Controlling fashion: Enabling controls in creative teams in fashion firms

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Abstract

**Background and problem:** In the creative teams of fashion firms a two-way control problem for achieving strategic alignment arises, the first being the need to balance creative and commercial dimensions, and secondly the need to bring coherence to the creative work, both without diminishing the intrinsic motivation of individuals.

**Purpose:** The purpose of the study is to investigate how the design features of enabling MCS in creative teams of fashion firms achieve strategic alignment without diminishing intrinsic motivation.

**Research question:** How are the enabling MCS in the creative teams of fashion firms designed?

**Method:** A qualitative study was carried out mainly based on interviews and supported by public and internal company documents. Five interviews with people in different roles, both with creative and commercial responsibilities, working in or around the creative team.

**Discussion and conclusion:** Three of the design features of enabling controls are identified in the creative teams MCS, however it is the interplay between these that makes the MCS in the creative team enabling. Two of these are considered to be more central features. In the creative team there exists a need for autonomy to facilitate intrinsic motivation, making flexibility one of these central features. Internal transparency increases the creative teams understanding regarding the boundaries of the creative space within flexibility exists. In turn global transparency becomes the second central feature, as it is a balancing force in the MCS, ensuring that potential deviations outside the boundaries are discovered and adjusted so that it is in line with the creative and commercial strategic objectives. Interestingly the study finds that global transparency enables the creative team so that they are provided with operational repair capability similar to what is considered as repair capability in the original studies on enabling controls focusing on operations by Adler and Borys (1996).

**Keywords:** Enabling controls, Management control systems, Fashion firms, Creative teams, Creativity
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1. Introduction

Creativity is essential for many firms today to foster innovation, create competitive advantages and to increase effectiveness (Amabile, Conti, Coon, Lazenby & Herron, 1996; Shalley, Zhou & Oldham, 2004). The two phenomena of creativity and innovation are often connected but are different, as creativity is a subset of the broader domain innovation (Woodman, Sawyer & Griffin, 1993) and is a major input to innovation, however innovation requires action to move the idea created from creativity to day-to-day operations, markets and society (Davila, Foster & Oyon, 2009). Creativity is therefore the production of novel and useful ideas by an individual or small group of individuals working together (Amabile & Pratt, 2016).

There are firms which depend on the marketability of creative products or ideas as their primary stream of revenue, and these can be described as highly creativity-dependent firms (Grabner, 2014). Individual creativity is highly connected to intrinsic motivation (Amabile et al., 1996), which refers to the extent that an individual is excited about carrying out an activity for its own personal sake (Utman, 1997). Potential drawbacks with individuals with a high level of intrinsic motivation is that they tend to prioritize their output’s aesthetic characteristics rather than its profitability or revenue creation (Suojanen & Brooke, 1971). In creativity-dependent firms a need for control arises as these firms need to ensure that employees use their individual creativity to come up with enough creative products that are both marketable and profitable (Grabner, 2014). Both creative and financial considerations are necessary features in such firms to drive organizational success and therefore it is important for both to coexist (Speklé, van Elten & Widener, 2017). However, balancing the two is not unproblematic and previous literature recognises a natural tension between them (Adler and Chen, 2011). Studies of motivation and creativity in psychology and management research argue that management control systems (MCS) risks having a negative impact on the employee’s intrinsic motivation and freedom for the effective performance of creative tasks (e.g., Abernethy & Brownell, 1997; Amabile, Conti, Coon, Lazenby & Herron, 1996; Amabile, 1998; Shalley, Gilson & Blum, 2000).

MCS has traditionally been viewed as simple notions of cybernetic controls (Merchant & Otley, 2007). However, the increasing importance for organizations to manage within challenging and uncertain environments has led to a shift in the view of MCS, to a more complex notion of controls, where formal- and informal controls work collectively (Chenhall & Moers, 2015). Creativity is an area characterized with a high degree of uncertainty, and recently MCS research has shown an interest specifically on creativity. It has had a more optimistic view than the creativity research on the coexistence of control and creativity, to the degree that it argues that
creativity can be enhanced in the presence of a system of controls (Adler & Chen, 2011; Grabner, 2014; Speklé et al., 2017).

Davila and Ditillo (2017) identify two MCS that are used in creative teams in fashion firms - Directional and Inspirational MCS. Directional MCS define the boundaries for the creative space by establishing limits to the resources available in the creative process and also by clarifying the expected final product mix. Inspirational systems are intended to coordinate the creative activities of the team and guide intrinsic motivation of its members to turn individual sensemaking processes into a consistent collective sensemaking (Davila & Ditillo, 2017). Similarly, Hargadon and Bechky (2006) argue that a team’s creative output is not simply the aggregation of individuals members creativity, but instead parts of it may arise from a momentary collaborative process among the team members which is defined as collective creativity. This suggests that in the creative teams of fashion firms there is not only a need to make sure that employees use their individual creativity to come up with enough creative products that are both marketable and profitable (Grabner, 2014), but also a need to guide the intrinsic motivation of the individuals, to ensure that everyone is working towards the same direction in terms of creative objectives. However, too strict controls over the creative work risk having negative effect on individuals intrinsic motivation (Amabile et al., 1996). Hence, it appears as a two-way control problem arises for achieving strategic alignment, the first being the need to balance creative and commercial dimensions, and secondly the need to bring coherence to the creative work, both without diminishing the intrinsic motivation of individuals.

Theoretically, this thesis applies the concept of enabling controls, where the MCS are not solely perceived by employees as a mean for enforcing compliance, but as a support for them to perform their work tasks better (Ahrens & Chapman, 2004). Alder and Borys (1996) were the first to introduce the concept of enabling and coercive controls when studying workflow formalization in bureaucracies, Ahrens and Chapman (2004) adopted the framework and applied it to study enabling use of MCS. Enabling systems attempts to mobilize local knowledge and experience in support of central objectives and allow employees to take advantage of opportunities that arise in the environment, rather than being a tool for top management to monitor their employees (Ahrens & Chapman, 2004). Adler and Borys (1996) outline the four design features that characterize enabling systems – repair, flexibility, internal transparency and global transparency – these have subsequently been used to study enabling
MCS in various studies (e.g. Free, 2007; Jorgensen & Messner, 2009; Wouters & Wilderom, 2008).

This thesis suggests, given the on-going debate on MCS and its role in the perceived complicated relationship with creativity, that the topic should be further explored. Previous creativity research suggests that MCS could affect intrinsic motivation negatively, however Davila and Ditillo (2017) show that MCS are used in creative teams in fashion firms and argue that they enhance creativity. This is in line with the growing stem of literature contesting that creativity can prosper in the presence of MCS (e.g. Grabner, 2014; Speklé et al., 2017). Previous literature suggests that a two-way control problem is present in the creative teams of fashion firms and this provides an interesting starting point for this study. The framework of enabling controls (Adler & Borys, 1996) specifies the design features MCS should possess to simultaneously support both efficiency and flexibility, and therefore offers an interesting theoretical lens to study MCS used in these creative teams. Amabile and Pratt (2016) argue that informational extrinsic motivators, which provide people with information that allows them to build their competence or confirms the value of their work, can have a positive effect on intrinsic motivation in creative work environments. Hence, the framework could improve our understanding of the enabling features of these systems, which makes the employees perceive these systems as informational extrinsic motivators and thereby supporting, rather than as a monitoring tool used by top management (Ahrens & Chapman, 2004). Accordingly, the study will address the following research question:

