Remote working, management control changes and employee responses during the COVID-19 crisis

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Abstract

Purpose – The authors examine the impact of the sudden shift to remote working, triggered by the coronavirus disease 2019 (COVID-19) crisis, on management control (MC) practices in professional service firms (PSFs). In addition, employee responses to these changes are explored.

Design/methodology/approach – The authors carried out a field study of MC changes in PSFs in Italy, the first country in Europe that was severely impacted by COVID-19. Interviews with PSF employees form the primary data source. Pattern matching was used to identify similarities and differences and investigate how employees respond to the MC changes.

Findings – As a response to the shift to remote working, managers at PSFs made various MC-related changes. For instance, they increased the number of online meetings and made use of technologies to monitor employees from a distance. Employees reacted to this by engaging in "voluntary visibilizing practices", i.e. by trying to make sure they got noted by their superiors, for instance by doing overtime. In addition, collected evidence suggests increased stress levels among employees, changes to employee autonomy, changed perceptions of hierarchies and a weakened sense of relatedness with others in the organization.

Originality/value – This is one of the first studies to examine the impact of the sudden shift to remote working on MC. In addition, this paper contributes by exploring employee responses to the MC-related changes. The findings add to the growing literature on MC and motivation, and the notion of voluntary visibilizing practices is mobilized to warn against over-commitment and self-exploitation.

Keywords Consulting, COVID-19, Crisis, Management control, Remote working, Teleworking

Paper type Research paper

1. Introduction

Remote working is not new (Hafermalz, 2020), but never before were so many organizations simultaneously forced to let their employees work from home as in 2020, when the COVID-19 crisis surfaced globally. This had significant implications for organizations, including how they could exercise management control (MC), i.e. "influence employees' behaviors in desirable ways" in order to achieve their goals (Merchant and van der Stede, 2007, p. 5). While certain types of MC, such as informal lunch gatherings, face-to-face meetings and direct observations were not possible anymore, the crisis fueled the use of new technologies to work, organize and communicate, offering managers novel control possibilities. The impact of these sudden changes is a largely unexplored area. In addition, MC changes in response to crises (cf. van der Stede, 2011) and their behavioral and motivational effects (Hall, 2016) have been identified as important areas for further research. Therefore, we explore this issue by carrying out a field study in Italy, the first European country to be severely hit by the COVID-19 crisis. Organizations such as professional service firms (PSFs) were likely to be

affected by sudden shift to remote working since communication among colleagues and with clients was acutely limited, while prior research identified this as essential to deliver high-quality work and maintain control (Alvesson and Kärreman, 2004). Our primary data consist of semi-structured interviews with employees working in large PSFs in the first half of 2020. We draw on self-determination theory (Ryan and Deci, 2000) and Hafermalz's (2020) notion of voluntary visibilizing practices to theorize our findings related to employee responses.

This study makes two contributions. First, we explore how MC has changed in PSFs as a response to the sudden shift to remote working. We extend prior research on the crisis-control relationship (van der Stede, 2011; van der Kolk *et al.*, 2015; Parker, 2020) and show how firms made MC-related changes, for instance by increasing the amount of calls and online meetings, and by using online platforms to monitor the work of employees. Second, we address calls to study responses of individuals to organization-level MC changes (Hall, 2016), by focusing specifically on behavioral and motivational aspects. We discuss how and why employees engage in voluntary visibilizing practices (Hafermalz, 2020), i.e. trying to make sure they get noted by their superiors. In addition, we extend the accounting literature that examines the impact of MC on motivation (cf. de Baerdemaeker and Bruggeman, 2015; Groen *et al.*, 2017) by identifying how the needs for autonomy, relatedness and competence are addressed now that employees work from home.

