



Soft Controls and Employee Well-being: An Analysis of SMEs in Europe

Desiree Meurs¹

Research Centre Business Innovation, Rotterdam University of Applied Sciences, The Netherlands

Marise Born

Institute of Psychology, Erasmus University Rotterdam, The Netherlands, VU University Amsterdam, The Netherlands, Optentia Research Unit, North-West University, South Africa

Maaïke Lycklama à Nijeholt

Research Centre Business Innovation, Rotterdam University of Applied Sciences, The Netherlands, Leiden Law School, Leiden University, The Netherlands

Joop Schippers

Faculty of Law, Economics and Governance; Utrecht University, The Netherlands

Abstract. How can small and medium-sized enterprises (SMEs) take care of their employees' well-being so that they can retain a productive and satisfied workforce? The present study examines the relation between soft controls and the well-being of employees in small and medium-sized enterprises. Soft controls are defined in terms of social safety, autonomy, support and empowerment. We use the job demands resources (JD-R) model and the self-determination theory (SDT) to develop hypotheses on how soft controls are related to well-being. The research was based on data collected from the European Working Conditions Survey 2015. The sample consisted of 9255 salaried employees, working in SMEs across 35 European countries. Structural equation modelling showed that soft controls affect employee well-being. In European SMEs especially social safety is an important form of soft control. Social safety appears to promote employees' job satisfaction and engagement, while preventing burnout and workaholicism.

Keywords: soft controls, well-being, employees' well-being, small and medium-sized enterprises.

Acknowledgements:

The authors would like to acknowledge Eurofound for the data (EWCS) used in this study. The authors would also like to thank Dr. Y.K. Grift, whose help was invaluable for the analyses and Dr. P.J.M. van Nispen tot Pannekoek for his help in improving the (English) language used in this manuscript.

1. Corresponding author: Desiree Meurs, Researcher at Research Centre Business Innovation, Rotterdam University of Applied Sciences. Address: Kralingse Zoom 91, 3063 ND, Rotterdam, The Netherlands. E-mail address: d.n.d.meurs@hr.nl

1. Introduction

Both researchers and practitioners expect rapid technological developments, and smart digital innovations and automation, to have a strong impact on organisations (Potgieter et al., 2019). These developments may result in changes in task and skill requirements, which may lead to new risks for employees' health and well-being (Eurofound, 2020). Consequently, increasing attention needs to be paid to health and well-being to retain a productive and satisfied workforce (Holt and Powell, 2015).

Against this backdrop, more and more companies have decided to introduce soft controls, next to traditional hard controls (Chatman and Cha, 2003; Gong, 2003; Gomez and Sanchez, 2005; Nudurupati et al., 2021). Hard or technical controls relate to formal measures (e.g., procedures or codes of conduct), while soft or social controls refer to informal measures (Smith and Bititci, 2017). Soft controls are viewed as intangible but behaviour-influencing measures that help organisations define and realise their goals, and manage risks. Soft controls are an integral part of an organisational culture (Kaptein and Vink, 2014; Van Nispen, 2017). Examples of soft controls include recognition of a job well done, offering help or assistance when needed or influencing the attitudes of employees by propagating values, beliefs and unwritten traditions (Falkenberg and Herremans, 1995; Norris and O'Dwyer, 2004).

Several studies have found evidence suggesting that the use of soft controls contribute to creativity, initiatives and new interactions between employees within their organisation (Chtioui and Thiéry-Dubuisson, 2011; Davila et al., 2010; Freeman and Engel, 2007; Speklé et al., 2017). In these ways, they enable progress, adaptation and development of organisations. In contrast, a system with (only) hard controls does not leave much room for individual creativity and initiative within the system for neither individual workers, nor their managers (Chtioui and Thiéry-Dubuisson, 2011; Davila et al., 2010; Freeman and Engel, 2007; Speklé et al., 2017). Despite the acknowledged positive impact of soft controls on well-being, empirical research has predominantly focused on large organisations and governmental institutions. The question, therefore, remains whether the results emanating from these contexts may also be applied to SMEs. As SMEs are the backbone of the European economy and represent more than 85% of all European firms, this issue is of great economic and social importance (European Commission, 2020).

Large organisations and SMEs differ in several ways (Bacon and Hoque, 2005; Harney and Dundon, 2006; Meggeneder, 2007). Large organisations typically have multiple departments, compared to SMEs, which have modest institutional structures and employees who are expected to take on a wide range of roles (Johnson et al., 2018). SMEs' strategic decision-making is often implicit, reactive, and short-term oriented (Bergman et al., 2006). A familiar network, flat hierarchies and good communication are considered advantages of SMEs

(Meggeneder, 2007). Disadvantages include underdeveloped management skills, and a lack of professional and financial resources (Hudson Smith and Smith, 2007). For these reasons, employee health and (social) safety are not a prominent feature in SMEs (Hasle and Limborg, 2006). Human Resources departments are frequently absent in SMEs, implying limited attention to well-being interventions (Gerhardt et al., 2019). Several studies have shown that the mental health of SME employees is generally worse than that of employees in large companies, because SMEs often lack an effective long-term occupational health service (e.g., Zeng et al., 2014). Gerhardt et al. (2019) and Johnson et al. (2018) stated that research into prevention of problems with employee well-being, as well as research into interventions regarding occupational health rarely addresses SMEs. Existing evidence regarding health-related interventions primarily relies on data derived from large organisations (Montano et al., 2014). As a result, the relation between soft control mechanisms and the well-being (mental health) of employees in SMEs has received insufficient attention (Daniels and Harris, 2000; Voss and Brettel, 2014).

Research into well-being and in particular mental health in SMEs could be relevant and rewarding (Martin et al., 2009), as studies in large organisations have shown that an increase in well-being is positively associated with entrepreneurial performance and co-worker relationships, and with lower illness and absenteeism rates (De Neve et al., 2013; Warr, 1999). However, the underlying mechanisms through which employees' well-being may be influenced, are not well known (Liu et al., 2010). To this end, the present study examines the relation between soft controls (independent variables) and well-being (dependent variable) in SMEs and addresses the following research question: *Do soft control mechanisms significantly relate to employees' well-being in European SMEs?*

To answer this question, a quantitative study was conducted based on data from the European Working Conditions Survey (Eurofound, 2015). Our study makes several contributions to the existing literature in the following manners. Firstly, it provides a unique understanding of and insight into the application of soft controls in SMEs. Secondly, this study explores whether the job demands resources (JD-R) model of Bakker and Demerouti (2007) and the self determination theory (SDT) of Deci and Ryan (2000) are useful to better understand the relationship between soft controls and well-being in SMEs. Thirdly, it examines how soft controls may help to influence the well-being of employees by promoting the idea of healthier SMEs.