*How are the enabling MCS in the creative teams of fashion firms designed?*

The purpose of the study is to investigate how the design features of enabling MCS in creative teams of fashion firms achieve strategic alignment without diminishing intrinsic motivation. Previous studies have identified that creative teams in fashion firms use directional and inspirational MCS (Davila & Ditillo, 2017), leaving room for further investigation of the design features of the MCS used in these teams. Enabling controls have been studied in various different settings including new product development (Jorgensen & Messner, 2009), however it has never been applied to study MCS specifically in a creative context. The findings of this study therefore contribute to both the growing literature on MCS and creativity as well as to enabling controls research.
In order to investigate the study’s research question, a single case study is conducted in the design department of Shirts, a leading global premium men’s shirt brand, specializing in shirts and directly linked accessories. A design department in fashion firms consist of both commercial and creative actors (Jeacle & Carter, 2012), including the creative team which is responsible for the image, conceptualization, and development of a collection of products (Davila & Ditillo, 2017). In these creative team’s creativity is clearly expressed and they are dedicated solely to the creation of forthcoming collections (Capetta, Cillo & Ponti, 2006). The fashion industry provides an interesting context for MCS and creativity research, as fashion apparel is a highly competitive business where competitive advantages are short-term and are built on brand image and short-lived differentiation strategies (Richardson, 1996). Hence, fashion firms are indeed what Grabner (2014) refers to as creativity-dependent firms, where both creative output and control becomes crucial. To gain the in-depth knowledge needed to answer the research question, interviews are conducted with employees in different roles working in the design department, either directly in or around the creative team.

The thesis is composed of six chapters. The next chapter presents the literature review for this paper, which goes through relevant existing literature within the domains of MCS and creativity research. Thereafter, the methodology for the study is explained and research quality is discussed. Chapter four presents the empirical results stemming from the data collection. Chapter five presents the discussion of the thesis, basing it on the theoretical framework and the empirical findings made in this study. The final chapter sums up the thesis with a conclusion accompanied by suggestions for future research.
2. Theoretical framework

2.1 Individual creativity and intrinsic motivation

In creativity research the relationship between creativity and intrinsic motivation is well established (e.g. Amabile et al., 1996; Hargadon & Bechky, 2006; Shalley et al., 2004; Woodman et al., 1993). Intrinsic motivation refers to the extent to which an individual is excited to carry out a certain activity and engages in performing the activity for its own sake (Utman, 1997). Individuals that have intrinsic motivation tend to apply themselves more to their task and are characterised by being more cognitively flexible, willing to take risks, considerate of different alternatives and persistent when facing challenges (Utman, 1997). However, individuals with a high level of intrinsic motivation also tend to get lost in detail, strive for perfection, and prioritize the output’s aesthetic characteristics rather than its profitability or revenue creation (Suojanen & Brooke, 1971)

2.2 Creative work environment

Work that is characterized by a high level of autonomy, constructive feedback, significance, identity and variety can be described as complex jobs (Hackman & Oldham, 1980), and they tend to induce higher levels of employee’s intrinsic motivation which in turn is likely to lead to the increased development of creative ideas. Hatcher, Ross and Collins (1989) show that the number of creative ideas submitted to organizations suggestion programs is positively correlated with the employees’ perception of their job’s complexity. Several scholars point out that intrinsic motivation is heightened when there is a high degree of autonomy in the day-to-day work activities and in the decisions on how to accomplish the tasks they are given (e.g. Amabile et al., 1996; Amabile & Gryskiewicz, 1989; Bailyn, 1985).

Research has been conducted on how the work setting itself affects creativity. Spacious working space and the access to relevant resources (i.e. funds, technology, materials, and information) are factors that facilitate the process of creativity (Aiello, De Risi, Epstein & Karlin, 1977; Soriano de Alencar & Bruno-Faria, 1997). Sufficient time for exploring creative ideas is another important resource as it enables creativity to prosper (Lawson, 2001). High time pressure and tight deadlines can make individuals feel pressured, and consequently leading to a lowered intrinsic motivation (Amabile, Hadley & Kramer, 2002). However, time pressure that is perceived necessary in an important project can instead be perceived as a challenge in the work and thereby has a positive effect on intrinsic motivation (Amabile, 1988). In order to best facilitate employee creativity a certain degree of time pressure and clear goals should be present.
(Binnewies & Wornlein, 2011), granted that employees have autonomy in how to meet the goals (Amabile & Pratt, 2016).

Individuals can find evaluation of their creative work to be stressful and it can lead to a decrease in intrinsic motivation if it directs focus towards the evaluation rather than their work activities (Shalley et al., 2004). Evaluations that can be described as developmental evaluations (i.e. individuals’ work is reviewed and suggestions are put forward for alternative approaches in the future) are according to Shalley et al. (2004) likely to be perceived as supportive and informational, and thus enhances intrinsic motivation. Amabile and Pratt (2016) argue that certain extrinsic motivators can have a positive synergy effects on intrinsic motivation, and thereby increase creativity. They distinguish between informational extrinsic motivators (provides people with information that confirms or allows them to build their competence or confirms the value of their work) and controlling extrinsic motivators (people perceive that they are being controlled by an external force and undermining their self-determination). Extrinsic factors providing information which generates support for a person’s sense of competence or enables the person’s deeper involvement in the work can increase intrinsic motivation and creativity (Amabile & Pratt, 2016). Extrinsic rewards perceived as a “bonus” have in a similar fashion been suggested to possibly enhance intrinsic motivation if it is presented as recognition of one’s competence or a means of enabling one to do better and more interesting work in the future (Amabile & Pratt, 2016).

Research has also focused on how relationships and norms can affect individual and collective creativity. The output of a team’s creativity is not simply the aggregation of individual members creativity, but instead parts of it may arise from a momentary collaborative process among individuals in the team which is defined as collective creativity (Hargadon & Bechky, 2006). Amabile and Gryskiewicz (1989) mention encouragement for originality, lack of criticism and norms in which originality and exploration are appreciated and failure is not stigmatized as important contextual factors in creative settings. Many scholars have emphasized the importance of leadership and the role of the managers for creating an environment that fosters intrinsic motivation (e.g. Amabile et al., 1996; Bailyn, 1985; Shalley et al., 2004). Intrinsic motivation is affected by the leadership in the whole organization, from the highest levels through the strategies, structures and policies they establish and the values they communicate, to lower levels of leadership, through managers day-to-day practices in dealing with individuals, teams and projects (Amabile & Pratt, 2016). To boost employees’ intrinsic motivation, leadership should be characterised by supportive and noncontrolling supervisory
behaviour (Shalley et al., 2004). Similarly, the behaviour of employees’ co-workers affects individual creativity, and supportive co-workers will likely lead to the individual exhibiting high levels of creativity (Shalley et al., 2004).

2.3 Management control systems

MCS have traditionally been characterized as simple notions of cybernetic controls where targets and standards are set, thereafter inputs and outputs are compared with these, and as a consequence, fitting corrective actions are taken or targets and standards are revised (Merchant & Otley, 2007). Creativity research would suggest that with this narrow perception, MCS should have a detrimental effect on creativity.

With the increasing recognition of the importance for organizations to manage within challenging and uncertain environments, the view on MCS has changed, to also encompass more complex, open controls (Chenhall & Moers, 2015). Recent frameworks with a more complex notion of controls for managing uncertainty emphasize that multiple management controls should be considered collectively, e.g. Levers of Control (Simons, 1995) and MCS as a package (Malmi & Brown, 2008). Even detailed accounting information provides only a limited understanding of the complexity of organizational life (Chapman, 1997). The multiple management controls consist of both formal and informal controls, and combined they have complementary effects which allows uses of MCS to both support empowerment and demand levels of efficiency (Chenhall & Moers, 2015). This broader approach to MCS challenges the traditional, narrow view of management control, and provides a basis upon which creativity can be stimulated and sustained.

