two other colleagues] knew that he doesn't know the job. He understood

that and we always had issues with him.

Having disagreements with Smith, one day Fred, with no prior indication or discussion, gives him three notices at once, all signed by Stuart. The first one is a reprimand for unsafe work, although Fred, himself, routinely walks in the workshop with no safety gears and even asks for unsafe work from time to time (as will be discussed in the following).

The second written notice is to reprimand Smith because he worked 35 hours the week before and not 40, although no clear rule has been discussed or ever enforced in this matter in the firm. The third notice claims that Smith has punched his timecard at midnight while he is supposed to work during the day. In this regard, Smith finds out that another employee punched his timecard by mistake and upon realizing that, punched him out ten minutes later. Smith voices his disagreement and confronts Fred with explanations regarding the notices. Fred replies that the notices are already written and "signed by Stuart", and he "cannot undo them", and "it doesn't mean anything". Following the above incident, Smith feels that he "can no longer work [in this environment]".

The above incidents show how Fred relies on policies and procedures (administrative controls) regarding safety, working hours, and boundaries to punish Smith. None of these rules are communicated clearly or applied consistently to all employees with a chance to defend themselves. Therefore, these uses of controls are arbitrary and based on the manager's terms and not clear rules.

Three days after the above incidents, Fred asks Smith to cut some large size raw material to fit in the furnace. Smith informs him that the material is flammable, and a more expensive cutting

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method is preferable because it avoids the fire. Nevertheless, Fred asks Smith to use a cheaper method despite the danger of fire, saying "it's on me" should anything happen. As expected, the material catches on fire, the operation stops, and the fire department arrives and deals with the situation. Later, Smith receives another written notice for this incident. Following these notices, Smith takes a friendly tone and asks Fred and Stuart to lay him off[18] and they agree without hesitation.

In the above incident, Fred asks for unsafe work and upon having a fire, the management team (Fred and Stuart) penalizes Smith arbitrarily (not based on clear and consistent rules) by relying on safety policies and procedures (administrative controls). Having informal controls seems to facilitate this arbitrary use. If consistent and explicit safety policy, work procedures, and record-keeping exist, managers would not be free to use the policies as they preferred, and they could not ask for unsafe work.

The following incident regards Smith's colleague (John) who also works with the furnace. John finds himself in disagreements and conflicts with Fred regarding the correct smelting process and furnace's feed. In an accident, high-temperature molten metal splashes out of the furnace (at above 1200 C) and burns John's back and lower limbs (at IronCo, employees do not wear protective gears for smelting). John takes a sick leave and returns after several months. Upon return, Fred appoints John to sweep the floor and do other similar types of work. Following the changes in his job design, John decides to leave the firm. Again, in this incident, Fred arbitrarily changes job design to the detriment of an employee. No clear rule or consistently applied policy at IronCo support this change in the job design.

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[18] - When a firm lays off employees, they may be eligible to receive unemployment insurance for several months. However, if employees quit, they are not eligible.

Another incident concerns a night shift employee (Victor) which involves a physical attack on behalf of Fred. Victor works the night shift starting from midnight to the morning. One night, the overhead crane fails, and Victor is not able to remove the hot slab from the mold. Not having an empty mold would prevent him from emptying the furnace which could lead to many damages. Facing the urgent situation, Victor calls Fred and explains the issue. Fred comes to the shop and after seeing the situation asks Victor to put the chains on the forklift and lift the one metric ton hot slab which could tilt the forklift on its front. Victor mentions that this is dangerous work, he is not comfortable doing it, and they need to have a good working crane. After some arguing, the situation escalates and Fred slaps Victor. Victor contains his anger, hits his hard hat on the floor, and leaves. The next day, Victor receives a written notice, again signed by Stuart, to punish him for fighting with his manager. Victor leaves the firm as a consequence. In this incident, Fred asks for unsafe work and illegally tries to force victor to do so. Thereafter, the management penalizes Victor for fighting with his manager, arbitrarily relying on the firm's policies regarding boundaries.

This section illustrates repeated and enduring hostile behaviors towards employees who feel the negative consequences on their dignity or career to the point that they cannot continue their employment with the firm and prefer to leave. Unwarranted punishment is a clear example of bullying (Bartlett & Bartlett, 2011; Einarsen, 2000; Seagriff, 2010). IronCo's administrative controls and policies on safety, working hours, work procedures, boundaries, and job designs are informal. This informal state of controls allows managers to use them arbitrarily to punish employees and not follow clear formal policies. The following sub-section (4. 5.3.2) presents other aggressive behavior on behalf of Fred towards Sophie and Martin (IronCo's R&D consultant and shareholder) which gets close to a physical fight.

4.5.3.2. Bullying to break a senior employee: role of organizational structure, spatial controls, resource controls, and rewards.