The paper is organised as follows. In section 2, we develop an integrated analytical framework and hypotheses based on the relevant literature on the relationship between soft controls and well-being. Section 3 describes the empirical research approach. Section 4 presents the analyses and results and section 5 discusses the empirical findings. In section 6 we preview the implications for theory and practice. Finally, section 7 presents the limitations and the conclusions of the study.

2. Theoretical Background and Development of Hypotheses

2.1. Performance management and soft controls

Performance management is represented by hard (technical) and soft (social) control dimensions of organisational control (Smith and Bititci, 2017). Hard (technical) controls refer to the planned, structural elements in the organisation such as targets, policies, procedures and rewards. Soft (social) controls focus on the cultural and behavioural aspects such as shared values, participatory decision-making and trust (Smith and Bititci, 2017). Several researchers link soft controls with the soft underbelly of management, accounting and control (Hall, 2010; Simons, 1995a). Soft controls have also been concisely defined as informal behaviour-influencing measures (Kaptein and Vink, 2014).

Performance management requires a well-founded management control system of soft and hard controls. Based on the 'levers of control', Simons (1995b) provides guidelines for setting up a management control system. Such a system includes: belief systems (providing purpose, values and direction); interactive systems (participation and involvement in decision-making); diagnostic systems (performance measures, targets, feedback, review and monitoring), and boundary systems (boundaries as procedures and codes of practice). Belief and interactive systems represent soft (social) controls while diagnostic and boundary systems represent hard (technical) controls. The academic field agrees that in order to realise the full potential of the performance measurement system, both soft controls and hard controls must be used diagnostically and interactively (e.g. Bisbe and Otley, 2004; Widener, 2007). In line with this notion and based on multiple case studies, recent findings of Nudurupati et al. (2021) indicate that companies are moving towards a more interactive, open and participative use of performance instead of monitoring and surveillance. This suggests that social aspects, that is soft controls, are increasingly recognised by organisations. In addition, results of a study by Speklé et al. (2017), using data from 233 business unit managers, show that attention to the soft side of management control, such as encouraging and inspiring employees to pursue their goals is important for their creativity and to flourish. Therefore, soft controls are considered to be more and more important for the development of organisations and their strategic focus (Ates et al., 2013; Garengo and Bernardi, 2007).

Although the literature on soft controls in SMEs is limited, recent research identified some critical soft controls required for the realisation of organisational goals in SMEs. Examples of such critical soft controls are the recognition of well-performing employees and the inclusion of employees in decision-making. In the present study, we will examine several critical soft controls. In line with the research about critical soft controls in SMEs and two classic basic needs theories, namely the theory of Maslow (1954) and the Self Determinations theory (SDT)

of Deci and Ryan (2000), we distinguish four soft controls, namely: social safety, autonomy, support and empowerment.

Maslow's hierarchy of needs consists of a set of human requirements that are important for an individual to achieve full self-actualization (Maslow, 1954). Maslow (1954) distinguishes five levels of needs: psychological needs, safety needs, belongingness needs, esteem needs and self-actualization needs. Ryan and Deci (2000) state in their Self Determination Theory that the fulfilment of needs is essential for growth, integrity, and well-being of an employee. The three basic needs distinguished in the SDT are competence, relatedness and autonomy. The need for *competence* pertains to feeling effective relative to one's environment and excel in a certain domain (Van Tuin et al., 2020). *Relatedness* refers to the need to be loved, held, and cared for by significant others (Baumeister and Leary, 1995; Gillet et al., 2012). This need is addressed through nurturing personal and meaningful relationships in an organisation and providing a context of care and support (Ryan and Deci, 2017; Spence and Deci, 2013). The soft control dimensions *support* and *social safety* both correspond to the needs for competence and relatedness; employees feel more confident and effective at work by receiving help, care, trust, and love. The dimensions support and social safety foster the need for competence through positive feedback and by creating personal space for employees to grow and develop (Deci and Ryan, 2000). Enhancing *autonomy* implies the inherent desire of individuals to experience a sense of choice and volition (Gilal et al., 2018; Trépanier et al., 2015). For this reason, autonomy as a need may be defined as the requirement to self-regulate one's experience and actions (Ryan and Deci, 2017). The soft control dimensions *autonomy* and *empowerment* also corresponds to the need for autonomy. Empowerment means that employees are engaged in matters that involve themselves to be a part of and have a say in the larger whole (Gagné and Deci, 2005).

2.2. Well-being

Over the years, well-being has been conceptualised in different ways. Earlier psychological studies on employee well-being (Campbell, 1981; Diener, 1984) focused on pleasant (emotional) experiences as a fundamental aspect of well-being, which is described in the academic field as 'subjective well-being' or 'psychological well-being' (Wright et al., 2007). This type of well-being occurs when an employee experiences frequent positive emotions such as joy and happiness, and less frequent negative emotions such as anger and sadness (Bakker and Oerlemans, 2011). Accordingly, Diener et al. (2010) conceptualised well-being as the presence of positive affect and the absence of negative affect. Over the years, researchers became increasingly convinced that well-being is a more complex concept consisting of several aspects (Wright, 2014). In line with a recent study by Hakanen et al. (2018), the 'circumplex' model of affect (Russell, 1980) and the conservation of resources theory (Hobfoll, 1998) are used in the

present study to distinguish four aspects of well-being, namely: satisfaction, work engagement, burnout, and workaholism.