2.4 Enabling MCS

An MCS framework with a broader approach to control that has gained traction in the MCS literature is the concept of enabling controls (Ahrens & Chapman, 2004). The concept first appeared in technology design research, where Adler and Borys (1996) distinguish the organizational design principles of two types of workflow formalization in bureaucracies – coercive and enabling. They argue that managers will have a positive attitude towards formalization if they feel that systems enable them to better carry out their work tasks. Conversely, managers will perceive formal systems negatively if they feel that it is an attempt by top management to coerce managers’ effort and compliance. Rather than applying the framework to machine production technology, Ahrens and Chapman (2004) were the first to
discuss the enabling features in the context of MCS. They studied enabling MCS design, where coercive systems refer to the rigid traditional top-down approach and enabling systems allows employees to deal directly with the inevitable contingencies in their work. The central argument for the enabling logic is that formal control systems are not totally programmable to perfectly react to the realities of operations (Ahrens & Chapman, 2004).

Adler and Borys (1996) suggest that enabling controls are characterized by four design features: repair, internal transparency, global transparency and flexibility. First, repair means that users can fix breakdowns and improve the formal systems themselves (Adler & Borys, 1996). This could for MCS be the case if managers are permitted to change the definitions and measurements of performance indicators, if they see it as necessary (Chapman & Kihn, 2009). Internal transparency relates to the visibility of the internal processes for organizational members, i.e. that the users have a clear understanding of the logic of the system and the underlaying rationale for why it is in place (Adler & Borys, 1996). In an output control system, the communication of best practice, target values and feedback can create transparency (Ahrens & Chapman, 2004). Global transparency denotes employees’ ability to understand the broader context within which their work tasks are being carried out, which in turn makes them understand where their own tasks fit in the larger organizational whole (Adler & Borys, 1996). A control system can increase the understanding regarding the up- and downstream implications of specific activities and events by linking them to the organizations overall objectives and aggregated measures (Jordan & Messner, 2012). Finally, flexibility refers to the degrees of freedom given to the user by the system to manage their own work (Adler & Borys, 1996). In a control system this could be seen in the employees’ ability to adapt and modify the system and also how it is used (Free, 2007).

Several empirical studies have used the concept of enabling controls to study MCS over the years. Ahrens and Chapmans (2004) emphasize that enabling controls are not to be considered as tools for mainly achieving decentralization, but instead as attempts to mobilize local knowledge and experience in support of central objectives. The strategic agenda is in the case of Ahrens and Chapmans (2004), is set by central management, but the local managers have a high degree of freedom in how to work in order to achieve the pre-set targets, hence flexibility and repair are seen as important enabling factors. Internal and global transparency are in turn important for the managers understanding regarding how to tune local operational actions according to local contingencies and how those actions supported the overall strategic agenda,
while still obtaining strategic alignment (Ahrens & Chapman, 2004). When studying supply-chain accounting practices in the UK retail sector, Free (2007) identifies increased collaborative efforts and an enhanced work performance when the enabling factors of repair, flexibility, and global transparency were apparent. Free (2007) argues that joint planning, forecasting and performance measures, although traditionally associated as tools for preventing opportunistic behaviour, creates organizational transparency and a platform for communication and learning. In turn the increased transparency and communication supports the managers to capitalize on joint information and resources, giving the managers a repair capability to explore new options and improve processes. Jorgensen and Messner (2009) find that in the setting of a firm’s new product development, flexibility was inscribed into the formal control. In the firms process manual, development engineers were given the autonomy to adjust or even break formal rules to local circumstances, and an important factor in order to support the engineers to do so was a culture based on trust and non-retaliation. Similar to the findings of Free (2007), transparency was recognized to be partly created by formal MCS mechanisms such as cost and time budgets, however informal information sharing between the members of the development team was also considered important for organizational transparency (Jorgensen & Messner, 2009). The engineers were given flexibility by the use of a stage-gate model, which allowed them to work quite freely during the stages in between the gates, and then at the gates their work was evaluated and they were held accountable for the actions they had taken (Jorgensen & Messner, 2009). The gates in the stage-gate model worked as a filter and the projects needed to be authorized at the gates in order to being able to continue. Jorgensen and Messner (2009) argue that the gates achieved global transparency, while internal transparency was mainly achieved during the stage phases by the formal MCS mechanisms and informal communication in the development team.

2.5 Enabling controls and performance-measurement systems

Studies have also focused more particularly on performance-measurement systems and how these can be perceived by employees as enabling them with their work, rather than primarily as a control device used by senior management. Wouters and Wilderom (2008) emphasize the importance of transparency in order to create enabling performance-measures, in other words providing feedback on the consequences of operational processes. Further they point out how transparency is created by involving operational managers and building on employees’ existing experience in the development of the performance measures. Similarly, in the case of existing
performance-measures, Englund and Gerdin (2015) find that in order to make performance measures meaningful and actionable, managers tend to relate the performance-measures to different types of operational knowledge.

According to Wouters and Wilderom (2008) a problem for performance-measures to be enabling is the underlying incompleteness of them, as it difficult to fully reflect all dimensions of performance considered important and include targets that captures the trade-offs between opposing performance measures. However, by including the local knowledge and letting those who are being measured participate in the development of the performance-measurement systems, validity and acceptance can increase because they allow employees to reduce perceived incompleteness before the performance-measures are operationally used (Wouters & Wilderom, 2008). Conversely, Jordan and Messner (2012) argue that incomplete performance-measures can still be perceived as enabling if employees feel there is a flexibility in the handling of indicators, that is treating them as means rather than ends when carrying out their work. They also point out the relationship between transparency and enabling control as two-sided, due to that transparency can increase employees’ acceptance of performance measures but it is at the same time also the thing that opens up the possibility to identify incompleteness and may lead to employees questioning the system (Jordan & Messner, 2012).

2.6 MCS and Creativity

A growing stream of MCS literature has focused on how MCS and creativity can coexist and reinforce each other. MCS can support the creative space, while still providing boundaries, information, direction about problems that need creative solutions, and motivation to invite creative thoughts (Speklé, van Elten & Widener, 2017). Jeacle and Carter (2012) argue that in the creative process, accounting is a mediation instrument used to promote and strengthen the interaction between key actors in order to manage the creative and cost dimensions of products. Similarly, Adler and Chen (2011) emphasize the role of interactive control systems to support the flow of information to create and maintain social relationships of individuals in large, collaborative efforts. Furthermore, the MCS belief system provide the creative team with a shared vision, and boundary and diagnostic systems provide feedback on creative performance which supports the individuals (Adler & Chen, 2011). Grabner and Speckbacher (2016) argue that despite the importance of intrinsic motivation in the creative setting, managers tend to rely on predefined performance targets to shift employee attention from the individual task toward
the overall organizational objectives, even though it risks to undermine the autonomy of creative employees. The managers dealing with creative employee’s lack cause-effect knowledge, hence predefined targets are set and it is left to the discretion of the employees to use their task-related knowledge advantage to reach the targets (Grabner & Speckbacher, 2016).