This section presents incidents of aggressive behaviors and penalizing towards a senior employee (Sophie) as captured in the interviews and frequent conversations with her. Other informants (Smith and Brian) also contribute by reciting their conversations with IronCo's employees, and with Fred. Specifically, Brian tries to improve the relationship between Fred and Sophie but does not succeed.

Sophie has been working for IronCo since 2006 and is a central figure of the firm when Fred joins the firm as a Co-Op student and later becomes the plant manager. Upon the appointment of Fred and Stuart, witnessing the state of the operations, especially in her areas (logistics, contracts with clients, and human resources), she sees several operational issues emerging. These include several days delay in loading/unloading trucks, confinement of a sea container in Europe which causes a fine and high cost to remove (above~ $40,000 CAD), long delays (sometimes up to several months) in shipping products to clients, and more. As a central figure of the firm, Sophie discusses these issues with Stuart (her direct manager). She also discusses her concerns and opinions with Martin (one of the firm's shareholders and an R&D consultant), and the main researcher of this study. In her opinion, Fred "leaves everything in the dark".

Hearing Sophie's reports, Stuart discusses the matters with Fred but does not act further. Fred expresses his disapproval about these reports to his employees and outsiders including Brian. Towards the end of 2017, after renovating a part of the office, Stuart asks Sophies to leave her desk, which is located in the center of the office area between the manager's office, the employees, and the entrance, and move to a room on another floor that is quiet and away from the working

crowd. Here, Stuart relies on spatial controls to remove Sophie from her central position. Only one employee (the accounting technician) works on that floor to have a quiet and isolated space.

In an incident in winter 2018, an employee on mobile equipment hits and shatters the office glass door. In the middle of February in Canada, no one repairs the glass for several weeks. Sophie discusses this issue with Martin. A few hours later, Martin publicly expresses his frustration and his negative opinions about the outstanding issues at the firm in IronCo's conference room. Fred hears the conversations, enters the room, and starts to shout. Sophie and Smith recite the incident, which includes harsh verbal attacks and escalating almost to physical contact. After a few days, Fred also recites the incident to Brian: "I started shouting at him and I said who do you think you are to walk in here and say whatever you want".

Now, Fred publicly refers to Sophie as a major non-cooperating individual and starts asking employees and Brian not to engage with her: "I know what to do with her, I told her I am not talking to you anymore and I don't want to do anything with you". After a while, Stuart and Fred decide to release a new organizational chart to appoint Fred as Sophie's direct manager. Fred mentions that with the new organizational chart, he is Sophie's manager, and there is no need to "worry" about her anymore.

The above paragraphs show how managers rely on organizational structure (part of administrative controls (Malmi & Brown, 2008)) to put Fred in the decision-making position regarding Sophie. Stuart is aware of how Fred deals with his critics, but he lacks concern for the long-tenured employee (Sophie) in his use of organizational structure. Furthermore, Fred's communication of his negative feelings about Sophie and how he would encounter her is setting the tone at the top at IronCo. In this case, Fred uses cultural controls to develop a norm that works against Sophie.

After the above change in the organizational structure, Fred, as Sophie's manager, does not communicate a word with her except in emails. Sophie asks him the reason for this behavior. Fred responds that "he doesn't want to talk to her anymore and he does not trust her". After a few months, Sophie understands that none of the employees, except for a few senior ones, talk or engage with her, and she is not invited or informed of any work meetings. The tone at the top regarding Sophie, is now a norm at IronCo.

In addition to the above, the findings capture four other incidents that suggest Fred may have engaged in abusive behavior. The first incident is related to an annual audit of the ISO9001 quality management system. Sophie has previously asked Fred if she is the human resources clerk or manager. Fred had not clarified the matter. In the winter of 2018, IronCo needs to prepare some documents to be prepared for the annual ISO audit. Fred sends an email to everyone, also asking Sophie to prepare everyone's job description and keep a record. Having job descriptions are positive for an ISO audit, but in many instances, auditors do not require to see them and focus on quality-related processes.

Sophie is not aware of what each employee is doing. She needs Fred and the employees to provide her with the information. She prepares the required forms and sends them to everyone to collect their list of responsibilities. Of all the employees, less than four respond. Sophie and another colleague inform Fred that she needs information to complete the job. Fred replies that it is her job to develop the job descriptions and his employees do not have the time to do it. As a result, Sophie cannot prepare employees' job descriptions. In this instance, Fred intentionally withdraws control although he knows that Sophie would not be able to complete the given task without the cooperation of his team.