Satisfaction refers to being in a positive state of mind. It is characterised by a low to moderate arousal and by relaxation. Satisfied employees are content with their job, not overloaded, and have sufficient resources (Hakanen et al., 2018). *Work engagement* refers to a positive, fulfilling, and work-related state of mind, characterised by the following three states: vigour (high levels of energy and mental resilience at work, the willingness to invest in one's work and the persistence to face difficulties), dedication (experiencing a sense of significance, inspiration, enthusiasm, pride and challenge), and absorption (a fully concentrated and engrossed mental state in which time flies) (Schaufeli et al., 2002). The term *burnout* is used to describe a state of mental weariness (Schaufeli et al., 2008) and is characterised by low arousal and dissatisfactory feelings. Maslach and Jackson (1986) define burnout as a syndrome of emotional exhaustion, depersonalisation and reduced personal accomplishment. *Workaholism* is traditionally considered as the inclination to allocate an exceptional amount of time to work. A workaholic works beyond what is reasonably expected in order to meet organisational or economic requirements. Schaufeli et al. (2008) recognise that workaholics persistently and frequently think about work, even when not working, indicating an obsession with work. These researchers state that workaholics typically work as hard as they do out of an inner compulsion, need, or drive, and not because of external factors, such as career perspectives.

2.3. Soft controls and well-being

In this section, we review the literature relating to soft controls and well-being, in order to propose an integrated analytical framework and our hypotheses. Studies on soft controls may be found in the management research domain (Anthony, 1965; Merchant, 1982). Studies investigating well-being may be found in the domain of work and health psychology (Daniels and Harris, 2000). Assessing workplace well-being requires attention to both the positive and negative dimensions of well-being (Maben et al., 2012). The job demands resource model (JD-R) of Bakker and Demerouti (2007) and the self-determination theory (SDT) of Deci and Ryan (2000) take these two dimensions into consideration.

The JD-R model formed the starting point of this study. This model, is a widely used framework which distinguishes job demands and job resources as parts of employees' tasks and working conditions, and focuses on negative and positive facets of employee well-being (Bakker and Demerouti, 2007). Job demands refer to the organisational, social, and psychological aspects of the job. They require sustained mental, cognitive and emotional efforts and skills and are therefore related to certain psychological costs, such as an unfavourable psychological environment (Bakker and Demerouti, 2007). Job demands may turn into job stressors when demands require more effort while, for instance, the

employee has not yet sufficiently recovered from earlier efforts (Meijman and Mulder, 1998). Job resources refer to those aspects of the job that may help in realising work goals and in promoting personal growth, learning and development. They may be located at the organisational-level (e.g., career opportunities, job security), the interpersonal-level (e.g., supervisor support, team climate), the organisation of work level (role clarity, participation in decision making) and the task-level (e.g., task significance, autonomy, feedback).

Soft controls may be considered as job resources. In line with the JD-R model, the soft controls in our study are present at four different levels. At the organisational-level, soft controls promote social safety, such as fair treatment at one's workplace. At the interpersonal-level with one's manager, soft controls support employees, for instance when a supervisor helps getting the job done. At the level of the organisation of work, soft controls are used for empowerment, for example employees' involvement in improving the work processes of their department. Finally, at the task-level, soft controls improve autonomy, such as the degree to which employees may change their speed of work.

Several studies provide empirical evidence for the JD-R model. Bakker et al. (2005) found that the combination of high demands and low job resources significantly predicts burnout. (Their study used a survey among 1000 employees in a large institute for higher education.) However, work overload, psychological demands, emotional demands, and work-home interference did not result in high levels of burnout when employees experienced autonomy, received feedback, had social support or had a good relationship with their supervisor. Xanthopoulou et al. (2007) tested the JD-R model in two home care organisations and came to the same conclusion. They found that employee autonomy and support from colleagues prevented high levels of burnout. In line with these studies, a recent study among Spanish SMEs by Lopez-Martin and Topa (2019) reported that job demands were negatively associated with the health and well-being of employees, while job resources were positively correlated with health and well-being. Empirical evidence for the JD-R model in the context of SMEs across cultures is limited, yet, based on the JD-R model, a positive relationship between soft controls and well-being can be expected. However, to fully understand this relationship, insight into the specific factors that enhance or hinder well-being is necessary. This insight is provided by the Self-Determination Theory (SDT). Although the JD-R model is well recognised, it does not offer guidance on which specific factors are most critical to enhance or hinder employee well-being. The SDT fills this gap by identifying basic needs that are essential to employee well-being (Deci and Ryan, 2000). For these reasons, we integrated the Job Demands-Resources (JD-R) model with the SDT theory.

The SDT is an empirically supported theory of human behaviour and personal development (Ryan and Deci, 2000). The theory assumes that socialisation is not something 'done' to people, but rather is something people naturally do through environmental supports and nourishments (Deci, 1995). The

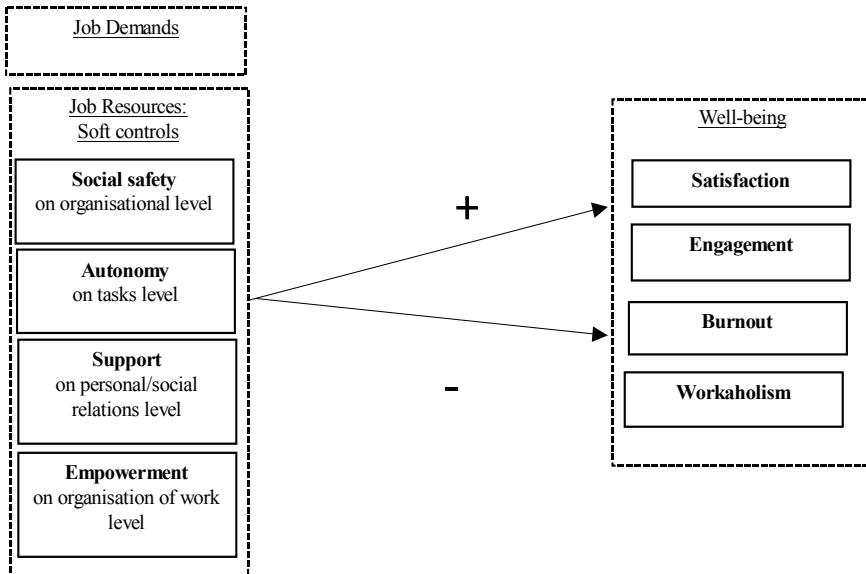
SDT is considered to be a useful framework for predicting the relationship between soft controls and well-being, because the SDT focuses on the social conditions that facilitate or hinder employee's well-being (Deci and Ryan, 2000). The theory has a strong conceptual link with the theory of basic human needs by Ryan and Deci (2000). It specifically claims that the needs for autonomy, competence and relatedness have to be satisfied in order to sustain employees' interest, development, and wellness (Ryan and Deci, 2017). The soft controls in the present study (social safety, support, autonomy, and empowerment) are related to the basic needs of relatedness, autonomy and competence, as mentioned earlier. A key aspect of the SDT and the basic human needs theory (BNT) is the direct relationship between (the degree of) fulfillment of basic psychological needs and well- and ill-being (Deci and Ryan, 2000). According to the SDT, satisfaction of basic psychological needs will result in more self-determined forms of behaviour, and in turn this behaviour will lead to better functioning and well-being. The opposite also applies; needs' frustration will result in the adoption of more controlled regulations, which in turn, will lead to states of ill-being (Deci and Ryan, 2000).