2. Background

MC consists of those activities and mechanisms that lead to an "increased probability that the organization's objectives will be achieved" (Merchant and van der Stede, 2007, p. 5; see also Malmi and Brown, 2008) and includes *cultural controls* (e.g. values), *action controls* (e.g. monitoring), *results controls* (e.g. performance measurement systems) and *personnel controls* (e.g. training). Prior research argued and demonstrated that crises may provoke changes in the use of accounting and MC instruments (van der Stede, 2011). For instance, Johansson and Siverbo (2014) found that, in times of budget turbulence, organizations can respond by using tighter budget control. In their work, the authors argued that this functional response increased the likelihood of reaching budget targets. Van der Kolk *et al.* (2015, p. 936) found that, after the 2008 financial crisis, some organizations began emphasizing constraining types of MC (e.g. monitoring), which triggered "undesired" employee responses.

Although there are similarities, the COVID-19 crisis is different from previous crises. For MC, the main difference lies in the fact that most organizations were this time forced to close their offices, the physical spaces that were identified by Parker (2020) as important means to exercise control. This not only had consequences on the organizational level but also on the individual level. Research from a wide range of disciplines suggests that the quarantine (forcing employees to work from home) imposed by various governments may have caused serious negative psychological effects, including stress, fear and confusion (Brooks *et al.*, 2020). In addition, it has been suggested that remote working can trigger unhealthy employee responses, such as over-commitment and self-exploitation because employees want to make themselves "visible" to their supervisors through, for instance, overwork (Hafermalz, 2020). Although remote working and its effects on employee behavior have already received some research attention (cf. Hafermalz, 2020; Parker, 2020), the MC-related changes following the forced quarantine and their impact on employees has, to our knowledge, not been addressed in the literature.

Despite various calls, empirical evidence and theorization on the relationship between MC and employee responses is still scarce (Hall, 2016). In this respect, a notable exception form MC studies that rely on *self-determination theory* (SDT), which is increasingly mobilized to theorize relationships between MC and motivation (e.g. de Baerdemaeker and Bruggeman, 2015; Groen *et al.*, 2017; van der Kolk *et al.*, 2019). SDT proposes that employees have three

needs: a need for autonomy, a need for competence and a need for relatedness (Gagné and Deci, 2005). The extent to which organizations succeed in addressing these needs, perhaps using MC, impacts intrinsic motivation (Ryan and Deci, 2000). For example, relying on SDT, Van der Kolk *et al.* (2019) showed that the use of personnel control and cultural control had a positive impact on intrinsic motivation of employees, as these MC types address the needs for autonomy, competence and relatedness.

Prior research called for cross-level studies, investigating the interplay between organization-level aspects, such as MC, and individual-level aspects, such as employee motivation (Hall, 2016). Moreover, SDT has proven to be useful, theoretically informing such studies (cf. Groen *et al.*, 2017; van der Kolk *et al.*, 2019). To extend the research in this area, Hall (2016, p. 70) points to the strong potential of field studies, indicating that an "important advantage of field studies is the ability to examine a broader range of psychological responses emanating from a management accounting practice." Following this suggestion, we carried out a field study to investigate how remote working impacted the use of MC in PSFs and explore how these changes affected employees.

3. Method

We adopted a qualitative field study method as we deal with "how" questions. We studied PSFs because, for these organizations, knowledge transfer and communication within teams and with clients is key, both for delivering high-quality work and for maintaining control (Alvesson and Kärreman, 2004; Morris and Empson, 1998). Since the forced quarantine limited the possibilities for knowledge transfer and communication, we expected to find changes in the use of MC. Moreover, we chose PSFs in Italy because it was the first European country to be severely hit by the COVID-19 virus. Hence, firms operating here had more experience in dealing with the changes at the time we carried out our research.

From May to June 2020, we held 15 semi-structured interviews with people working for large PSFs in Italy (see Table 1). Since we were interested in employee responses to MC, we focused on employees *subjected* to MC, including apprentices, analysts and consultants.