In this relatively new stem of literature, the study on creative teams in fashion firms by Davila and Ditillo (2017) is perhaps the most directly focused on MCS in creative settings. Davila and Ditillo (2017) identify two sets of control systems used in creative settings, which they refer to as directional MCS and inspirational MCS. Directional MCS define the boundaries for the creative space by establishing limits to the resources available in the creative process and also by clarifying the expected final product mix. Establishing the boundaries to the creative space buffers the creative team from the business needs. Directional MCS use tools (e.g. operating calendars, gates, cost cards, meetings) to delimit the creative space, but these tools are also used to filter ideas and legitimize final decisions, and thereby stimulate curiosity and communication around uncertainties (Davila & Ditillo, 2017). Inspirational systems guide and coordinate the creative activities of the team by creating identification across a common theme. They are intended to guide intrinsic motivation and have team members adapt the overlaying theme as their own, and by doing this inspirational MCS aim to turn individual sensemaking processes into a consistent collective sensemaking. Inspirational MCS are not mainly used to communicate culture or long-term business or societal aspirations but are instead used short-term and may last just for a single creative project (Davila & Ditillo, 2017).
3. Research method and design

This chapter seeks to fulfil the criteria for confirmability to enhance the research quality by fully describing the research process, allowing the reader to assess if the findings of the study flow from the collected data (Collis & Hussey, 2014). The aim of this study is to investigate the design features of enabling MCS in creative teams of fashion firms, hence the fundamental issue at hand is to discover and understand how these features achieve strategic alignment without diminishing intrinsic motivation in the creative teams. Because of the emerging nature of the research question, the study adopts a qualitative research method and it has an interpretivist approach, as its intent is not to find the objective truth, but instead to explore subjective interpretations of a complex world (Collis & Hussey, 2014).

The study can further be classified as exploratory, as it aims to obtain insights regarding enabling controls in the creative teams of fashion firms, which has not been a subject to previous research (Bryman & Bell, 2011). For this exploratory approach a single case study is suitable, as the research question demands a detailed understanding of organizational processes within the specific context of the study (Collis & Hussey, 2014). The chosen method also allows the inclusion of more variables of interest than data points, thereby increasing the ability to gather rich data and gain in-depth knowledge (Yin, 2009).

3.1 Data Collection

The main source of data for this study was collected through interviews over a time period of approximately two weeks. The interviews were conducted with employees in different positions working in and around the creative team of Shirts in order to gain a thorough understanding of their processes and the MCS at play in this context. The data collected from the interviews were also complemented with additional public and internal company documents which provided an overview of the organizational structure and also functioned as a starting point for discussions and interviews.

<table>
<thead>
<tr>
<th>Interviewee position</th>
<th>Length of interview</th>
<th>Type of responsibility</th>
</tr>
</thead>
<tbody>
<tr>
<td>Design Coordination Manager</td>
<td>65 min</td>
<td>Coordinative</td>
</tr>
<tr>
<td>Global Merchandising Manager</td>
<td>60 min</td>
<td>Commercial</td>
</tr>
<tr>
<td>Creative Director</td>
<td>40 min</td>
<td>Creative</td>
</tr>
<tr>
<td>Chief Product Officer</td>
<td>60 min</td>
<td>Commercial</td>
</tr>
<tr>
<td>Head of Fabric</td>
<td>55 min</td>
<td>Creative</td>
</tr>
</tbody>
</table>

*Table 1 – List of interviews*
All of the interviews were arranged through the study’s main contact person which recommended suitable participants for the two initial interviews. Subsequently, these two interviewees recommended two additional participants, which in turn recommended the last participant, and interviews were arranged, hence the study used snowball sampling for finding relevant interviewees (Collis & Hussey, 2014). The pursuit of finding additional interviewees continued until it was perceived that the study had included the perspectives needed from people in different roles to understand the creative team’s MCS. The interviews were held over Skype with both video and audio due to the preference of the interviewees as well as for eliminating travel costs (Collis & Hussey, 2014). This also made it easier to conduct interviews outside of office hours, which was the case for two of the interviews. If the interviewees had Swedish as their native language, interviews were held in Swedish, otherwise they were conducted in English, and all of the interviews were recorded with the permission of the participants. Themes discussed during the interviews mainly centred around the creative team’s processes and control systems, and by using an interview guide the interviewees were encouraged to talk freely within the reasonable boundaries of the study. Between the interviews irrelevant question were removed, ill formulated questions were reformulated and new questions were added to the guide if needed, in order to improve the relevancy to the data collection as the knowledge of the context progressed (Czarniawska, 2014).

Shirts is active in a highly competitive industry which attracts a lot of media attention, therefore the study decided to anonymize the company and the participants will only be referred to their respective title in the continuation of this study. Furthermore, as the company has been anonymized, this study does not provide the name of the company or a link to the report in the list of references.

### 3.2 Data analysis

At the start of the study the previous research on enabling controls, MCS and creativity was accumulated, allowing an overview to be obtained over the current state of knowledge in this intersection of theories. As the interviews were carried out, they were first transcribed and reviewed individually in a chronological manner, and when this was finalized for all interviews the data could be coded into smaller groups sharing a common theme (Collis & Hussey, 2014).
The majority of the interviews were conducted in Swedish and also the transcription was subsequently done in Swedish and later translated if used as a quote in the study. By doing so exposing the study for the risk of translation bias (Bryman & Bell, 2011), however this risk was recognized throughout the study and great thought was put into the translations so that the intended spirit of the quote was not lost in translation. As the raw data had been coded it was easy to get an overview of the different themes and common patterns emerged, enabling an iterative process, by relating the observations of the study and theory, which led to revisions being made to the theoretical framework, based on the empirical findings and how they related to theory. The study therefore applied an abductive approach, as it moved between the interview data and theory, enabling theory to form an understanding of the empirical findings, while the empirical findings formed the theoretical development (Bryman & Bell, 2011).

3.3 Research quality

When evaluating the research quality of an interpretivist study Collis and Hussey (2014) suggest the adoption of four criteria; credibility, transferability, dependability and confirmability. Credibility is connected to if the subject of the inquiry was correctly identified and described in the conduction of the research (Collis & Hussey, 2014). In the study respondents were validated in order to ensure that they had the required knowledge and were suitable to contribute to the topic of the thesis (Bryman & Bell, 2011). The respondents were also selected in a manner to gain insights of different perspectives of the control practices in the creative team by including employees working in different roles, both with creative and commercial responsibilities, in and around the creative team.

Transferability refers to if the findings can be applied to a similar setting (Collis & Hussey, 2014). As this thesis applies a case study approach to answer the research question, the study took place in a specific context, which limits the transferability to other contexts or settings. However, to increase the transferability of the thesis the reader is facilitated with a description of the context, so that the reader can itself decide if the results are transferable to another similar context.

Dependability focuses on whether the research process has been rigorous and well documented. (Collis & Hussey, 2014). By approaching the research from an “auditing” perspective, in other words ensuring that all phases of the research process are captured, the dependability of the study was enhanced (Bryman & Bell, 2011). The interviews, which all were conducted over
Skype, were recorded and were subsequently transcribed into documents to create a process of evidence. During the interviews notes were also taken, and these were also organized by the author in close proximity to when the interviews finished. Regarding how this study fulfils the criteria of confirmability, please see the beginning of this chapter.

3.4 Research limitations

For this thesis, alternative methods and designs could have been considered appropriate. A multiple case study could also have been a viable approach to the study’s research question in order to achieve the fundamental knowledge and enable analysis of the data both within and across situations (Yin, 2009). However, with the scope of this thesis along with the time constraint, a single case study was preferred in order to achieve the in-depth knowledge and understanding of the particular context studied. As argued by Dyer and Wilkings (1991), it is neither the number of cases or the length of the researchers’ stay in the field that is the key issue, but if the researcher is capable to describe and understand the context of the scene in question and produce theory in relationship to the findings.