The relation between basic psychological needs satisfaction and well-being has been studied in different contexts. An early study by Ilardi et al. (1993) tested hypotheses based on the BNT in a shoe factory. They found that the degree to which employees experienced satisfaction regarding the needs of competence, relatedness, and autonomy directly affected their well-being. Deci et al. (2001) investigated employees in a Bulgarian public company and a U.S. private company and found support for the SDT in both companies. More recently, Gomez-Baya and Lucia-Casademunt (2018) tested a model which linked satisfaction of the needs for autonomy, competence, relatedness, and various work-related outcomes, such as job satisfaction for Spanish employees. Their results also indicated that the fulfilment of basic psychological needs in the workplace is related to higher job satisfaction and fewer health problems. Yong et al. (2019) also used the SDT theory for their study of employees in low skilled occupations and their findings indicated a positive impact of need satisfaction on well-being.

Empirical evidence for the SDT in the context of SMEs is still lacking. However, on the basis of the literature mentioned above, a positive relationship between soft controls and well-being may be expected. In accordance with the SDT, the core human needs which are important to consider are autonomy, competence and relatedness. In the introduction we discussed how soft controls are related to these human needs. Although social safety can be related to competence and relatedness, it is not explicitly mentioned in the SDT, but according to Maslow (1954) it may well form an essential ingredient of employees' well-being.

Based on this knowledge, Figure 1 shows the integrated framework that is used as the starting point of the present study and the basis of several hypotheses, which are presented in the next section.

Figure 1. Theoretical model integrating the JD-R model with the Self-determination theory to predict well-being.



Note: This figure shows the integrated framework where the independent variables are the studied soft controls (social safety, autonomy, support, empowerment) and the dependent variables represent the studied well-being of employees (satisfaction, engagement, burnout and workaholism). The JD-R model distinguishes job resources, which refer in the model to those soft control mechanisms that may help in realising work goals and in promoting personal growth, learning and development. The soft control mechanisms may be located on different levels in the organisation. The SDT focuses on the social conditions that facilitate or hinder the well-being of employees. The soft controls (social conditions) may provide need satisfaction which will result in more well-being (satisfaction and engagement) and less states of ill-being (burnout and workaholism).

2.4. Hypotheses

The aim of the current study is to get a better understanding of the relationship between SMEs’ soft controls and employee well-being. As far as known, none of the earlier studies into soft controls and well-being have been performed in SMEs. Our study addresses this gap by testing the proposed integrated framework provided in Figure 1. Based on this framework, a positive relation between soft controls and well-being is expected in the following four ways:

Hypothesis 1. *Safety* impacts well-being, namely positively on job satisfaction and work engagement and negatively upon burnout and workaholism.

Hypothesis 2. *Autonomy* impacts well-being, namely positively on job satisfaction and work engagement and negatively upon burnout and workaholism.

Hypothesis 3. *Support* impacts well-being, namely positively on job satisfaction and work engagement and negatively upon burnout and workaholism.

Hypothesis 4. *Empowerment* impacts well-being, namely positively on job satisfaction and work engagement and negatively upon burnout and workaholism.

3. Empirical Approach

3.1. Data collection and participants

The hypotheses were tested by using data from the European Working Conditions Survey (EWCS). At the European level, the EWCS showed a good fit for the approach of this study due to the focus of the cross-sectional survey on a range of work-related topics, including social safety of the work organisation, the ability to choose or change work tasks, support from the manager, involvement in improving the work organisation and well-being (Eurofound, 2015). Eurofound collected the data in 28 European countries in 2015. These data became available for research in 2017. Using a structured questionnaire, 26,798 respondents were interviewed. The questionnaire included several questions about (subjective) well-being at work. The present study focuses on the well-being of salaried employees of SMEs. An SME is defined as an organisation in the private sector with 10 to 249 employees. The sample ($N=9255$) consisted of 56% men and 44% women with an average age of 41 years ($SD=12$) (Eurofound, 2015). The minimum number of respondents per country was 157 (Greece) and the maximum was 788 (Spain). Appendix A provides an overview of the respondents per country.

3.2. Measures

3.2.1. Soft controls

Soft controls were measured in the EWCS through 17 EWCS-items (see Appendix B), which are conceptually related to previous research on soft controls in SMEs (Lycklama à Nijeholt and Meurs, 2022), the JD-R model and the SDT theory. Based on a factor analysis, four dimensions could be distinguished: social safety, autonomy, support, and empowerment. Appendix B provides an overview of the factor and reliability analysis of soft controls. Social safety is measured with six items. An example of an item measuring social safety is “*The management trusts the employees to do their work well*”. Responses are scored on a 5-point Likert scale ranging from 1 (agree) to 5 (disagree). Autonomy is measured with three items. An example of an item measuring autonomy is “*Are you able to choose or change your order of tasks?*”. Responses are scored on a 2-point scale: 1 (yes) and 2 (no). Support is measured with five items. The following is an example of an item measuring support: “*Your immediate boss is helpful in getting*

the job done". Responses are scored on a 5-point Likert scale ranging from 1 (agree) to 5 (disagree). Empowerment is measured with three items, such as: "You can influence decisions that are important for your work". Responses are scored on a 5-point Likert scale ranging from 1 (always) to 5 (never). The alpha reliability values of the present sample are as follows: $\alpha = 0.87$ (social safety), $\alpha = 0.77$ (autonomy), $\alpha = 0.87$ (support) and $\alpha = 0.80$ (empowerment). The means and standard deviations for each social control dimension can be found in Table 1.