ID	Name*	Function title	Firm	Big-4 firm?	Length (min)	Date interview
1	Laura**	Apprentice	A	Yes	52	24-5-2020
2	Giovanni	Apprentice	A	Yes	69	25-5-2020
3	Luca	Senior consultant	E	No	70	25-5-2020
4	Giulio	Senior consultant	A	Yes	49	26-5-2020
5	Luigi	Consultant	F	No	58	26-5-2020
6	Ivana	Consultant	B	Yes	57	26-5-2020
7	Giorgia	Senior auditor	C	Yes	58	28-5-2020
8	Antonio	Senior manager	E	No	64	28-5-2020
9	Alessandra	Senior consultant	C	Yes	52	01-6-2020
10	Diletta	Senior consultant	A	Yes	50	01-6-2020
11	Barbara	Analyst	C	Yes	43	02-6-2020
12	Sara	Consultant	A	Yes	42	03-6-2020
13	Manuela	Analyst	D	No	40	11-6-2020
14	Francesca	Analyst	C	Yes	46	13-6-2020
15	Gianfranco	Manager	G	No	50	18-6-2020

Note(s): * = To protect the anonymity of the interviewees, fictional names are used and firm names are removed
** = In addition, we held a brief follow-up interview with Laura in October 2020 to address some questions from one of the anonymous reviewers

Table 1.
Interview information

From Tessier and Otley (2012), we know that *managerial intentions* and *subordinate perceptions* can differ, even when discussing the very same MC element. We therefore complemented the 13 "employee" interviews with two "supervisor" interviews, i.e. interviews with those who *employed* MC elements. In this way, we obtained a more balanced understanding of MC changes in PSFs than we would otherwise have gotten (cf. Tessier and Otley, 2012), although our main focus remained on the employee perceptions and their responses to the MC changes. Our focus on junior employees implies that we do not study MC changes at higher levels of the PSFs (e.g. budget-related changes made by top managers).

The average work experience of interviewees is about three years. Interviewees were recruited via chain referral sampling [1]. We interviewed individuals with different function titles from seven different PSFs, three of which are Big-4 firms (Table 1). Interviews were held in English and Italian and were recorded using online video-call software, for which interviewees gave consent. We stopped conducting interviews when we stopped hearing "new" information (i.e. when we reached theoretical saturation, see Flick, 2009, p. 119). For each interview, a two-page report was written with the main findings, and all relevant sections were transcribed.

An interview guide was developed to ensure we consistently addressed the relevant themes. After discussing the interviewees' background and position, we asked them about the used types of MC, and how MC changed when remote working started. For the MC-related questions, we relied on the interview guide from van der Kolk (2019), which takes Merchant and Van der Stede's (2007) object-of-control framework as a starting point. We included questions such as *"How does your supervisor know you carry out your job well?"* (action controls) and *"Describe what types of outputs or outcomes of tasks and projects you are responsible for"* (results controls). In addition, SDT-related questions (Ryan and Deci, 2000) were asked, such as *"Do you feel you work autonomously? Has this changed since the quarantine started?"* (autonomy) and *"Do you feel you are now more or less connected to your organization, your colleagues and the work you do?"* (relatedness).

To make sense of the collected data, we adopted the well-established approach of pattern matching (Crang, 1997) to cluster and analyze the data. First, we focused on the most informative parts of the interview transcriptions that addressed (parts of) our research questions. Second, we made a structural description of the content of each of the interviews, including information about changes in the types of MC and employee responses. Third, we used thematic coding (e.g. theme: "increase in action controls") to identify passages of text that were linked by common arguments. Hence, we compared the data and identified similarities and differences in the responses given by the interviewees. Arguments concerning similar themes were grouped together. After this, we identified the common patterns and developed the theorized narrative, guided by our research questions.

4. A field study of Italian PSFs during the COVID-19 crisis
4.1 PSFs and control before the crisis
Although we acknowledge that there may be local differences and exceptions, we first sketch the main activities of PSFs and how MC was carried out before the COVID-19 crisis.