There is also a risk for author bias and involvement within a particular setting (Dyer & Wilkings, 1991). This risk has been considered throughout the research process and has been mitigated through seminar discussions throughout the work process where supervisors and fellow students have provided their thoughts and comments on the study, however it is impossible to achieve total objectivity in any study with an interpretivist approach, as it is subjective in nature (Collis & Hussey, 2014). Further, as the study builds on interviews from a company that is frequently portraited in media and is operating in a highly competitive industry, this has the potential to affect the respondents to portray their work processes in an overly positive manner, which in turn could have an impact on the conclusions of the thesis. In order to decrease the potential effects of this, all respondents were made aware of that both the company and respondents would be anonymous in the study.
4. Result and analysis

4.1 Shirts – context and background

Shirts was founded in Sweden in 1928 and is today a leading global premium men’s shirt brand focusing on making superior quality shirts. The company offers shirts and directly linked accessories to around 50 markets worldwide including the Nordics, North America, Great Britain, and Germany. In 2016 Shirts sold over one million shirts and over 200,000 accessories to its different markets around the world. Historically Shirts market strategy has been to sell their products through wholesale partners, however in the last few years sales through their own brand stores and online stores have become an increasingly large share of Shirts’ total sales. (Shirts 2016)

In addition to the firm’s central management team Shirts has a commercial board where strategies relating to products, commercialisation and marketing are set, within the limits of the general strategies, e.g. regarding finance, decided in the management team. The strategic objectives regarding product offering and product development decided by the commercial board are communicated down to the design department through the Chief Product Officer who is head of the design department, as well as a member of both the commercial board and the management team.

The design department is responsible for the design, development, and conceptualization of products; however, they are not responsible for the areas of sales, buying and marketing. They also work closely to the quality department, which assures that all products meet external and internal quality standards. The design department contains different roles. There is a design team that is responsible for the design of the collection, commercial managers responsible for making sure that the collection is commercially viable, and designer assistants responsible for practical aspects of the creative work.

The responsibilities regarding the design of shirts and accessories are split up in the design team, where the Design Manager is responsible for the accessories, and the Head of Fabric is responsible for developing fabrics for the shirts. However, as both product groups are in the end going in to the same collection they are coordinated to match by the Creative Director, who has the overlaying aesthetic responsibility for the whole design process and the finalised product. The Creative Director describes his role in the company with the following words:

“My role is very free, but at the same time I have an enormous responsibility to take care of all the products. Everything that come out with our logo on is my responsibility”
The Creative Director bears the final responsibility for the products design and therefore has a strong input during the creative work in issues relating to the collection.

4.2 The design process

The creative work begins with that the departments design team, led by the Creative Director, has a start-up meeting to developing ideas regarding what colours, fabrics, prints, etc. should be included in the new collection. Based on these ideas, directions are given to the external supplier’s designers who are responsible for developing the fabrics that are later presented to the design team of Shirts again. This design work takes several months and during the period the design team has follow-up meetings with the suppliers to see if they are on track and that they understand what Shirts wants from them.

The fabrics that are presented at the end of this period by the different suppliers then undergo a selection process where Shirts’s design team selects the fabrics which serve as a base for when they design the collection. However, Shirts are highly involved in the development process by providing directions and the Creative Director explains:

“We are responsible for a large part of the development ourselves as it is important that we don’t rely on the suppliers. We make it like we want it, but it would be crazy to develop stripe for stripe ourselves and therefore we use their designers to develop the fabrics and do some of the sketching for us. But the idea itself always come from us.”

A large part of the fabric designs comes from the suppliers under the direction of Shirts, but the design team also works on designs themselves. The own developed designs are prints made both through graphic design and are also found in the fabric archive of the company. The archive consists of a wide range of fabrics that have been used in previous collection or that have been designed for Shirts but was never used. Own developed designs can digitally be remade to a fabric by the Head of Fabric by using computer-aided design (CAD), to digitally design the fabric with the right quality and texture. When a digital design has been made this can be sent to a supplier that can produce the fabric.

After the selection of all the fabrics, the raw design phase for Shirts design team begins, which is carried out during an intense work period of 2-3 weeks and this is when the whole collection comes together. The short intense design period is made possible by the ground work that is made by the design team to find the right fabrics and accessories for the collection and then it
is more a matter to put these together in a purposeful way in different models, collars, cuffs, etc., which can be seen in the following quote by the Head of Fabrics:

“The finalisation is made during 2-3 weeks. But it is like when you prepare a nice dinner, these 2 weeks are like when you sit down and start eating the fantastic food, but there is a long preparation involved behind it”

4.3 Guiding the creative work

” In order to be able to make anything creatively you need some form of direction of what you want to achieve, when you think about the idea things should pop up in your head that could lead to an interesting collection” – Creative Director

When the design team starts to work on a new collection, a common theme is introduced before the initial start-up meeting, to guide the direction of the creative work. This common theme is the base of the collection and creative work, as it affects the collection all the way from the start to how it is marketed to the end customers. The Creative Director is the one who decides on a common theme and this is presented in the form of a mood board. The mood board is a digital presentation which contains e.g. pictures, movies, texts, books, and fonts, which describe the theme of the collection and is supposed to be a source of inspiration for everyone involved in the creative work.

“A mood board can be anything from trying to thematise Swedish summer to trying to take on Kyoto as a city” – Creative Director

“It might sound a bit strange, but the mood board consists of different types of objects that can be used to find the right colours and patterns, which then are interpreted into a shirt or an accessory” - Global Merchandise Manager

The Creative Director has complete freedom when deciding on a common theme and constructing a mood board. The theme is inspired by the social surroundings and can be taken from a trip, an interest or something else that can be thematised. Shirts overall short-term and long-term objectives do not affect the theme in a direct matter, the Creative Director explains:

“I always have the strategic objectives in the back of my spine but when you work with the mood board you cannot think about those kind of things, it is impossible to have anything else in mind than finding an awesome theme. You can’t involve to many variables, instead you have to believe in the theme and be able to communicate it to others too. But I mean, if Shirts experiences bad sales I am screwed, so it always has to be good enough so that it works,
otherwise I will be replaced. But you cannot pin this kind of thing in an excel-list, it just does not work."

As the design team of Shirts work with external suppliers’ design teams to develop their fabrics, the mood board also becomes important to communicate what is expected in terms of design. The design team visits the suppliers together with the Creative Director to present the mood board and provide guidance to the external designers. It is important to give directions and to have meetings in order to make sure that everyone understands what is desired from the process, the Creative Director explains:

“We have guiding materials to direct the other designers towards what we want them to do for us. It’s not like we send this to them and then hope for the best. Imagine that you buy a wardrobe from IKEA together and then you go home to them and read the manual and figure out exactly how it should be.”

It happens that the external designers during this process do not present designs that are in line with the Creative Directors vision or idea of the overall theme. The problem often has its roots in that creative ideas are hard to define and can differ between individuals and it is not uncommon that misunderstandings happen, which can be seen in the following quote by the Head of Fabrics:

“Sometimes the creative ideas of the other designers do not match the ideas that our Creative Director has about the collection based on the common theme. Let’s say it is not always easy to have the same feelings when you talk about creative products.”

When this happens, it is a problem for the collection because it might be missing out on certain esthetical elements e.g. a desired pattern. The Creative Director has an idea guided by the theme of how the collection should look like, and if certain elements are missing it will be considered incomplete. To solve this issue the Creative Director works together with his own design team and goes into the archive to develop solutions on how to complete the collection.

“It happens quite often that we are missing something and we can solve it. If the Creative Director starts freaking out saying ‘I don’t have what I need!’, I say ‘Ok, chill out, let’s have a beer and go into the archive’. Then our Creative Director is free to cut and take whatever he wants, even the most crazy and impossible things. By using my CAD-system I am able to make the fabrics along with the designs that have been selected from the archive.” - Head of Fabric
The last 2-3 weeks of finalisation by Shirts design team is also to a high degree guided by the mood board and in the end, it is the Creative Director who selects what goes in to the collection. A part of this job is coordinating between the shirts and accessories and making sure that the whole collection comes together appropriately. As the design for accessories and shirts are separate, directions are provided to the design team to complete the collection. These directions are provided by the common theme, but a large part of them are provided through casual meetings. The finalisation period is a very intense period where the design team works closely together, so informal communication between the members has a coordinative function as well as it ensures that the collection is heading in the direction imagined by the Creative Director.