3.2.2. Well-being

Well-being was measured with 16 EWCS items (see Appendix B) related to the dual concept of well-being (negative and positive) as defined by Schaufeli et al. (2002). By means of a factor analysis four aspects were distinguished: job satisfaction, work engagement, workaholism, and burnout. Appendix B provides an overview of the factor and reliability analysis of well-being. The aspects job satisfaction and burnout are represented by four items, workaholism by five items, and engagement by three items. An example item for job satisfaction is "On the whole, are you very satisfied, not very satisfied or not at all satisfied with working conditions in your main paid job?". An example of an item for work engagement is "I am enthusiastic about my job". An example item for workaholism is "How often you kept worrying about work when you were not working?". An example item for burnout is "How often have you felt too tired after work to do some of the household jobs which need to be done?". Responses were scored on scales varying between 4- and 5-point Likert scales. Items were standardised before determining the reliability of each scale. The alpha reliability values of the present sample are $\alpha = 0.77$ (satisfaction), $\alpha = 0.74$ (engagement), $\alpha = 0.70$ (workaholism) and $\alpha = 0.76$ (burnout). The means and standard deviations can be found in Table 1.

3.2.3. Control variables

Research has shown that the variables age, gender and educational level may play a role in the differences in SME employees' well-being (Cunningham, 2014; Lycklama à Nijeholt and Meurs, 2022). Older employees are generally more satisfied with their jobs than their younger counterparts (Ng and Feldman, 2010) and men experience, on average, more stress than women (Hendrix et al., 1994). These findings show that both age and gender may affect employees' well-being. In addition, higher educated employees may consider autonomy and empowerment as more important for their well-being, as they experience a greater need for freedom and responsibility and like to have a say in their task performance. The means and standard deviations and the correlations of these demographic variables with soft controls and well-being are provided in Table 1. Cultural values of the region may also play a role in SMEs employee well-being. According to the United Nations geoscheme, Europe is divided in four cultural

regions (north, east, south and west), each with different cultural values. Western Europe, for instance, emphasises intellectual autonomy, egalitarianism and harmony more than any other world cultural region. Eastern Europe, in contrast, is more hierarchical than Western Europe (Sagiv and Schwartz, 2007). Different cultural values may lead to differences in the results across these cultural regions. Therefore, we controlled for European regions in the analyses.

4. Analyses and Results

In order to test the hypotheses using the EWCS data, structural equation modelling (SEM) was used with the STATA statistical software package. As mentioned above, the four soft controls, social safety, autonomy, support and empowerment, were measured by their respective EWCS items (see Appendix B). Similarly, each of the four well-being scales were measured by their respective EWCS items (see Appendix B). Variables were allowed to correlate with each other.

4.1. Preliminary Analyses

In the preliminary analyses, the χ^2 goodness-of-fit statistic, the root mean square error of approximation (RMSEA) and the comparative fit index (CFI) were used as relative goodness-of-fit indices. RMSEA values under 0.05 are indicative of a good fit, whereas values of over 0.1 should lead to the rejection of the model (Browne and Cudeck, 1993). In addition, CFI values over 0.90 indicate a good fit, and values larger than 0.95 an excellent fit (Hu and Bentler, 1999).

Before analysing the structural relationships between the variables, the measurement model for soft controls was tested. The fit with the data for the sample of the four-factor measurement model of soft controls was good: $\chi^2(113) = 2213.91$, CFI = 0.97, and RMSEA = 0.048 ($N=8055$). The measurement model was further improved by removing two items. The item *'Employees are appreciated when they have done a good job'* had a factor loading (0.59) on the factor social safety but also a factor loading (0.45) on the factor support and was also relatively strongly correlated with the item *'Your immediate boss gives your praise and recognition when you do a good job'* ($r=0.57$). The item *'Your manager helps and supports you'* of the latent variable support appeared to have a relatively poor factor loading (0.53), and was also relatively strongly correlated with the item *'Your immediate boss is helpful in getting the job done'* ($r=.52$). Both items were removed leading to a better fit of the measurement model: $\chi^2(84) = 1021.81$, CFI 0.98 and RMSEA 0.04 ($N=8112$).

Next, the measurement model for well-being was tested. The fit with the data for the sample of the four-factor measurement model of well-being was adequate: $\chi^2(98) = 2964.59$, CFI = 0.928, and RMSEA = 0.058 ($N=8614$). Again, the measurement model was improved by removing two items. The item *'On the*

whole, are you very satisfied, not very satisfied or not at all satisfied with working conditions in your work’ of the latent satisfaction factor had a relatively poor factor loading (0.54), and also loaded on the latent work engagement factor (0.33). The item ‘Overall fatigue’ of the latent burnout factor also had a poor factor loading (0.34). After removing these items, the model fit improved: $\chi^2(71) = 2011.49$, CFI = 0.943, and RMSEA = 0.056 (N=8656). The overall measurement model, including all four aspects of well-being and the four soft controls variables, also showed a good model fit: $\chi^2(350) = 5845.09$, CFI = 0.939, and RMSEA = 0.045 (N=7745).