Junior employees in PSFs, i.e. those without managerial responsibilities, typically deliver services and advises to clients in teams with other consultants. Teams are often comprised of one (senior) manager and/or partner and several consultants, analysts and interns, depending on the size of the project. The main tasks of apprentices, analysts and consultants are nonrepetitive and client-oriented, and their main "product" or "service" is usually a document (e.g. a Microsoft PowerPoint presentation) that includes the main analyses and advises. Since knowledge and skills are paramount to ensure that high-quality work is delivered (Morris and Empson, 1998), PSFs often put much weight on *personnel controls* such as the selection of

employees with the appropriate profile and training. In general, this also means that employees used to receive some degree of autonomy. PSFs use *action controls* to ensure that deadlines and work hours are respected, and they are often required to justify their work hours (cf. Alvesson and Kärreman, 2004).

The ultimate responsibility for the work delivered often lies with the manager, who also provides direct feedback to the team. A senior manager (Antonio) indicated that for him it was always "extremely important to observe the team in action". Before the COVID-19 crisis, feedback on finished tasks (i.e. *results controls*) was often provided in face-to-face meetings, individually or with the team.

With respect to the use of *cultural controls*, there seems to be some variance among and within PSFs, and our interviewees pointed to differences between Big-4 and non-Big-4 organizations. For instance, while interviewees in Big-4 PSFs would emphasize the existence of strong hierarchies, the non-Big-4 interviewees sometimes praised the "flatness" of the organization and referred to colleagues as "family". To illustrate this, Luca, a senior consultant working for a non-Big-4 PSF, describes his superiors as "friends who I often meet outside the office; our relationship is informal."

4.2 MC changes

After the threat of the COVID-19 virus became clear, Italy locked down large parts of its north on March 8, after which it became the first country that went into full national lockdown two days later [2]. However, most interviewees told us that they already started working from home well before these official measures, around the end of February [3]. Since employees who carried out "non-essential work" were not allowed to go to the office or their clients' office anymore, PSFs were forced to reorganize their way of working. In this section, we focus on the key MC-related implications of this change.

First, the use of various *action controls* soared, mainly to substitute those types of MC that were not possible anymore, such as (informal and formal) face-to-face contact. Most interviewees indicated that they had been involved in more video calls and stressed that a substantial part of these extra calls were not "productive" and could easily be avoided. The more junior employees felt that some of these calls were intended to "monitor" them. For example, an analyst told us that, since the quarantine started, she has a scheduled call every morning at 9 AM:

> Although sometimes I understand that doing these calls is important, because they help us to better coordinate, other times I feel that they [her supervisors] just want to ensure that everyone indeed starts working at 9 AM. Really, there is not always something that has to be discussed that requires a call. (Barbara)

Most of our interviewees also indicated that they perceived many calls as a *waste of time*: "[The call] lasted one hour. We just repeated the same points we had to cover in a later meeting with the audit team. What is the point of doing so?" (Sara)

Firms used various software packages to cooperate online. All firms except firm E work with Microsoft Teams, which enables employees to see which colleagues are *online* or *offline*. When employees are *online*, their superiors can (video) call them, and most calls of our interviewees involved the activation of their webcam. Given that various interviewees reported a high number of daily video calls, they felt *constantly monitored*. "They must control and look at you" complained Ivana. One young consultant revealed that she and her colleagues had "Skype always open, because in this way managers can control you and make sure you do your work, and observe whether you are in a meeting, in a call, or that you're away" (Laura) [4].

A senior manager indicated that the total number of meetings *had to* increase, to compensate for the lower effectiveness of *online* meetings:

the effectiveness of the calls to review documents and give feedback is much lower than in-person meetings. This is why we now do more [calls than we had meetings]. (Antonio)

This quote also highlights that supervisors may *intend* to facilitate employees by organizing such online meetings (e.g. "give feedback" to help them carry out their jobs). At the same time, junior employees could *perceive* such calls differently (e.g. as controlling or constraining). This is an illustration of the situation in which *managerial intention* and *subordinate perception*, related to the same MC element, can differ (cf. Tessier and Otley, 2012). However, regardless of how they experienced *action controls*, both managers and junior employees agreed on their increased use.