“We work side-by-side and everything is coordinated by ideas and small briefings but in a very informal way. It can for example be that we go out to eat, where we just put up a good idea on the table, along with some spaghetti and a glass of red wine – Head of Fabric

4.4 Commercial guidelines in the creative work

The product strategies are decided upon in the commercial board and they are intended to make sure that the right investments are made in different product segments and drive the development of the brand in order to reach the overarching strategic objectives in terms of revenue growth of Shirts. The Chief Product Officer has the main responsibility regarding the product strategies and decides on what investments need to be done based on customer purchasing trends and historic sales data.

“I know how many percent of our revenues are with our biggest customer and how many of those percent that relate to our business line or to our casual line. So basically, I count backwards to see what and where investments should be made to reach our targets.”- Chief Product Officer

The design team never works directly with the overarching strategic objectives, instead they have guidelines to work after, which are derived from these objectives. The Chief Product Officer can together with the Global Merchandising Manager be described as the commercial managers in the design department, as they are responsible for making sure that the collection optimises its commercial value. Based on the overarching objectives the Chief Product Officer gives directions to the Global Merchandising Manager who incorporates these into the guidelines that are communicated to the design team. The guidelines outline what is expected from the collection in terms of number of articles, but also how the articles should be divided into different colours, patterns, segments, price groups, etc.
“The guidelines state the number of articles, but also for what the collection should contain, e.g. 20% striped shirts, 30% chequered shirts, etc. It is a way to obtain a balance in the collection in terms of patterns, price groups and colours.” – Global Merchandising Manager

However, the guidelines are not meant to be rigorously followed in terms of style down to a percentage point in each guideline. The commercial managers use the guidelines as a way to communicate Shirts strategic objectives in a more relatable way to the design team, but they also express that it would be damaging to be to make the guidelines to narrow or to be too strict in the implementation of these.

“You could put it down so that every little detail is included, but we have seen that if you have to strict guidelines, the collection will suffer in terms of limited creativity. It is important not to demand these are followed slavishly, because you can’t make a collection only based on historic sales data, that would turn out very boring.” – Global Merchandise Manager

“As long as they have a framework that they know relates to our overarching financial objectives, there is no reason to ask them to count dollars and cents. It is better that we are more flexible and then it is up to me to make sure we reach our objectives.” – Chief Product Officer

Pre-determined price categories are a way for the design team to consider costs in the development of the new collection. The number of articles that should go into a certain price category is stated in the guidelines, and to simplify for the design team to determine what price category an article belongs to, the team is provided with calculation sheets. The price regarding the production costs are known beforehand, so for the designers it is a matter of entering the fabric price to calculate the final article cost.

“For every article we work on we have a fabric price and then we calculate the amount of fabric needed, and this varies depending on what fabric is used, and then we are able to place it in one of our price categories” – Global Merchandise Manager

Even though these guidelines were present when working on a new collection, the members from the design team in this study did not express that they felt controlled by budgets or performance indicators, as indicated by the Creative Director in the following quote:

“We always have a price direction that we always follow and we have on paper what has worked for us in previous years. But it is not like the Chief Product Manager is my boss, of
course he also has an input, but in the end we in the design team decide how the collection will look like.”

But in the interview with the Chief Product Officer a slightly different view emerged, where the design team were given freedom to operate but that it is in line with the firm’s strategic objectives:

“In our strategic objectives we want to see nominal growth every year and to achieve this we give them space to optimize our product offering. But indirectly I would say they are very budget controlled by the guidelines as these are a reflection of our overarching strategies.”

4.5 Commercial input in the creative work

After the 2-3 weeks of finalisation of the design work there is a hand-over to the commercial managers. During the finalisation the design team is given freedom to operate with only the guidelines as a direction from the commercial managers, but the hand-over is for ensuring the commercial value of the collection.

“After the finalisation there is the week of the hangover as we call it. This week we have a hand-over and brief our commercial managers, so they get to see the collection and get to make their comments and maybe adjustments are made.” – Head of Fabric

The Global Merchandise Manager joins the design team directly after the finalisation to go through the collection and is supposed to compare it to the guidelines. If the creative output is deviating from the initial guidelines there might have to be adjustments to fill potential gaps, so that the collection is more in line with the guidelines. It is also important to examine if the needs in terms of style of all the global sales markets have been considered.

“It is easy to think that the creative process is just a matter of cool design, however it is very important that you develop cool designs that are commercially viable, sold to the right price and are of high quality.” – Global Merchandise Manager

“The collection has to fulfil the needs of all of our markets. For example, in USA they like chequered shirts a lot, and certain types of collars and body fits are popular, so these must be included in the collection. The French market has completely different needs and it is important that all needs are fulfilled to the greatest extent possible. – Design Coordination Manager

The Global Merchandise Manager and the design team work together with the adjustments and then there is a final briefing with the Chief Product Officer, where the collection is evaluated
against the product strategies. The pricing structure has been included in the initial guidelines and has been revised by the Global Merchandise Manager, but pricing is also the most important factor in this hand-over. The design team are given more flexibility in the guidelines regarding aesthetic features of the collection, but for the product strategy it is important to make sure that the collection has the expected spread in pricing categories and segmentation, as these factors affect the final margins.

“Say that the guidelines have not been completely followed up, but it is more serious if the guidelines relating to price categories and segmentation has not been fulfilled. Because that is not related to style but to the commercial side and the positioning of the products within your collection.” – Head of Fabric

The discussion around price categories could both be about that a certain price category has been overlooked, but it could also be that a product is in, what the commercial managers perceive as, the wrong price category. The commercial managers try to estimate what the end-customer is willing to pay for a product and if that pricing is reasonable for the Shirts brand. In order to do so they look at a product and what price category it is in and then add a standard margin, to get an idea of the final price, the Chief Product Officer explains:

“When I look at the products in the collection I basically make a sense-check. For example, who is the target customer for this shirt? Which store should it be sold in? Can this shirt costs 1900kr? No, this shirt feels more like it should be sold for 1500kr, ok then we might have to change to a cheaper fabric.”

If a product needs to be adjusted to go into another price category, like in the example above, or if a price category is missing products and they need to be added, the design team will work with the commercial managers to solve the problem.

“Maybe something needs to be adjusted because we totally forgot a price category, then I have to work with the commercial managers to find a solution. I present different options and we discuss what is needed, then I will design something accordingly.” – Head of Fabric

Shirts has an overarching margin target, but it is not necessary for all products to have that exact margin. Instead there is a flexibility, where some products have a higher margin and others have a lower margin, and the most important thing is that the overarching target is met. Some products are in a lower price category, but they are considered to be able to sell at the same price as of it was part of a higher price category due to e.g. the good quality of the fabric, hence
they will have a higher margin. When it comes to selling products at a lower margin it is always based on a discussion between the design team led by the Creative Director and the commercial managers. In this discussion the financial arguments are not the only ones that are valid, but a softer rationale can also affect the outcome.

“I always say that everything can’t be motivated by numbers, because there might be softer values that have an effect as well. It could be the case where we have two products, maybe we believe that one of them will be a sales hit and the other might not sell that well. But if we don’t add the worse performer in terms of sales the bestseller might be affected negatively in sales. So softer rationales need to be considered too.” – Chief Product Officer

The main argument that can be used to motivate giving a product a lower margin is that it is an important piece creatively for the collection or building the Shirts brand. It could be a product that the design team believes will draw a lot of attention to the brand in the news, fashion weeks or on social media. But there is always a discussion here, and the design team always need to motivate their arguments with either financial or so called softer rationales.