Table 1. Summary statistics: Means, standard deviations, and intercorrelations between all variables (N = 9255)

Variables	M	SD	Min	Max	1	2	3	4	5	6	7	8	9	10	11
<i>Control variables</i>															
1. Age ^a	41.0	11.9	15	82	-										
2. Gender ^b	0.44	0.50	0	1	-0.02*	-									
3. Educational level ^c	5.39	3.05	0	20	-0.07***	0.08***	-								
<i>Soft control variables</i>															
4. Social safety	-0.01	0.58	-0.76	2.13	0.01	-0.01	0.01	($\alpha = .85$) ^d							
5. Autonomy	0.00	0.32	-0.31	0.49	-0.05***	0.00	-0.15***	0.13***	($\alpha = .77$) ^d						
6. Support	0.02	0.87	-1.04	2.43	0.07***	-0.02*	-0.06***	0.61***	0.16***	($\alpha = .87$) ^d					
7. Empowerment	0.03	0.93	-1.50	1.70	-0.05***	0.05***	-0.19***	0.32***	0.48***	0.39***	($\alpha = .80$) ^d				
<i>Well-being variables</i>															
8. Satisfaction	0.01	0.83	-1.35	1.85	0.07***	0.03*	-0.11***	0.59***	0.20***	0.59***	0.41***	($\alpha = .74$) ^d			
9. Work engagement	0.00	0.56	-0.88	2.08	-0.01	-0.02	-0.10***	0.45***	0.19***	0.41***	0.38***	0.49***	($\alpha = .75$) ^d		
10. Burnout	0.00	0.76	-2.34	0.77	-0.07***	-0.09***	-0.02	-0.24***	0.01	-0.18***	-0.05***	-0.22***	-0.23***	($\alpha = .81$) ^d	
11. Workaholism	0.02	0.58	-2.31	0.87	0.05***	-0.01	-0.10***	-0.31***	0.04***	-0.16***	0.07***	-0.19***	-0.19***	0.36***	($\alpha = .70$) ^e

^a Age was measured as an open variable. Respondents were asked to give their age in years.

^b Gender was measured as a continuous variable ranging from 1 (man) to 2 (woman).

^c Level of education was measured as a continuous variable ranging from 1 (did not complete primary education) to 20 (doctorate).

^d Alpha reliabilities in the current sample (N = 9255).

Note: correlations are statistically significant at *** p < 0.001; ** p < 0.01; and * p < 0.05.

4.2. Testing the structural model

All hypotheses were tested simultaneously, using one comprehensive model for the unique contributions of each type of employees’ well-being (M unique). This model uses social safety, autonomy, support and empowerment as predictors of well-being. All variables were allowed to correlate with each other. The model fit was good: $\chi^2(349) = 4483.19$, CFI = 0.954, RMSEA 0.039 and Akaike information Criterion = 558118.73 (N=7745).

In order to determine the robustness of the model, we compared it with four alternative models based on the four soft controls dimensions (M_{safety}, M_{autonomy}, M_{support} and M_{empowerment}). Model M_{safety} uses the soft control social safety to predict all aspects of well-being. Model M_{autonomy} is based on the soft control autonomy to predict all aspects of well-being. Model M_{support} considers the soft control support as a predictor of all aspects of well-being. Finally, Model

$M_{\text{empowerment}}$ focuses on the soft control empowerment to predict all aspects of well-being. Table 2 provides the results. Although all models fit the data, M_{unique} , the original model in which all four aspects of soft controls predict all four aspects of well-being showed the best fit with the data (CFI and RMSEA).

Table 2. Fit statistics for the Alternative Study Models.

Model	Model description	χ^2 ^a	df ^b	CFI ^c	RMSEA ^d	AIC ^e	Model comparisons	$\Delta\chi^2$	df
M_{safety}	"Social safety as predictor of all aspects of well-being"	2890.80	142	0.949	0.049	408988.81			
M_{autonomy}	"Autonomy as predictor of all aspects of well-being"	2317.43	109	0.946	0.049	355966.86			
M_{support}	"Support as predictor of all aspects of well-being"	2434.48	125	0.957	0.047	405808.45			
$M_{\text{empowerment}}$	"Empowerment as predictor of all aspects of well-being"	2614.85	109	0.942	0.052	399219.17			
M_{unique}	"Unique contributions model"	4483.19	349	0.954	0.039	558118.73			
							M_{safety} M_{unique}	vs 1592.39***	207
							M_{autonomy} M_{unique}	vs 2165.76***	240
							M_{support} M_{unique}	vs 2048.71***	224
							$M_{\text{empowerment}}$ M_{unique}	vs 1868.34***	240

^a χ^2 = chi-square test: a test of statistical significance. Nonsignificant results indicates good model fit (The large amount of data made the chi-square test less usefull, therefore CFI and RSMSEA measures of fit are also considered (Hu and Bentler, 1999).

^b df = degrees of freedom: the difference between the total numbers of elements in the variance-covariance matrix and the number of estimated parameters.

^c CFI = comparative fit index: an incremental fit indices that compare the fit of our hypothesized model with that of a besline model with the worst fit (values > 0.95 indicate a relatively good model – data fit in general).

^d RMSEA = root mean square error of approximation: an absolute fit index which assesses how far the hypothesized model is from a perfect mode (values of <0.05 suggests a close fit and values <0.08 suggests a reasonable model).

^e AIC = Akaike information criterion: the sum of negative log-likelihood and a penalty term that increases with the number of parameters in a given model which represents the goodness of fit of the proposed model with a smaler value signifying a better fit.

Note: model comparisons statistically significant at p***<0.001, **< 0.01, and *<0.05.

4.3. Hypotheses testing

As expected, social safety was positively related to satisfaction ($\beta = 0.41, p < 0.001$) and work engagement ($\beta = 0.38, p < 0.001$). Furthermore, work engagement was negatively related to burnout ($\beta = -0.31, p < 0.001$) and workaholism ($\beta = -0.55, p < 0.001$). Thus, all parts of hypothesis 1 were supported.

