

SUPERVISING SELF-EFFICACY DURING THE HOME OFFICE USING MANAGEMENT CONTROL SYSTEMS

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Abstract

Due to the unprecedented circumstances of the last two and a half years, the organizations are facing unprecedented challenges. After the official recommendations for work from home and the re-entry of employees to the office environment – many other questions arise. First, are the employees satisfied that they are back in the office? Is working from home possible? What are the results of the employees' monitored working time from home? These and many other issues are a major focus of employers in the field of consulting services. The current article aims to explore the concept of self-efficacy and its follow-up based on management control systems. This study is theoretical. Methods of induction and deduction, including analysis and synthesis, are at the article's core. The results show that well-established management control systems in organizations with consulting services can use the home office as a motivational tool.

Keywords: self-efficacy, home office, management control systems, control, management control

JEL: M10, M19

Introduction

The organizations are dealing with different situations as a result of the unusual circumstances over the last two and a half years. Several of these difficulties are connected to the survival of the business, ensuring a stable income, retaining employees, motivating employees, and monitoring the effectiveness of the activity.

Business management during this period is associated with many vicissitudes, which initially require managers to adapt to a new way of working. Companies in the consulting industry have moved to an entirely online environment and become virtual organizations. Online communication platforms, cloud storage services, and management control systems came to the fore.

After this period and the opportunities to restore the working environment in the office, several new questions began to arise, some of them are: How many

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employees retain? How do employees feel? Are the employees satisfied that they are back in the office? Is working from home possible? Are the employees motivated when working from home? What is the self-efficacy of the employees at home? What are the results of the employees' monitored working time from home? Where are employees more motivated? And many others.

This article investigates the concept of self-efficacy and its follow-up based on management control systems.

This article raises the following main questions:

1. What are the nature and features of the concept of self-efficacy?
2. What is the essence of the concept of a home office?
3. What are the main conclusions of contemporary research in the field of self-efficacy during the home office?
4. What is the essence of management control systems?
5. What are the opportunities for using management control systems for supervising self-efficacy during the home office?

The research toolkit covers the methods of induction and deduction, including analysis, synthesis, and a literature review.

The object of the study is self-efficacy in a home office with a management control system in the organization.

The limitation of the current article is related to the fact that the analyzed research articles were published up to November 2022.

This article is structured in four parts, each addressing raised research questions.

Self-Efficacy – nature and features

Bandura (1977) established the foundation of the self-efficacy theory by defining it as people's beliefs in their capacities to exert control over their functioning and events that impact their lives. Strong self-efficacy beliefs lead to more effort toward achieving objectives and longer resiliency in the face of difficulties than poor self-efficacy beliefs, which increase the likelihood of giving up (Bandura and Schunk, 1981). Self-efficacy might be defined as confidence in one's skills to mobilize the drive, brainpower, and strategy required to fulfil certain situational demands (Wood and Bandura, 1989). Bandura indicates that self-efficacy impacts motivation, well-being, and personal success.

More recent definitions and directions of self-efficacy are:

- A person's perception of their capacity to successfully carry out a certain job is known as self-efficacy from an organizational perspective (Muslichah, 2018).
- A person's sense of self-worth or opinion of their abilities (van Dinther, Dochy, and Segers, 2011).

- A major concept that may help to explain success at work is self-efficacy (Consiglio, Borgogni, Di Tecco, and Schaufeli, 2016).
- Self-efficacy is the driving force behind human drive and success (Chen, Li, and Leung, 2016).
- Professional self-efficacy would thus suggest a significant degree of self-perceived work activity management on a practical level (Jones and Fletcher, 2003).

In other words, *self-efficacy* gives individuals faith in their ability to exert control over many parts of their lives. Self-efficacy would thus be a personal competency.

According to Shauna Geraghty (2013) the employees with high self-efficacy:

- View challenging tasks as challenges to be conquered;
- Build a strong connection and depth of interest in work-related activities;
- Set more ambitious goals;
- Are more dedicated to their work;
- Maintain their efforts in the eyes of challenge or breakdown;
- Quickly recover from missteps and disappointments;
- Identify setbacks to inadequate effort or expertise.

Another critical definition that is suitable for analysis is employee engagement. Employee engagement, according to Kahn (1990), is a group effort to enable workers to accomplish their professions in terms of a physical, mental, and emotional levels.