“We can have shirts in a collection that hardly bring in any profits but they are essential for building our brand, as they circulate a lot in the magazines and on social media. So, we do not demand that every product has a certain margin, it is more a question of give and take” – Design Coordination Manager

“Our shirts with prints often give us a lot of attention. We have for example had a classic striped shirt but with bananas printed on it that worked very well in that sense. However, you have to be careful to only look at how much likes a shirt got on Instagram, as it does not always reflect in the sales numbers. But sometimes the purpose is to make products that basically only give us PR and sheds light on our brand.” - Global Merchandise Manager

4.6 Design-development meeting

When the commercial managers have signed off on the collection it is transferred to internal supportive functions in order to prepare and test the products, e.g. the quality department. After these preparations it is ready for the second hand-off, which is called the design-development meeting and after the meeting and potential adjustments have been made, the collection is considered as finalised. In this meeting the collection is presented by the design department, represented by the Creative Director and the commercial managers, to the region sales managers, who provide their thoughts on the collection and suggest adjustments to optimize the
collection from a sales perspective. It goes through all aspects of the collection, including the common theme, segmentation, styles, market analysis, and sales statistics. The meeting is meant to brief the sales department about the upcoming collection, but also to get input from them and make them feel comfortable with it, so that they can sell it to Shirts wholesale partners. If they have opinions these are discussed and if the commercial managers and the Creative Director agrees with them changes can be made to the collection.

“Sometimes there is a fire brigade team that has to come back and make things happen. If a problem arises, we work together with the commercial managers to adjust the collection to follow the request of sales. However, usually it is just micro adjustments.” – Head of Fabric

The purpose of the input from sales is to make sure that the needs of customers on Shirts different markets are fulfilled to the greatest extent possible, the Global Merchandise manager provides examples on opinions and point out the importance of them:

“Even if sales statistics is supposed to form the guidelines which the design team follows, there is always the question what the regional sales manager thinks works for their particular market. It can be simple things like a shirt has the wrong shade of pink or that it has a pattern that would not work at all. So, it can be that you take away, add or adjust articles in the collection. This input from the sales managers is very important.”

However, in order for the design department to agree on any changes to the collection the sales managers need to provide reasonable arguments for their opinion, backed up by facts. The sales department cannot force changes upon the collection, instead they are supposed to provide their professional input to optimize the collection’s commercial value on Shirts different markets.

“As long as the argument is well formulated and they include key accounts in their claim there can be potential changes after a discussion. But their claims have to make sense.” – Chief Product Officer

“If sales would get to decide there would always be changes to the collection, and that is fine if they base it on their markets, but not if it is based on their personal taste. Sometimes we have missed something in the collection and then you are very grateful that they point that out because that is something we will then have to fix.” – Creative Director

4.7 Balancing the commercial and the creative in the collection

All respondents agree that in the design-development meeting and during the hand-over between the design team and the commercial managers, there can be intense discussions
between the commercial side and the creative side regarding how the collection should look like in the end. However, throughout the interviews there was a unity around that Shirts is a company with business needs, and the end result is not solely a matter of creative output, the Head of Fabric expressed this simply:

“Shirts is not only a creative lab, it is also a business company.”

The input from the creative side and commercial side are both considered essential to form the collection, as they are important for different reasons. The commercial input makes sure that the firm considers historic sales data in the new collection to see what has worked well in the past. The creative team is instead supposed to pick up on future trends and make sure that the firms offering stays relevant to its customers.

“If we would base everything on sales data we would only be making white coloured shirts. But we make and sell a lot of other things too because we dare to believe in it.” – Global Merchandise Manager

“Naturally there are discussions, but I believe you have to meet somewhere in the middle if you are going to be truly successful. I believe it is every design company’s biggest challenge to have a design department that looks forward, and a sales department that looks at what is happening now and what will be big in the future. In the end a collection is the work of many competent minds that work together” – Creative Director

The naturally emerging problem for the design team is the difficulty in recognizing new trends and investing in them, as nobody can be 100% sure of what the future holds in terms of trends and customer preferences.

“All design is some form of guessing because you never know what will work. Of course, you can be more or less sure about a guess, but in the end, it is more about that we share a common picture, both sales and design, regarding what we want and what be believe in.” – Global Merchandise Manager

The trust in co-workers appeared as an important factor in the discussions as the respect towards each other’s knowledge seemed to legitimate the arguments made by people in different positions. Throughout the interviews many comments relating to the competence of co-workers were made and it was expressed that everyone is an expert in their own field. Therefore, opinions concerning their own area of expertise from people from different positions were valued when forming the new collection.
“Our Creative Director is very creative and is considered basically as a rock star in our industry. I mean Forbes wants to write about him.” – Chief Product Officer

“Our Global Merchandise Manager is one of the people who is supposed to make sure that our collections have a commercial value, and he is a ninja, that’s what is so cool, he might not look like a ninja but he really is [Laughter].” – Creative Director
5. Discussion

In line with previous literature (e.g. Grabner, 2014; Speklé et al., 2017), the findings of this study confirm the need to balance creative and commercial dimensions, which can be seen in the MCS but also in how the employees on both the creative side and commercial side emphasise the importance of balancing the two for achieving long-term success. There is still a certain tension between them though and intense discussions can arise, however it is seen as a necessary tension that in the end provides the best results. Furthermore, previous findings (Davila & Ditillo, 2017; Hargadon & Bechky, 2006) suggests that in the creative teams of fashion firms there is a need to guide the intrinsic motivation of employees to achieve creative coherence, which is in accordance with the findings of this study. The creative team in Shirts receives centrally provided objectives concerning creativity by the Creative Director and the MCS is designed in a manner to ensure creative coherence when working on a collection.

Hence, the present study indicates that a two-way control problem is indeed apparent in the creative teams of fashion firms and will now move on to discussing the enabling features observed in the MCS of Shirts in their creative work. Three of the design features lined out by Adler and Borys (1996), which characterises an enabling MCS, are observed in the case study. The features differ for the controls directed towards two control problems; however, they have overall similarities regarding on how they are connected with each other. This chapter goes through the design features of the MCS (Adler & Borys, 1996) dealing with the two control problems one-by-one and then goes into how the features interplay to enable both intrinsic motivation and strategic alignment in the creative team.

5.1 Enabling MCS for achieving creative coherence

In the study it becomes clear that what the employees of Shirts address as the design team is what Davila and Ditillo (2017) refer to as creative teams. The designers in this creative team are given a high degree of freedom to work with their ideas, hence the feature of flexibility becomes apparent. This is in line with Amabile et al. (1996) which argue that intrinsic motivation is heightened when individuals have autonomy in work activities and decisions on how to work with given tasks. However, in order to guide the creative ideas towards the same direction and thereby creating a coherent collection, the Creative Director decides on a common theme, similar to in the Inspirational MCS of Davila and Ditillo (2017), which should be embodied in the creative output. The common theme provides a basis for the whole collection and enhances internal transparency by communicating it through the mood board and meetings.
Shalley et al. (2004) points out the importance of managers to create an environment that fosters intrinsic motivation, this becomes visual in the role of the Creative Director in this study. Shirts creative team works closely together to finalise the collection and the meetings between them are very informal in nature, similar to Jorgensen and Messner (2009) who find that informal information sharing between members in a new product development team is important for internal transparency. In Shirts the common theme generates creative boundaries for the designers to work freely within, hence the findings of this study are comparable with Ahrens and Chapman (2004) where the managers have central strategic objectives to work towards but they have a flexibility in how to achieve them. However, even though the common theme can be compared to the central objectives in the study of Ahrens and Chapman (2004), there is a difference because in creative work the final desired outcome is far more unclear for everybody involved, therefore the need for flexibility is much larger.