A few weeks later, the ISO audit passes with no issues. The auditor does not ask to see the job descriptions as they are not directly related to the quality of products. Fred sends an email to the whole team, having Stuart in CC. He praises some team members for their accomplishments, and at the same time reprimands "H.R." (human resources) for "a poor performance" in this regard without mentioning Sophie's name. In this case, Fred is penalizing Sophie without clear justification and rewards others.

The second incident is related to wearing safety gear. It is a norm at IronCo, that employees do not wear hard hats in the production shop. Fred himself neither wears a hard hat nor safety boots most of the time and sometimes asks for unsafe work as discussed in the prior sections. One day, Sophie enters the production shop and stays at the entrance to give a message to an employee. Later, she receives a written notice from Fred, for not complying with safety regulations. The notice mentions that future incidents will be penalized with suspensions. In this incident, Fred arbitrarily relies on the firms' policies regarding safety to punish Sophie, although these policies are not enforced systematically.

The third incident relates to issuing a quality certificate for the finished product. Normally the procedure is that Sophie receives a signed certificate of quality from the production or quality team. She uses that data and enters it in a form and sends it to the customer before shipping the material. Once, a customer replies in an email that there is something wrong with the quality, and the chemical balance of the product does not comply with their requirements. The mistake is with the quality team, reporting a wrong chemical balance for the product, while the actual material complies with client specification and is still not shipped. They correct the report and send it back to the customer.

Right after the incident, Fred sends an email, expresses his negative feelings about the incident, and suspends Sophie for two days saying: "from now on, never send a [certificate of quality] to a client without my signature. You are jeopardizing the company's reputation that we have tried so hard to build". Sophie writes back that this is not her fault, and she follows the normal procedure. Fred replies that "We will consider your claim and we will get back to you". Later Fred reduces the suspension to one day. Following this incident, Fred removes Sophie from contractual responsibilities. In this incident, Fred penalizes Sophie with no proper justification and also changes her job design arbitrarily (not based on clear rules and policies).

Finally, in the last incident, all IronCo's employees go to a ceremony held by the provincial chamber of commerce. Sophie is not informed about the event and finds out by receiving pictures of all team members in the event without her. She feels "disrespected and hurt". Sophie complains to Stuart about not being informed about the event. Stuart replies that he did not have anything to do with it and he had let Fred pick his team for the event. In this incident, attending the ceremony is a reward for IronCo's team. Fred arbitrarily chose not to reward Sophie, while the rest of the team receive the reward and celebrate their efforts.

After the above, Sophie visits a doctor for her feelings of distress and problems with her sleep and hearing. Her family doctor diagnoses that her nervous system is under pressure and prescribes a sick leave. Fred asks why without his permission? He asks Sophie to "report back to work immediately". Sophie reminds Fred that according to law, this is a health-related issue, and he cannot ask her to come to work and that Sophie had informed the management in proper time.

Sophie goes home to take the sick leave for months. Fred reaches out to his contacts (including the main researcher of this study) to find a replacement for Sophie. Furthermore, Stuart

calls her and unofficially says that he does not want to keep her in this situation and wants to let her go. It is illegal, in Canada, to fire someone while on sick leave.

A while later, Stuart asks Sophie to give back her work laptop and work cellphone. In other words, Stuart uses his control over the firm's resources to the detriment of Sophie without a clear fault on her behalf. The below quotes are from Sophie in May 2019 and show her feeling of isolation at IronCo.

> *Well option to stay, that would not be good, I do not want to fight or feel like outsider, he will not change and he will bully even more, so yes I will leave waiting for [Stuart]'s written agreement…*
>
> *… I still sleep a lot, incredible how tired I am, see doctor Monday …*
>
> *…. like I said I have no access to nothing, on that side it is like I do not exist no more, no files, no emails, no WhatsApp, nothing.*

Later on, Sophie realizes that her email account is being deleted:

> *Just received email from [I.T. manager] telling me that they have asked him to unassign the license used under my email address, that is a proof that they want to fire me and not take me back or else they would have put a message like what I was on sick leave, am I right?*

Again, in the above, Stuart uses his control over the firm's resources to eliminate Sophie's access to her work tools. Sophie realizes that now it is very hard to prove any wrongdoing. The below quote from Sophie in June 2019, depicts her feeling of inability to defend herself:

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I am really stupid, when they asked me to give them my cellphone and my laptop, I just did without keeping a record of my emails. I am really stupid. And of course, afterwards they block me from my work account and deleted my account. Oouuff, what can you do! There was supposed to be a payment from IronCo for this period, but I don't contact them and they don't talk to me no more, I feel it's better not to be in touch with them.