The idea of employee engagement refers to how enthusiastic and committed an employee is to their work. Employees who are engaged are concerned about their job and the success of the organization and believe that their contributions matter. An engaged worker is motivated by more than simply a paycheck and may believe that their performance and, by extension, their well-being is directly related to and essential to the success of their organization (Smith, 2020).

The presented overview of the nature of “*self-efficacy*” gives reason to formulate the following answer to the first research question: employee engagement can be defined as the degree of an employee’s mental and emotional commitment to their job, their team, and their business.

The essence of the home office

The home office has several synonyms in the scientific literature, namely telework, working from home, flexible workplace, telecommuting, e-working, and remote work. Historically, starting from Di Martino and Wirth (1990), the definition of remote working is a flexible work arrangement that allows workers to work from different places that are distant from their central offices or production facilities; they can communicate with coworkers there via technology, but do

not personally interact with them in these locations. According to Gajendran and Harrison (2007), telecommuting is a different type of work arrangement in which employees spend at least a portion of their working hours performing tasks that are typically completed in primary or central workplaces while using technology to communicate with internal and external stakeholders. A similar definition is given by Allen, Golden, and Shockley, who define work from home as when an employee uses digital technology primarily to do job-related tasks from their house instead of physically being present at their employer's office or another place.

Home working has a number of benefits, such as a flexible work schedule (Lupu, 2017), saving time when travelling to the office (Wienclaw 2019), avoiding rush hour traffic, and saving overhead costs. On the other hand, employers have the opportunity to save office and space costs, hire talent regardless of their geographical location, and a number of other benefits. This paragraph gives the answer to the second research question about the essence of the home office.

Self-efficacy during the home office – analysis of recent research

Circumstances in the last two and a half years have prompted companies and people to adopt a broad range of habits impacting many aspects of life, including work, leisure, travel, and everyday duties. It has also created various problems for society (Vyas and Butakhieo, 2021). Both on an operational level put in place by businesses and on a legislative one mandated by governments, working from home has become essential and a top priority. The use of remote work has become widespread worldwide.

Work from home policies are essentially evolutionary (Carillo, Cachat-Rosset, Marsan, Saba, Klarsfeld, 2021). The isolation that comes with long-term work from home restricts social interaction both at work and outside of it (Cernas-Ortiz and Wai-Kwan, 2021), which raises the likelihood that home-based employees may get frustrated and, as a result, lowers job satisfaction (Golden and Veiga, 2005). Golden, Veiga, and Dino (2008) research revealed that long-term house workers who had high-quality monitoring methods reported the greatest levels of job satisfaction. Working from home simultaneously leads to a new organizational culture, digital, based on knowledge, innovation and technology (Stoyanov, 2019).

The answer to the third research question is summarised in the next paragraph:

Modern research focuses on the study of self-efficacy during working from home (Carillo, Cachat-Rosset, Marsan, Saba, Klarsfeld, 2021; Cernas-Ortiz and Wai-Kwan, 2021; Kovács and Kálmán, 2021; Vyas and Butakhieo, 2021; Adams-Prassl, Boneva, Golin and Rauh, 2020; Dingel and Neiman, 2020; Yu and Wu, 2021; Wang, Liu, Qian, and Parker, 2020; Barbieri, Balia, Sulis, Cois, Cabras,

Atzara and De Simone, 2021; Chandrasekaran, Halim, Sulaiman and Abdullah, 2021), highlights various findings and possibilities:

- There is a strong sense of work efficiency among the workers of the division under examination, which seems to be based on the correct balance struck between the tightly regulated work division and the work setting that had to be adjusted to the work environment at home.
- The perception of efficiency by home office employees as a whole is enhanced by active task-focused work processes, well-defined work assignments and task completion procedures, well-defined decision makers, regular, frequent, meaningful, and purposeful communication on group and individual levels, and the necessary infrastructure background.
- Less disciplined persons had greater difficulties while working from home, suggesting that teleworking may not be the best option for them. Employees and employers need to think about whether flexible work arrangements are a good match for the individual, given that these problems will affect performance and well-being.
- If workers believe their employer values and trust them and give them the training, effective project management, and resources to complete their work on schedule, productivity will rise.
- Employees are more productive when they can concentrate on their job and complete tasks without interruptions and distractions from their coworkers in the office if they have a proper workspace at home.
- The productivity of the employers may suffer from a lack of face-to-face interaction with the employees.
- Long-term residence in the same home setting may lead to feelings of social isolation and professional disconnection, both of which have a detrimental impact on productivity.
- When compared to messaging or email, video chats are claimed to have greater levels of work satisfaction and performance, which boosts productivity.
- Making learning opportunities where employees may act as role models is another strategy to boost self-efficacy in the workplace. A person may learn the procedures required and be able to reproduce those actions by seeing others with expertise completing a task. The various advantages that social connection has for learning are also benefited by mentoring.
- The impact of self-efficacy on intrapreneurial conduct when job stresses and home obligations are moderated.
- In the presence of family distractions, self-efficacy has less influence on the creative behaviour of remote employees, and this effect is stronger in a stressful work setting.