Various interviewees indicated that supervisors started to check their activities more often. A senior consultant explains:

instead of checking just the output [results controls], they [his supervisors] have inserted these *intermediate steps*, during which they check me and my work at the beginning and halfway. (Giulio, emphasis added)

Some interviewees suggested that this increased use of *action controls* is triggered by a combination of mistrust toward the team members and increased external pressure: "Managers feel pressured [because of the economic downturn and the fear they will not meet their budgeted targets] to the point that they think that increasing control will make the output look better" (Giorgia). An interviewed manager of a non-Big-4 PSF was very clear about his reasons to monitor his team.

Since they're not controlled [at home], I do not take it for granted that they indeed deliver their work within the agreed deadlines [. . .] So, I have introduced *mini calls* to *make sure that they continue working*. (Gianfranco, emphasis added)

In other words, this manager acknowledged a lack of trust toward his team, which led him to check the team's activities multiple times a day. This way he tried to ensure that good quality work would be delivered. This resonates with the observation by van der Kolk *et al.* (2015) that managers, when faced with a crisis, use more *constraining* MC. Probably, the lack of physical nearness caused by remote working amplified this effect.

A novel element of the current crisis is that new online platforms allow much closer monitoring of employees than before. For instance, supervisors can receive a notification in Microsoft Teams whenever employees change their status (e.g. from offline to online). Some interviewees indicated that they would immediately receive a call from their supervisor the very moment they changed status, which they perceived as very controlling:

This is the old practice of always wanting to control the employee. (Ivana)

Such practices are reminiscent of the panopticon metaphor, as they allow "fine-grained observation and monitoring of employees, even at a distance" (Hafermalz, 2020, p. 2).

The second change concerns the changed job design, job-related demands and expectations that managers have regarding the work of employees, which relate to *personnel controls* and *results controls* (Merchant and van der Stede, 2007). The forced quarantine blurred the boundaries between work and private life, which affected employees in several ways. For instance, interviewees lamented that now "it is more difficult to call it a day" (Luigi) and got the impression that they *always should be available*. Knowing that consultants have nowhere to go (because they are forced to stay at home), some managers called employees late at night or gave very early deadlines. A junior consultant working for a Big-4 consulting firm reflects:

The hours we have to work really changed, because now my manager and the client ask us to do all the tasks, or at least many jobs, at any time [they choose]. That's because they know you're stuck at

home and do not have a problem to work on the task they want you to work on. So, it's a problem for us to always be "available" for them, 24 hours a day. (Laura)

The quarantine situation thus seemed to raise the expectations managers had about the work junior employees could get done and the hours they were available (*personnel controls*). Besides the managers, the clients also seemed to become more demanding during the quarantine period. A manager, who was in constant contact with his firm's clients during the lockdown, commented:

The client was more worried – especially during the first weeks of the quarantine – because he was unsure whether we would be able to deliver the work within the agreed deadlines. Hence, it was my primary goal to *show to him* that we pay the same attention to the client and to the quality of our work. (Gianfranco, emphasis added)

In other words, the increased pressure on a manager from a worried client cascaded down to the managers' subordinates. In addition, interviewees also suggested that more weight was placed on the PSFs' services now that the clients were faced with increased economic uncertainty. Subsequently, this may have triggered tighter *action controls* (calls, meetings, checks) from managers, who felt pressured to "deliver" what their clients want (cf. van der Kolk *et al.*, 2015).

A third issue relates to a change in the *cultural controls*. Our interview data suggest that the lack of face-to-face contact changed how employees perceived the organizational hierarchy. One senior consultant in a non-Big-4 firm, who acknowledged to have strong social ties to his superiors, pointed out:

Since the quarantine started, I feel that the structure is less hierarchical. My partner involves me more, and all the other partners listen to my opinion now. (Luca)

A manager from the same firm (E) confirmed this and commented:

Before the quarantine, juniors and consultants never participated in [high level] meetings, but now we let them participate in these very important meetings with the partners themselves. We do this to let everyone participate. (Antonio)

Contrastingly, other interviewees (mostly from Big-4 firms, but not limited to Big-4 firms) experienced *more* hierarchical distance toward their supervisors, not in the least place because the ways in which they communicated changed: "I feel that the organization became more hierarchical. The communication is more complicated now. It takes more steps for a document now to reach the partner." (Giulio)