Quebec's occupational health and safety agency (CNESST) explicitly requires firms to submit a report for employees' sick leaves. For about two months, IronCo does not submit any report regarding Sophie. Then, IronCo claims that Sophie's sick leave is not work-related, and also declares a different date for the start of her leave. Up to that point, Sophie had received sick leave pay from IronCo. Following IronCo's report, CNESST rejects Sophies sick leave and now Sophie has to pay back the amount received. Sophie describes again how she feels defenseless (June 27th, 2019):

I am very confused and upset, but Ok, I cannot imagine that an employer but [province's labor agency] can destroy an individual and it is not considered sick leave ... , he [Fred] has all rights over me, that he is bad communicator or [manager], has no concern on my health.

Finally, after her sick leave, Stuart lays off Sophie. Again, this layoff is regardless of clear policies and rules and therefore can be seen as arbitrary use of administrative controls to punish.

The above incidents fit well with the definition of bullying at the workplace as repeated and enduring hostile behaviors towards the recipient(s), who feel the negative consequences on their dignity or career. In this case, Sophie's experiences of repeated and enduring hostile and unwanted

behaviors, leave her feeling defenseless, distressed, "disrespected", isolated, deprived of her work tools, and laid off. Informal procedures and policies regarding job designs, work instructions, work meetings, physical locations, sick leaves, rewards and safety provide flexibility for managers to use these policies and procedures arbitrarily to punish Sophie.

4.6. Discussion

This case study illustrates and discusses many incidents of punishments and hostile behavior on behalf of managers towards employees. The recipients feel the negative consequences to the point that they cannot continue their employment with the firm and prefer to leave. These repeated and enduring hostile behavior with consequences for employees fit the definition of bullying at workplace.

Prior to the above-mentioned incidents, Sections 4.5.1 and 4.5.2. show the practice of personnel selections for the most important positions of the firm, without going through a procedure to verify and ensure the persons' leadership qualifications. Leaders chose Stuart because he is the son of the largest shareholder and not based on his qualifications or experience. Stuart chooses Fred regardless of his qualifications in comparison to other interviewees. These selections are followed by unclear procedures and policies regarding safety, job design, work procedures, boundaries, and more. Thereafter many issues in IronCo and for its personnel follow, including unsafe practices and injuries, fights, stealing, and operational issues. Such a strained work environment fosters destructive behaviors and bullying. In different instances conflicts arise between employees (section 4.5.2.), and they treat each other in a destructive manner. However, these instances are not repeated and enduring. In other instances (section 4.5.3.), managers are involved in the conflict and repeatedly treat employees in a hostile manner. Despite all the above

issues, leaders of IronCo do not monitor Stuart's performance in these regards, and Stuart does not effectively monitor Fred. This lack of monitoring continues at least from 2016 to 2020 when Sophie leaves IronCo.

This case study provides at least five examples of laissez-faire use or withdrawal of controls that lack concerns for the consequences, especially for employees. The first example is the use of the personnel selection control to appoint Stuart to the position of CEO regardless of his qualifications. The second example is the appointment of Fred to the position of plant manager, regardless of his qualifications. The third is managers' withdrawal of control and allowing ambiguous and unclear policies and procedures in different areas such as safety, work procedures, job designs, sick leaves, which prove to have many health and career consequences for the employees including receiving punishments without knowing the rules. The fourth example is the withdrawal of action or result control in monitoring Fred, and Stuart. The last example is Stuart allowing a change in IronCo's organizational structure to appoint Fred as Sophie's direct manager, knowing how Fred treats employees. Again, this laissez-faire use of organizational structure lacks concerns for Sophie who worked for the firm for a decade before the new management.

The informality of controls contributes to the above-mentioned laissez-faire use. In specific, informality and lack of explicit policies and record-keeping regarding personnel selection, work procedures, and safety, allows managers to easily ignore the important issues in these processes.

Following the above laissez-faire uses or withdrawals of personnel selection, policies and procedures, and organizational structure, section 4.5.3. provides several examples of hostile behavior against employees.

As illustrated in the findings section, laissez-faire withdrawal of controls at Iron Co. leaves desired and undesired behavior ambiguous and unclear. Therefore, employees could exhibit

undesired behavior unknowingly and face punishments. Furthermore, rules are not enforced in the same way to all employees and the same undesired behavior would be sometimes tolerated, and sometimes penalized. In other words, ambiguities, resulting from laissez-faire approach, is followed by arbitrary punishments by managers. When these arbitrary punishments are hostile and repetitive, they fit the definition of bullying. The following paragraphs discuss examples of such incidents.

Examples of arbitrary punishment include managers' behavior regarding Smith, Victor, and John. The notices that Smiths receives are regarding safety, working hours, the fire incident, and for not witnessing in the court as per Stuart's demand. Victor receives a physical attack and a notice because of refusing unsafe work, and John suffers from a downgrade in his responsibilities following his sick leave without a reasonable cause. None of these punishments are based on clear explicit policies, and in some instances managers' requests are illegal (e.g., forcing someone to witness in the court or demanding unsafe work). In other words, in all these instances, managers use controls to arbitrary punish employees. Unwarranted punishments and removing responsibilities without cause are two examples of bullying (Bartlett & Bartlett, 2011; Einarsen et al., 2010).