As Shirts partly relies on external suppliers to design fabrics for the collection they must make sure that the supplier understands the creative team’s design needs. Similar to the case study on supply-chain accounting practices by Free (2008), this study finds that global transparency is obtained through the follow-up meetings with the suppliers, as the creative team can see if something is missing for them to be able to complete the collection. In turn this transparency gives Shirts creative team the possibility to act if something is missing for the collection by using CAD systems to design their own fabrics and by doing so fulfilling their creative needs.

5.2 Enabling MCS for balancing creative and commercial dimensions

Davila and Ditillo (2017) argue that directional MCS are used in the creative team to define the boundaries of the creative space and to specify the expected final product mix. Similarly, in Shirts the commercial managers translate the firms overarching product strategies and margin objectives into guidelines for the creative team, which increases the internal transparency. These guidelines are not provided in the form of traditional financial budgets, but instead they can be described as performance-measures. Englund and Gerdin (2015) find that managers tend to relate performance-measures to different types of operational knowledge, this can also be observed in this study, as the guidelines are made understandable i.e. enabling, to the creative team by communicating what was expected in terms of e.g. number of articles, colours, patterns, and price groups. The guidelines include commercial dimensions indirectly, but to ensure that the collection was in line with Shirts product strategies there are two hand-overs, one to the commercial managers and the second to the sales department during the design-development meeting. The hand-overs generates global transparency as they increase the creative teams
understanding of the upstream implications of their actions by linking them to sales statistics and the firm’s product strategies (Jordan & Messner, 2012). The hand-overs highlight missing elements in the collection from a commercial perspective and the creative team uses CAD systems to create what is needed in order to fill these gaps.

Flexibility can be traced in how the creative team works with the guidelines, in accordance with Grabner and Speckbacher (2016) it is found that predefined targets are set and then the employees are left to use their task-related knowledge to achieve the targets. The emerging nature of creative work makes it impossible to know the final desired result beforehand, which could suggest that the guidelines are incomplete performance-measures in Wouters and Wilderom (2008) terms, and thus cannot be perceived as enabling. However, as there is a large degree of flexibility in the handling of these the creative team does not feel that the guidelines are holding them back, as they perceive it as they are in control of the final collection’s aesthetic elements. The commercial managers also emphasise that a collection cannot be formed by solely looking at sales statistics, and therefore there is a need for the creative team to be able to experiment and try new styles. Hence, the findings of this study are in line with Jordan and Messner (2012) who argue that incomplete performance-measures can be enabling if there is flexibility in the handling of them, as it becomes clear that the guidelines are not used to dictate the exact final outcome of the collection, instead they are there to give an indication where it should end up. The flexibility is greater in matters relating to style, whereas commercial managers demand that the creative team motivates any deviations from matters relating to price groups, segments, and margins. However, these motivations can be based on soft rationales, indicating a flexible handling of these matters as well, where a product can be included even though it might be outside the guidelines or have a lower profitability, because it is considered important for the collection as it will bring a lot of attention to the brand. Similar to Jørgensen and Messner (2009) the study finds that the autonomy in the handling of the commercial demands is partly made possible by a culture of trust in Shirts, which is built on the respect of employees, from both the creative side and the commercial side, regarding each other’s competence, and this helps to legitimize arguments or actions concerning an employee’s field of expertise.

5.3 The interplay of the design features

In the present study it is the interplay of the three design features of flexibility, internal transparency and global transparency (Adler and Borys, 1996), that is essential for making the MCS of Shirts creative team enabling. Even though the features are slightly different for
controls dealing with the two control problems they interplay in a similar manner in the creative teams MCS as a whole, which is summarized in figure 1:

*Figure 1 – The interplay of the design features in the creative team’s MCS*

Amabile and Pratt (2016) argue that in order to best facilitate intrinsic motivation in an organization, objectives should be present but employees should have autonomy in deciding how to reach the objectives. Similarly, this case study identifies flexibility as essential for achieving enabling controls, as it grants the autonomy necessary for dealing with the two-way control problem present in the creative team of Shirts. The commercial managers state that design work is always a form of guessing, it therefore becomes important for the creative team to be able to experiment and trying new styles. Too strict controls would risk having a negative effect on intrinsic motivation (Amabile et al., 1996) and thereby also on the creative output of the team. Moreover, similar to the findings of Jorgensen and Messner (2009), flexibility was also supported by a culture of trust present in Shirts.

Internal transparency provides boundaries for the creative team and thereby shapes the creative space where the designers can work autonomously with the creative work. In turn global transparency gives the possibility to identify if the creative work has gone outside the provided boundaries, by highlighting potential gaps in the collection from either a commercial or creative perspective. As flexibility is crucial for facilitating intrinsic motivation, global transparency becomes equally important as it functions as a balancing force that helps to achieve strategic alignment. The study finds that global transparency generates the information which provides the creative team with repair capability as the gaps in the collection can be filled by the creative team by using their CAD systems. However, in this context the repair capability is not intended to fix breakdown in the MCS, instead it provides the team with the possibility to fix breakdowns in operations, i.e. to adjust the collection so it is in line with both creative and commercial objectives, and therefore it can be compared to what Adler and Borys (1996) meant with repair capability in their study on machine production technology. Hence, in the studied context a
need for repair arises in operations and not in MCS, but it is the design feature of global transparency that enables the creative team so that it is provided with operational repair capability.

The findings are in line with Ahrens and Chapman (2004) as the MCS is not intended to achieve decentralization, rather it aims to utilise the creative team’s knowledge in support of central objectives. This case study identifies flexibility and global transparency as the central design features necessary for dealing with the two-way control problem present in the creative teams of Shirts. Flexibility allows for the creative team to use their knowledge to explore and develop their creative ideas and the internal transparency helps shaping the creative space, however global transparency ensures strategic alignment by making it possible to first identify deviations from the central objectives and then make adjustments. Hence, the MCS of the creative team becomes enabling by the interplay of the features, where flexibility facilitates intrinsic motivation and is in turn supported by internal transparency and global transparency to ensure strategic alignment of the central objectives.
6. Conclusion

The purpose of this study is to investigate how the design features of enabling MCS in creative teams of fashion firms achieve strategic alignment without diminishing intrinsic motivation. This study identifies a two-way control problem for achieving strategic alignment in these creative teams, first there is a need to balance creative and commercial dimensions, secondly there is a need to achieve creative coherence across the team. Three of the design features of enabling controls are identified in the creative team’s MCS, whereas two of these are considered as central features. In the creative team there exists a need for autonomy to facilitate intrinsic motivation, making flexibility one of these central features. Internal transparency increases the creative teams understanding regarding the boundaries of the creative space within flexibility exists. In turn global transparency becomes the second central feature, as it is a balancing force in the MCS, ensuring that potential deviations outside the boundaries are discovered and adjusted so that it is in line with the creative and commercial strategic objectives. Interestingly the study finds that global transparency enables the creative team so that they are provided with operational repair capability similar to what is considered as repair capability in the original studies on enabling controls focusing on operations by Adler and Borys (1996). To summarize, it is the interplay between the three features that makes the MCS in the creative team in fashion firms enabling.

This study contributes to the literature of creativity and MCS by finding support for the existence of a two-way control problem in creative teams of fashion firms. Additionally, by applying the concept of enabling controls (Adler & Borys, 1996) this study develops our understanding on how the MCS in this creative team becomes enabling through the interplay of the design features and thereby it contributes to both enabling controls research and the growing literature on creativity and MCS. This study also contributes to the research on enabling controls with an interesting observation in the study, which is that in this context a relevance for operational repair capability can be identified, and this capability is provided to the creative team by the MCS, in this case mainly through the information generated by global transparency.

While this study focuses on creative teams in fashion firms, future research could look at other creativity-dependent firms (Grabner, 2014) operating in other industries (e.g. theatre, films, advertisement) to see if this thesis findings regarding the interplay of enabling design features are generalizable to other similar contexts.
References


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