A senior consultant indicated that since the quarantine, she was not allowed to carry out several more interesting and challenging parts of the job, usually done by more senior employees, such as direct contact with the client:

The hierarchy increased significantly. Before [the quarantine] my boss would delegate every aspect of the job to me [including client contact]. Now he does not let me have any interaction with the client. (Diletta)

Another senior consultant commented that – although she was almost promoted to manager – she was suddenly asked to do all sorts of bureaucratic tasks for her manager: "The hierarchical distance *grew*; now my manager gives me things to do that he would not ask from me before the quarantine [because these tasks are *below* my abilities]." (Francesca, emphasis added)

These different effects of remote working on hierarchy could relate to the employee-manager relation (during, but also before the crisis). Those employees who do not have strong ties, communicated less (and less informally) with their managers, which seemed to increase the perceived hierarchy.

[While remote working] I feel less connected to my manager. Now the communication is limited only to [discussing] the project. (Manuela)

Contrastingly, in cases of stronger social ties and more frequent interactions, remote working seemed to flatten the perceived hierarchy since employees were now welcome in higher level meetings and felt they had a bigger say now.

Social ties, which address employees' need for *relatedness* according to SDT (Ryan and Deci, 2000), typically strengthen when employees and managers interact, formally and informally. Although the setup of our study does not allow making any general claims, it seems that remote working limits the possibilities to interact, and that those with weaker social ties to their manager perceive organizational hierarchies to increase.

4.3 Employee responses to the new MC elements

The aforementioned control changes triggered various individual-level responses (cf. Hall, 2016). Although there are exceptions, the majority of the interviewees indicated that they experienced more autonomy than before the lockdown. Various issues they would have asked previously to their supervisors were now dealt with differently:

While before the quarantine I would have asked my manager if I had a small doubt, but now I would ask a colleague [of the same level] on [Microsoft] Teams, to avoid disturbing my manager. (Alessandra)

This seems to be relevant, as, according to SDT, the *need for autonomy* is one of the three central needs of employees and has the potential to enhance employees' intrinsic motivation (cf. Ryan and Deci, 2000).

Yet, autonomy has also been described as a "sense of choice, volition and *freedom from excessive external pressure* toward behaving or thinking a certain way" (Ryan and Deci, 2000, p. 74, emphasis added). External pressure, in work situations of our interviewees, seems still very present: interviewees with junior positions indicated they experienced pressure to always "be available [for their supervisor]" and reported to be stressed because of the pressure to work hard *and* to perform well. Furthermore, because of the economic downturn and the weak job market, they feared for their jobs. One interviewee highlighted that, because of the pressure, she wanted to show to her supervisors that she worked hard:

Now I start working from 8.30 AM *to show them* that I am online before *official* work time [9 AM]. (Laura, emphasis added)

This behavior, triggered by the pressure and motivated by a desire to give supervisors a favorable impression, resonates with what Hafermalz (2020) coined *voluntary visibilizing practices*. Hafermalz (2020, p. 2) argues that remote working employees, in *fear* of possible "exile" and invisibility, *voluntarily* engage in actions that may be observed by supervisors "to make themselves visible at the perceived center of organizational life" in an effort to connect with others and obtain recognition. This goes well beyond the panopticon metaphor because it not only explains the controlling aspect of monitoring, but also focuses attention on *voluntary* behavior. Although Hafermalz based her conceptualization of exile on employee behavior in relatively stable organizations *before* COVID-19, this notion of voluntary visibilizing behavior also seems instrumental in describing employee responses in times of COVID-19. We could add that the enhanced fear of employees to lose their jobs because of the economic downturn may have amplified the extent to which employees engaged in visibilizing practices, and diminished the extent to which this happened truly voluntarily.