For the above-mentioned arbitrary punishments, informal controls play a role. Fred and Stuart use informal controls without announcing clear rules for future incidents. This informality allows them to arbitrarily use controls to punish employees.

Controls also play a role in the bullying incidents regarding Sophie. First, Stuart's use of the firm's informal spatial controls to remove Sophie from her central position is a step towards her isolation. This is followed by informal communication of Fred's desire for not engaging with Sophie and leaving her out. Not engaging with Sophie at the workplace becomes a norm, which

depicts a role for cultural controls being used arbitrarily to isolate Sophie. Not inviting Sophie to work meetings and to the celebration in the chamber of commerce, is an arbitrary use of rewards. Leaving out Sophie from this reward (the celebration) contributes to Sophie's isolation. Isolation, and harming a person's social relationships or standing in a group are recognized forms of bullying (Bartlett & Bartlett, 2011; Government of Canada, 2021; Government of Quebec, 2019). In this case, again the bullying is facilitated by informal controls. If a formal or restricting procedure, policy, or record-keeping (administrative controls) exist regarding the physical locations and work meetings, it would not be so easy to arbitrarily isolate a central figure with no documentation of the cause.

In other incidents, Fred withholds information from Sophie and then reprimand her for not providing employees' job descriptions for the ISO audit. Not having a formal work procedure, Fred is free to withhold any help and argue that it is Sophie's job to develop the job descriptions and his employees do not have the time to do it. Again, informal work procedures allow Fred to arbitrarily penalize Sophie for failing in this task.

In another incident, Fred relies on IronCo's informal safety controls to punish Sophie for entering the shop floor without safety gear. He also relies on informal work procedures (in the preparation of the certificate of quality), and reprimand Sophie by arbitrarily removing contractual responsibilities from her job design. In other words, informal safety policies and work procedures, provide opportunities for Fred to arbitrarily reprimand Sophie and downgrade her job design.

Finally, the lack of an internal policy regarding sick leave or loose monitoring from CNESST allows Stuart to use his control over the company's resources to remove Sophie's cell phone, laptop, and to eliminate her email account while she is on sick leave. Table 1 provides a summary

of the above uses of controls whether in the evolution of the workplace to one that fosters bullying or in the acts of bullying.

[Insert Table 1 About Here]

The above discussion explains how controls could be used in bullying or to foster bullying. In brief, arbitrary use of controls to punish reinforces bullying, and laissez-faire use of controls fosters bullying. This case study also captures some consequences of bullying via controls. The main victim, Sophie, suffers distress symptoms such as fatigue, problems in sleeping, feels helpless, lonely, and finally, loses her job. Also, the firm suffers from high employee turnover, low performance, and low morale (e.g., physical and verbal attacks such as the forklift incident, throwing a hammer, slapping, the fight with Martin, as well as stealing). These findings are in line with existing literature (Bartlett & Bartlett, 2011; Vartia, 2001).

Extant literature informs us about different types of controls and their benefits in different circumstances. Auzair and Langfield-Smith (2005) discuss action/result, formal/informal, tight/loose, restricted/flexible, impersonal/interpersonal controls, and their benefits in different contexts. Furthermore, literature commonly discusses how different controls are used in a neutral way towards personnel and to enhance a firm`s performance (Auzair & Langfield-Smith, 2005; Malmi & Brown, 2008). This case study shows that is not necessarily the case in all firms. Controls can also be used to bully and in a non-neutral way.

Among the types of controls defined by Auzair and Langfield-Smith (2005), informal, flexible, and loose controls (which all are labeled as informal in this study) have many benefits such as flexibility and rapid responses to different opportunities or in providing a better service

(Armitage et al., 2020; Auzair & Langfield-Smith, 2005; Merchant & Van der Stede, 2007). However, this case study, shows that the less bureaucratic nature of these controls allows managers to use them arbitrarily to punish employees. This is in accordance with Hodson et al. (2006) who argue that the lack of bureaucracy, with clear rules, work procedures, and record-keeping, increases the chance of bullying.

Laissez-faire and arbitrary use of controls to punish are not the only controls modes implying bullying. Armstrong (2011) illustrates that autocratic use of a budget can provide many occasions for bullying.