Autonomy was unrelated to satisfaction, work engagement and burnout, and therefore hypotheses 2a through 2c could not be supported. Autonomy was weakly and negatively related to workaholism ($\beta = -0.06, p < 0.01$), providing

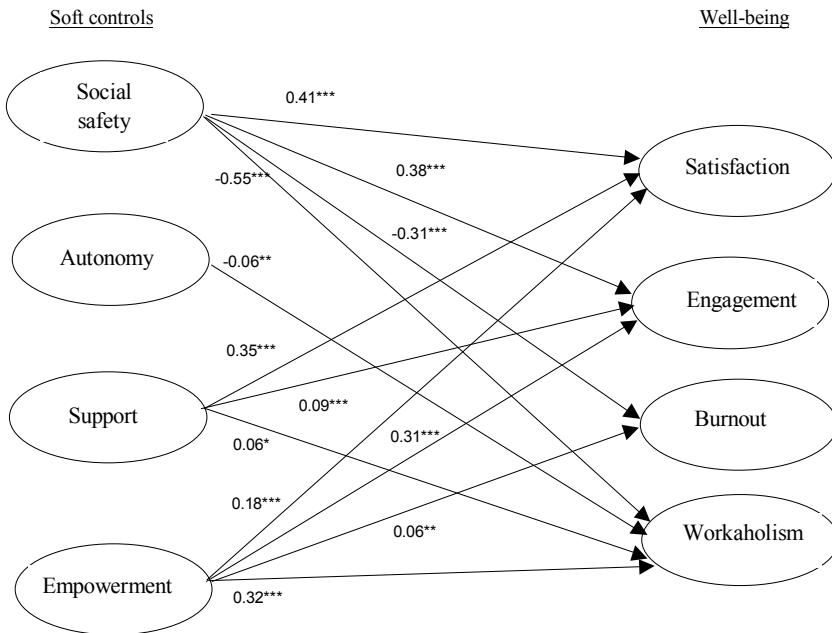
support for hypothesis 2d. Therefore, hypothesis 2 was, for the most part, not supported.

As expected, support was positively related to satisfaction ($\beta = 0.35, p < 0.001$). Moreover, work engagement was weakly and positively related to support ($\beta = 0.09, p < 0.001$). Thus, hypotheses 3a and 3b were supported. However, no support was found for hypothesis 3c, as support did not show a significant relation to burnout ($\beta = -0.02, ns$). Hypothesis 3d could also not be supported, as support was weakly but positively related to workaholism ($\beta = 0.06, p < 0.05$) rather than in the expected negative direction.

Finally, as expected, empowerment related positively to satisfaction ($\beta = 0.18, p < 0.001$) and work engagement ($\beta = 0.31, p < 0.001$), supporting hypotheses 4a and 4b. However, hypotheses 4c and 4d could not be confirmed, as empowerment was weakly but positively related to burnout ($\beta = 0.06, p < 0.01$) and empowerment was positively related to workaholism ($\beta = 0.32, p < 0.001$), instead of negatively, as expected. Figure 2 provides an overview of the results.

The analyses regarding the distinguished European Regions demonstrated that the results for each European Region separately were not significantly different from the results of Europe as a whole. The results of the t-test ranged from $t = -0.09, p > 0.05$ for East Europe to $t = -0.65, p > 0.05$ for South Europe (reference North Europe).

Figure 2. Results of the structural equation modelling analyses.



Note. this figure shows the correlations between the independent variable (the studied soft controls: social safety, autonomy, support, empowerment) and the dependent variable (the studied well-being

of employees: satisfaction, engagement, burnout and workaholism). The variables were allowed to correlate with each other. Only significant paths are presented for clarity reasons. The results of the nonsignificant paths may be obtained from the first author by request. * $p < 0.05$. ** $p < 0.01$. *** $p < 0.001$.

5. Discussion

The JD-R model (Bakker and Demerouti, 2007) and the SDT theory (Ryan and Deci, 2000) were used as points of departure to test whether soft controls (social safety, autonomy, support and empowerment) are positively related to the well-being aspects satisfaction and engagement and whether soft controls are negatively related to the well-being aspects burnout and workaholism among employees of SMEs. In line with the hypotheses, strong negative and positive relationships were found. However, not all hypotheses were supported by the data.

As predicted in hypothesis 1, soft controls aimed at improving social safety (strongly) affected all four aspects of well-being; this soft control was positively related to satisfaction and engagement, and negatively related to burnout and workaholism. Therefore, a manager who chooses to implement social safety soft control measures, for example by treating employees fairly in the workplace, will increase employees' energy, enthusiasm and recognition. At the same time the use of social safety will diminish worrying, stress and exhaustion. This combination of increasing positive aspects and decreasing negative aspects of well-being will therefore result in higher well-being and less burnout among employees. Diminishing stress and exhaustion by creating an environment in which trust, fairness and appreciation also reduces the need for compensatory behaviors, such as workaholism, proves its worth.

The findings related to a safe organisational environment support previous research, showing that the way organisations approach social safety has an impact on employees' well-being. For example, Michael et al. (2005) found that management commitment to safety is a significant predictor of job satisfaction and engagement (affective commitment). In addition, Yulita et al. (2022) reported that a psychologically safe work environment reduces both workaholism and psychological distress. These outcomes suggest that a psychologically safe work environment tempers unfavorable conditions that may trigger workaholism and psychological distress. Other research indicated that safety is important to facilitate business success in general (e.g., Edmondson and Lei, 2014).

Furthermore, the results show that autonomy (e.g., being able to choose or change one's speed of work) is only related to employees' workaholism. The weak relation with workaholism ($\beta = -0.06$, $p < 0.01$) suggests that the soft control autonomy does not play a major role in influencing employees' well-being. A possible explanation may be found in the specific nature of SMEs, in particular in their degree of flexibility. Meggeneder (2007) and others found that

SMEs are more flexible than large companies (due to, among other things, more informal structures and more open job descriptions). Employees in SMEs in general have more autonomy, hence this may be a reason for why this soft control does not have a direct impact on employees' well-being. Another possible explanation, however, may be found in the command and control management style commonly observed in SMEs (Ates and Bititci, 2011; Beaver and Prince, 2004). The strategy of SMEs is often strongly influenced by the actions, abilities and personality of the SME leader (Beaver and Prince, 2004), and a central, directive and top-down decision-making style is most commonly used in SMEs (Dean, 1986). Ates and Bititci (2011) investigated how change management capabilities drive resilience in SMEs. Based on their findings, these researchers suggested that centralised decision making caused by the command-and-control culture in most SMEs, undermines the feeling of ownership and the freedom to make decisions among employees. Hence, the prevalent command-and-control management style may also be an explanation for the finding that soft control autonomy does not play a major role in influencing employees' well-being.

Finally, the differences between European countries may lead to unexplored variance in the data. Although we controlled for the four European Regions, we cannot fully exclude that the national culture of each individual country has an influence on the relation between soft controls and well-being. Each country has its own culture, values, economic system and governmental structures. Across European countries, other factors than autonomy may have a stronger influence on employee well-being, such as social safety in the organisation or society at large.