In addition, this behavior also closely relates to SDT's *need for relatedness*, i.e. "the need to feel belongingness and connectedness with others" (Ryan and Deci, 2000, p. 73). Since "normal" face-to-face meetings and (informal) gatherings were not possible during the

quarantine, employees indicated they felt less related and more atomized. This seemed to impact particularly less-experienced employees since those with more years of work already established more meaningful connections and social ties with their colleagues. Although we did not identify direct effects of MC changes on employees' need for competence, more indirectly, interviewees suggested that the number of *feedback moments* increased. Such feedback moments have the potential to address the *need for competence* – and eventually to intrinsic motivation – but only if the feedback is positive (Ryan and Deci, 2000).

As a response to the increased *action control* exercised by various supervisors, employees indicated that they used some "tactics" to maintain a good reputation. An analyst at a Big-4 firm explains:

> You know, if your manager sends you a chat message and you wait too long, he really might think that you are not working. That's why I always *show that I am working*. If my manager sends me a text I just reply that I am in a call [even when this is not the case] and that I will be shortly back at him. (Barbara, emphasis added)

Such conscious and opportunistic "reputation management" seems a response to the more constraining types of control employed due to the new working conditions. Although in a different setting, this finding resembles the observation by Van der Kolk *et al.* (2015, p. 956) that, as a response to constraining types of MC introduced after a crisis, employees can react by engaging in "more opportunistic behavior".

At the same time, various employees pointed out that they refrained from taking lunch or coffee breaks from work out of fear for their supervisors, who could call or check the employees' status and find out that they left their computer. Yet, a Big-4 senior consultant felt that he could not complain about this situation and the stress this gave him:

> In our world these issues are very *sensitive* [. . .] I do not talk about this with my manager, since I do not want to signal that I do not want to work. Maybe that would piss him off. The only people I can talk about this are my colleagues [at the same level], who agree with me. (Giulio, emphasis added)

The effects of the employees' increased levels of stress do not stop here. One interviewee shared with us that the stress of remote working very seriously impacted her mental health, while other interviewees indicated they actively started looking for other work ("Every day I check *Linkedin*"), which suggests low levels of motivation among the employees.

Although no generalizations should be drawn from our explorative study, the collected evidence suggests that managers who provide more autonomy to their employees and employ less strict types of MC have team members who seem more motivated. SDT suggests that in a situation in which an employee receives more autonomy, intrinsic motivation is facilitated (Ryan and Deci, 2000). One employee reflects on his work motivation and its relation with perceived autonomy:

> I can always stop, run one hour outside, come back and continue to work. No one would ever tell me *"Where have you been?"* They [my bosses just] check the results. [. . .] Clearly, I enjoy much more autonomy and time now, and this is the case because I was able to make the most out of the new working conditions. (Luigi, emphasis added)

This resonates with SDT's expectation that self-government of the working day (i.e. *autonomy*) is important for facilitating intrinsic motivation and suggests that less *action control* can provide employees with a stronger idea of self-determination (cf. Merchant and van der Stede, 2007; Ryan and Deci, 2000).

However, some critical remarks on autonomy and motivation should also be made. One interviewee (Luca), for instance, indicated that he was highly motivated and would even work "during the nights" *because* his manager gave him much autonomy over his job and trusted him to carry it out well – without monitoring him constantly. On the one hand, in line with

SDT, we could perhaps state that in this case it seems that autonomy indeed leads to a higher level of intrinsic motivation. On the other hand, however, we could question whether this is indeed true autonomy. It has been highlighted in the MC literature that technologies used for remote working can become means to exercise MC from a distance, "all the while preserving an *image* of staff autonomy" (Parker, 2020, p. 1953, emphasis added). In other words, it may not be *true autonomy* that employees experience in this case, but rather a *surrogate*, a "calculated freedom subject to output controls" (Parker, 2020, p. 1953). In addition, it has been argued that a strong motivation to engage in extra work and a fear of being overlooked have the potential to turn into over-commitment and self-exploitation, which could subsequently lead to higher levels of stress or even burnouts (cf. Hafermalz, 2020, p. 16). These observations underlines the need for the MC and motivation literature to reflect on the moral limits of efforts to enhance employee motivation.