Figure 4. depicts the uses of controls in this case study and in the study of Armstrong (2011). Common trends in table 1, indicate that a laissez-fair use of controls (e.g. personnel selection not based on qualifications, and lack of monitoring of Fred's behavior) provides an environment that allows bullying. As discussed above, informal controls facilitate laissez-fair uses of controls (whether in personnel selection or monitoring). Common trends in table 1, also show that managers can arbitrarily use controls to penalize employees, which could be a form of bullying (e.g. arbitrary notices and layoffs without clear policies). Again, informal controls facilitate such arbitrary use by lack of documentation and clear procedures. Finally, figure 4. depicts a role for autocratic use of controls in bullying to present the findings of Armstrong (2011).

[Insert Figure 4 About Here]

Extant literature also discusses specific modes of use of controls towards organizational objectives. In specific, Mundy (2010) discusses enabling or controlling (i.e., restricting) uses of controls toward creating a dynamic tension and enhancement of "organizational capabilities"

(p.409). Drawing on organizational studies (Hoel et al., 2010), this study defines alternative ways that controls could be used (Laissez-faire, autocratic, and arbitrary punishing), and shows how these uses can be implicated in bullying. Controls used in such a fashion may provide insights about questionable practices such as fraud, deceptive behavior in sales, use of creative accounting methods, and more (Gerety & Lehn, 1997; Litzky et al., 2006; Milesi-Ferretti, 2004; Schreck, 2015). For example, Litzky et al. (2006) discuss how managers could inadvertently lead employees to deviant behavior in making sales. To understand the role of controls in the case of Litzky et al. (2006), the use of a tight sales target, along with informal sales procedures may be insightful.

4.7. Conclusion

Studies in the domain of management accounting and control commonly see controls as tools in the hands of managers, that are used towards organizational objectives (Malmi & Brown, 2008; Simons, 1994; Tessier & Otley, 2012). This case study brings out a dark side of controls and illustrates how they can be used by managers in questionable practices and can play a role in inducing bullying at the workplace. It is shown that laissez-faire use of control contributes to an environment that fosters bullying, and arbitrary use of controls to punish is implicated in bullying acts. Furthermore, informal controls, although beneficial in many instances (Auzair & Langfield-Smith, 2005), facilitate a laissez-faire or arbitrary use. This study also shows how not only the budget (Armstrong, 2011) but a variety of controls could be implicated in bullying.

Furthermore, the definitions of laissez-faire or arbitrary uses of controls along with their potential consequences, provide alternative ways in which controls could be used, and adds to the previously discussed uses of controls in the literature (e.g. enabling and restricting uses by Mundy (2010)). These uses of controls (Laissez-faire, arbitrary, or tight) could be insightful for future

research regarding managerial wrongdoings such as fraud or questionable sales practices (Gerety & Lehn, 1997; Litzky et al., 2006; Schreck, 2015). In other words, these uses of controls (Laissez-faire, arbitrary, or tight), help us differentiate the use of controls towards organizational objectives in comparison to their use in questionable practices.

Being qualitative and having one sample firm limits the generalizability of the findings. Nevertheless, the findings are in line with prior qualitative and quantitative studies whether regarding the styles of leadership, the work processes, and ambiguities that could be implicated in bullying (Bartlett & Bartlett, 2011; Hodson et al., 2006; Hoel et al., 2010). Future studies could take quantitative approaches and investigate similar uses of controls and their consequences in a wide range of organizations.

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Figure 3

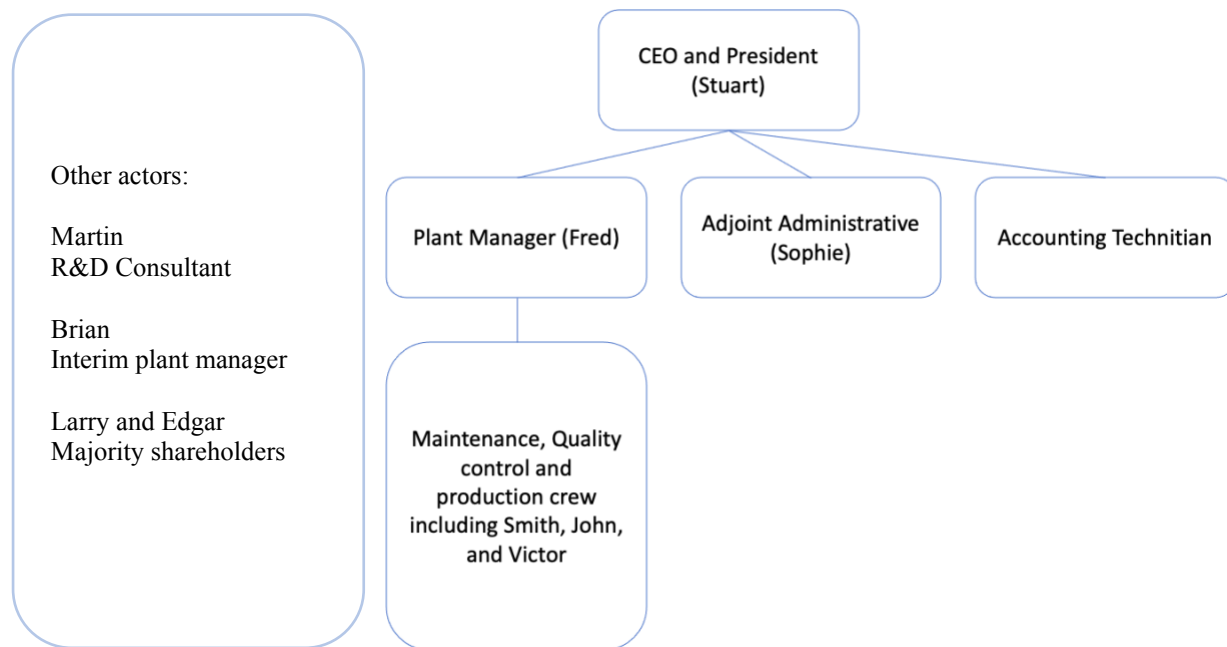The below figure presents the organizational structure at Iron Co. at 2016-2017