Management control systems

Management control systems are formal, data-based processes and routines to sustain or change organizational activity patterns (Simons, 1995). In other words, a tool for overseeing operations and planning choices aids management (Labas and Bacs, 2015). Software tools for information analysis and processing have successfully shown their value for effective management, making informed choices, and assessing the performance of such systems. (Butakova et al., 2019). Control measurement also relates to the appropriate combination of fuzzy techniques for quantitative representation of estimates/predictions, decision making, and exploring joint and hidden influences (Lambovska, 2018).

According to Malmi and Brown (2008) management control system is defined as all the tools and frameworks that managers apply to guarantee that their staff members' actions and choices are aligned with the goals and strategies of the company. Understanding and successfully managing the relations between internal control and motivation is an approach to improving control and management mechanisms (Lambovska, Yordanov, 2020).

Based on the presented definitions of the concept of *management control systems*, the answer to research question four is as follows: in essence, management control systems represents an integrated organizational system. This toolkit allows managers to quickly and easily present new procedures, submit clearly and in detail scheduled tasks, and provide feedback to employees and others.

The main challenges associated with using the management control system to supervise self-efficacy during the home office are six:

First, management control systems should provide opportunities for training. This training can direct to additional training courses through access to external resources. They can also be related to access to internal resources from the knowledge system of other employees (more experienced and experts in a given field). They can even direct to general sessions where experts from the company share their experiences and explain some aspects of their work to employees who need this knowledge.

Second, it is critical for management control systems to include a module for employee communication. On the one hand, it enables the exchange of experience and, on the other hand, provides a transparent tracking of the time invested in inter-team communication.

Third, management control systems should include a section that has well-written practices and instructions.

Fourth, management control systems should allow easy task setting and easy tracking of results so that it is possible to track the performance of employees quickly.

Fifth, management control systems should enable easy and convenient supervising, monitoring and opportunities for guidance for improvement by a higher level in the hierarchy of the company.

Sixth, management control systems should include tools for creating surveys and tracking the emotional state of employees. This extension will provide a clear picture of how successful the division between working in the office and the home office is.

Concerning the presented challenges, the author of the present article outlines the following questions for future research:

1. What proportion of consulting business organizations in Bulgaria use integrated management control systems? Are these management control systems include or exclude modules for tracking employees' effectiveness in implementing the home office practice?

2. Do the Bulgarian consulting organizations envisage improving the systems they use and, if so, what modules they have focused on and why?

3. Do Bulgarian consulting organizations consider that they should continue home office, and what mechanisms do they envisage to maintain their employees' productivity?

The challenges and directions for development presented in this part of the article form the answer to the fifth research question.

Conclusion

This article explores the concept of self-efficacy and its follow-up based on management control systems. The study is theoretical. Methods of induction and deduction, including analysis and synthesis, and a literature review, are at the article's core.

The results give reason to conclude that well-established management control systems in organizations with consulting services can use the home office as a motivational tool.

The author of the article outlines the following more important elements:

- A person's social self-efficacy refers to how they see their interpersonal skills and interact with coworkers and other people.
- High social self-efficacy among employees always leads to increased job happiness, and without workers' social self-efficacy, which fosters contentment, organizations cannot be profitable or maintain ongoing success.
- Employees with more self-assurance will be better able to stick around and deal with the challenging situations that many organizations face.

In addition, contemporary management control systems should include opportunities for training, communication, well-written practices and instructions, easy task setting, easy tracking of results, supervising, monitoring

and opportunities for guidance for improvement by a higher level in the hierarchy of the company, creating surveys, and tracking the emotional state of employees.

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