5. Conclusion
This paper began by asking how the remote working practices triggered by the COVID-19 crisis impacted MC, and how employees responded to these changes. The field study of PSFs in Italy presents findings that can inform the MC literature, both empirically and theoretically, and may inspire future research.

First, we extend the literature on crises and control (van der Stede, 2011; Johansson and Siverbo, 2014; van der Kolk *et al.*, 2015; Parker, 2020), by examining how and why various PSFs enhanced their use of action controls to substitute for the employees' physical presence. Most notably, we document that some managers made use of software packages to monitor employees' activities and increased the number of digital meetings. In addition, our findings indicate that both supervisors and clients became more demanding, which in various cases led to tighter, more constraining control over employees. Furthermore, the sudden change to working from home destabilized existing hierarchies in PSFs. Although the used method does not allow drawing generalizable conclusions, the collected evidence suggests that in cases of stronger (weaker) social ties among employees and managers, perceived hierarchies flattened (increased).

Second, we answer the call to relate organization-level accounting and control changes to the level of the individual (Hall, 2016). We show how employees' needs for autonomy and relatedness were impacted by the MC changes and suggest that this may have had an impact on employees' intrinsic motivation (cf. Ryan and Deci, 2000). Furthermore, we show how employees respond to the new forms of control by engaging in voluntary visibilizing practices, thereby providing empirical support for Hafermalz' (2020) theoretical investigation of employee responses to control from a distance.

Our findings have several management accounting and control implications. We show how environmental changes can translate to MC changes at lower levels of organizations, and how such changes impact employee behavior and motivation. While some PSF managers seemed to switch almost "automatically" to more constraining types of control such as monitoring, we demonstrate how such changes may yield unintended consequences such as stress and opportunistic "reputation management".

In addition, our findings suggest that when MC is used so that it addresses the needs for autonomy and relatedness, it may facilitate intrinsic motivation of employees. However, this implication comes with a warning. Organizations and control practices that all too successfully address SDT's needs and facilitate intrinsic motivation may run the risk of provoking over-commitment and self-exploitation in the long-term (cf. Hafermalz, 2020). Given the fear among employees of job loss because of the economic downturn, their "voluntary" visibilizing practices may take even more extreme shapes than normal. Future research could further investigate what constitutes a "responsible" impact of MC on employee

motivation, while exploring how issues such as over-commitment and self-exploitation can be prevented.

Although our findings provide some insights into changes triggered by the COVID-19 crisis, they should be seen in the light of the limitations of our research method. It is likely that we merely observed short-term effects (given the timing of our study) and that it takes more time and distance to be able to see the full impact of the crisis and remote working on MC. Another limitation of our study is that we focused on the perspective of more junior employees in large organizations. This focus implies that other interesting MC themes, such as trade-offs that top managers made regarding MC in their PSFs or the changes to higher level budgets and financial targets to exercise control over middle managers, fall outside the scope of this study.

We strongly encourage future research to adopt longitudinal approaches to see how the responses to this crisis or the next unfold in time. Also, future research could specifically study managerial intentions of control changes in times of COVID-19, to complement our study that focused on employee responses to such changes. Lastly, cross-sectional work could help to understand why different individuals, firms and industries have made different MC choices and which consequences this had. We hope that the explorations in our paper provide a fruitful starting point for future research on remote working, management control changes and employee responses.

Notes

1. Our interviewees frequently interacted with former university classmates who worked at other PSFs, and with more senior employees in the same firm, to discuss work-related issues. Their networks and connections helped us to identify more potential interviewees for this study.

2. *Wall Street Journal*: "As Virus Spreads, Italy Locks Down Country", March 9, 2020.

3. On February 21, the Italian department of Health mandated forced quarantine for those individuals that might have been in contact with infected individuals. Source: https://www.gazzettaufficiale.it/eli/id/2020/02/22/20A01220/sg, accessed on June 23, 2020.

4. When asked in a follow-up interview in October how Laura knew this about her colleagues, she clarified that she and her colleagues and friends working at different PSFs "cannot avoid discussing these issues" since many PSFs started to use such software for online monitoring. "Our *status* in the software is always visible to everyone."

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