Figure 3. Organizational Structure of Iron Co.

Figure 4

The figure below presents three uses of controls that can play a role in bullying or in creating an environment that fosters bullying.
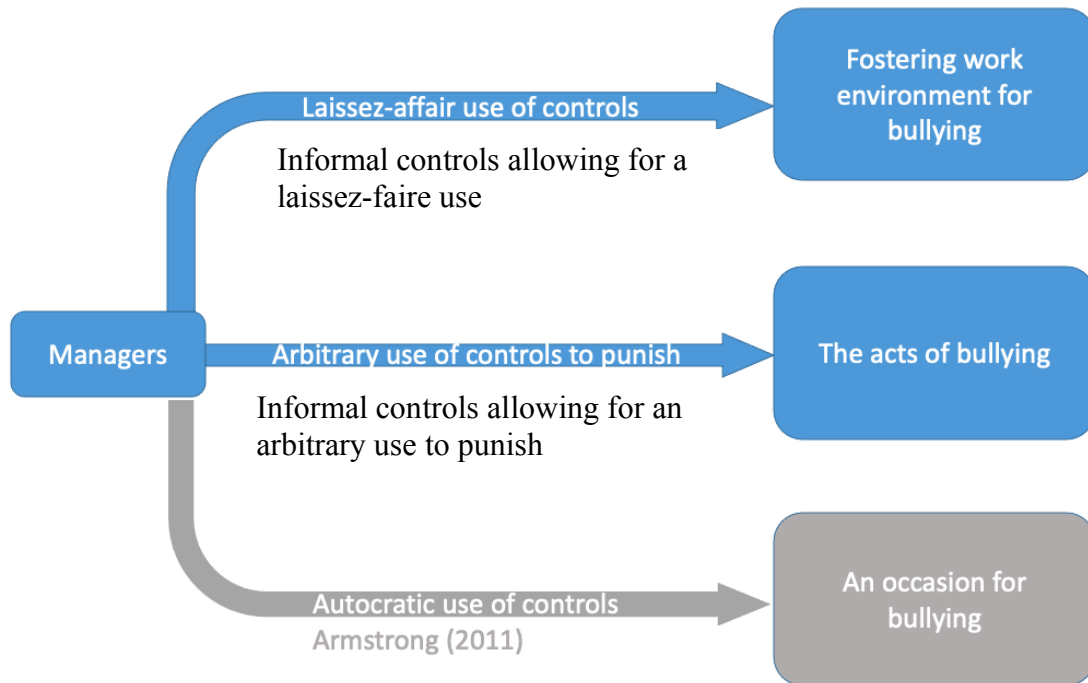

Figure 4. Role of controls in Bullying observed in IronCo. and illustrated by Armstrong

(2011)

Table 1

Table 1. The role of controls in the creation of an environment that fosters bullying and in the acts of bullying.

The act of bullying or fostering bullying	Type of Controls involved	Mode of Use	Recipient
Fostering: appointment of unfit individuals to key positions	Personnel selection	Laissez-faire use	
Fostering: withdrawal of control	Policies and procedures regarding safety, work procedures, job design, boundaries, sick leaves, etc…	Laissez-faire withdrawal of control	
Fostering / Lack of monitoring of the plant manager and the CEO despite all the operational and employee issues	Withdrawal of controls	Laissez-faire withdrawal of control	
A written notice to penalize for not witnessing in the court - Unwarranted punishment	Policies and procedures regarding boundaries	Arbitrary use to punish	Smith
A written notice to penalize for unsafe work - Unwarranted punishment	Policies and procedures regarding safety	Arbitrary use to punish	Smith
A written notice to penalize for working 35hr instead of 40 - Unwarranted punishment	Policies and procedures regarding working hours	Arbitrary use to punish	Smith
A written notice for punching timecard at midnight - Unwarranted punishment	Policies and procedures regarding working hours	Arbitrary use to punish	Smith
A written notice for the fire incident - Unwarranted punishment	Policies and procedures regarding safety	Arbitrary use to punish	Smith
A written notice for fighting with the manager - Unwarranted punishment	Policies and procedures regarding boundaries	Arbitrary use to punish	Victor
Downgrading the job design without reasonable cause	Job design	Arbitrary use to punish	John
Moving Sophie from her desk in the center of the office away from the working crowd – Isolation	Spatial control		Sophie
Fostering / Appointing Fred as Sophie's direct manager	Organizational Structure	Laissez-faire	

Not inviting Sophie to meetings and not engaging with her at work – Isolation	Rewards + Cultural controls	Arbitrary use to punish	Sophie
Penalizing for not preparing the job descriptions - Unwarranted punishment	Policies and procedures	Arbitrary use to punish	Sophie
Penalizing for not wearing safety gear - Unwarranted punishment	Policies and procedures regarding safety	Arbitrary use to punish	Sophie
Downgrading the job design and removing contractual responsibilities	Job design	Arbitrary use to punish	Sophie
Removing work tools (Laptop, cellphone, and email)- Unwarranted punishment	Control over the company's resources	Arbitrary use to punish	Sophie
Laying off	Personnel selection	Arbitrary use to punish	Sophie

Chapter 5. Conclusion

Researchers show that control practices influence organizations and contribute to their success or failure. In turn, managers can influence or use control practices in many ways. They can influence which and how controls are used. In comparison to large organizations, simpler or less developed structures of SMEs, provide even higher autonomy to managers and allow them to make decisions about many aspects of an organization including controls.

Three essays of this dissertation examine the role of managers in regard to control practices in SMEs. The first essay illustrates and conceptualizes the role of managers -, in relation to their work context, - in the application of controls with a degree of sameness or variation in comparison to other contexts. We illustrate how managers internalize information, experience, and beliefs from the site, and how in return, they can structure the site towards their favorable conditions. While this mutual interaction is ongoing, they practice controls based on their skills, beliefs, style, as well as the rules and necessities of the site. This conceptualization contributes to the practice-based studies of controls that currently conceptualize it by focusing mostly on the site. This conceptualization, positions managers in a central role who can influence controls while being in a constant mutual relationship with the site, and therefore ensuring that practices are in accordance with necessities and rules of the site. Furthermore, this essay suggests that managers' favorable conditions and their style are important factors to consider while examining their practices of control.

The second essay of this dissertation shows the importance of managers' understanding and perception of employees' behavior in their use of controls in regard to them. This essay illustrates how managers use controls based on their perception of employees' commitment, teamwork, and their belief in the rules of the organization. We conceptualize this use as a social exchange in which

managers use controls considering the rewards and cost of their use. Findings show that they use controls to accommodate and maintain perceived desired behaviors while restricting and limiting the undesired. This essay also shows that managers' perception of employees' social bonds (commitment, attachment, and belief) leads them to use controls differently. Managers use control to accommodate and enable employees with perceived strong bonds and to control the employees with weak bonds. Furthermore, strong attachment and high commitment reduce managers' need to use controls regarding their employees. This essay contributes to prior studies that show the influence of culture and generational differences on controls, by illustrating how individual-level variations and nuances lead to different use of controls by managers.

Finally, the third essay of this dissertation shows the dark side of controls. Managers, being in the position to use controls, can do so towards personal gain rather than organizational objectives. This essay shows how managers can rely on controls to bully employees, which poses many consequences for the organization and the employees. They can use controls in a laissez-faire manner or use them arbitrarily to punish employees. A laissez-faire use of controls contributes to the creation of a work environment that fosters bullying, while arbitrary use to punish can be directly involved in the act of bullying. These uses of controls (laissez-faire or arbitrary) may help us understand many other instances in which controls are used in a questionable manner. This study contributes by defining new uses of controls, and by examining a dark side of controls in contrast with the commonly assumed uses towards organizational objectives. Furthermore, it contributes by showing how different forms of controls could be involved in bullying employees.

The essays of these dissertations have some limitations. First, the use of qualitative methods limits the ability to generalize the findings, although they are transferable to other contexts. Future studies can take quantitative approaches to examine a higher number of organizations. Another

limitation is in regard to essay 2 (chapter 3), in which we capture managers' perception and its influence on their use of controls. Although managers use controls based on their own perception, the reality of employees' behavior and characteristics can differ from such perception. Future research can use objective measures of employee behavior and examine their influence on managerial use of controls.