Consistent with hypothesis 3, the soft control support is strongly related to job satisfaction. A manager who makes an effort to support his or her employees (e.g., being helpful in getting the job done) will act as a resource for employee satisfaction, enhancing, for example, employees' feelings of recognition. Although support relates to job satisfaction, a significant relation to the other aspects of well-being (engagement, burnout and workaholism) was not found, or was only found to a small extent. This suggests that support does not play a major role in enhancing engagement, decreasing the frequency of burnout, or preventing workaholism. The weak relation between support and employees' engagement level may be explained by the specific nature of SMEs. Advantages of SMEs, such as close (familiar) networks, flat hierarchies, and a good communication flow (Meggeneder, 2007), may well provide a higher level of well-being. In that case, extra support from managers may be superfluous and may have less influence on employees' well-being. Furthermore, engagement, burnout and workaholism may be more influenced by factors beyond support. More specifically, employees' experiences of engagement, burnout or workaholism appear to depend more on factors such as social safety and empowerment, and less on support.

In line with hypothesis 4, the soft control empowerment is strongly positively related to satisfaction and engagement. Hence, European SME employees need to be able to apply their own ideas at work or to be involved in improving the work organisation, in order to become more satisfied and engaged. We had expected a negative relationship between empowerment and burnout and a negative relation between empowerment and workaholism. However, a positive but very weak relation was found between empowerment and burnout. Furthermore, a strong positive relation between empowerment and workaholism was found. These findings are interesting as workaholism is often perceived as a negative work-related outcome (Shimazu and Schaufeli, 2009). This positive relation may imply that the value-load of workaholism in European SMEs needs to be reconsidered, because employees in SMEs may well work in their own time out of an inner drive. Such a free choice is positive for employees' well-being and may be inspired by the aforementioned advantages of SMEs.

6. Theoretical Contributions and Implications for Practice

6.1. Theoretical contributions

This study is probably the first to explore the relationship between soft controls and employee well-being in SMEs, supporting the significance of the SDT theory (Deci and Ryan, 2000) and the JD-R model (Bakker and Demerouti, 2007) for SMEs in Europe, although these theories may not be applied unabridged from large companies to SMEs. The specific characteristics of SMEs ought to be taken into consideration in future research. The results show that the soft control autonomy only has a superficial impact on employees' well-being. Finally, the SDT focuses on the need for autonomy, competence, and relatedness, and not specifically on the need for social safety. The results of the present study suggest that social safety is also an essential need in European SMEs and needs to be taken into consideration in further research.

6.2. Implications for practice

Achieving a happy and healthy workforce is a desirable objective for SMEs (e.g., Holt and Powell, 2015). SMEs are considered to be the engines of economic growth in the world and their important role in innovation is widely recognised (De Vries and Margaret, 2003; Mikhailitchenko and Lundstrom, 2006; Van Gils, 2005). Given the limited time and financial resources that managers in SMEs have, providing healthy and safe environments is often not prioritised. However, the present study does show that paying attention to soft controls are important for employees' well-being in SMEs and shows which specific soft control is most strongly related to the different well-being outcomes. Based on this knowledge, specific soft control strategies may be developed and implemented, promoting satisfaction and engagement and preventing burnout and workaholism. More

specifically, strategies with a focus on the promotion of honesty and trust are recommended to promote satisfaction and engagement and to diminish burnout and workaholism. This is of great importance for SMEs that want to take care of their employees' well-being.

7. Limitations and Conclusion

7.1. Limitations of the study

The current study has some limitations that need to be addressed and that give rise to further research. Firstly, the EWCS dataset does not include information on turnover, financial balance, industry of organisation (e.g. manufacturing or service company) or degree of maturity (e.g. start-up or mature) of the organisations in which the respondents work. Such information may be used to define criteria to fit the definition of SMEs (turnover and financial balance) and to give more context to our research (type of organisation and degree of maturity). In the absence of such data, SMEs were defined in terms of the number of employees (European Commission, 2020). Secondly, we should keep in mind that due to the Covid-19 pandemic, novel approaches such as telework have been implemented and have become commonplace. Such developments may have implications for employee well-being and need to be taken into consideration in future research. In the present study we used the most recent data of the EWCS, which became available in 2017. It would be interesting to compare the results of this study with results of the EWCS from a few years after the Covid-19 pandemic to see results before and after the pandemic remain the same. Based on recent findings of Judge and Burrell (2021), we expect that soft controls will stay and even become more important after the Covid-19 pandemic. They suggest that a transformational leadership style can benefit organisations after Covid-19 because they create a positive work culture for their employees. However, Covid-19 may have shaken the structural relation between soft controls and employee-well-being, but we are not back yet at what can be considered a stable situation. Employees may, for example, still struggle with (post) corona complaints (e.g., Wetherall et al., 2022). Therefore, it will take some time before data can be collected again in a context that provides a balanced picture of the structural relation between soft controls and well-being.

Thirdly, the study has the usual limitations typical to a cross-sectional study. The data are collected at a single point in time, which may result in non-response bias and hence, a sample that is not representative for the population as a whole (Sedgwick, 2014). However, the sample size per country in the present study is relatively large (greater than 100). For this reason, the use of the EWCS data is considered reliable for useful predictions about soft controls and well-being in SMEs. However, observing the relationship between these variables longitudinally is recommended in order to get a better understanding of the causal

relations. Fourthly, although the results are in line with studies that indicate a positive impact of work engagement on employees' sense of well-being, Schaufeli and Salanova (2011) suggest that work engagement also has a 'dark side', namely that in the long-term, work engagement has the possibility to develop into burnout. Due to the cross-sectional nature of the present study, this phenomenon could not be explored in more detail. A longitudinal study on this 'dark side' would be interesting for future research. Finally, questions related to the extent to which the relationship between soft controls and well-being is influenced by factors of national and organisational cultures are left unanswered. The effect of different economic and political systems, institutional governmental structures, and (cultural) values in European countries would be an interesting research path. Studies across cultures to test, for example the SDT-theory in the work organisation of various cultures are scarce (Deci et al., 2001).

7.2. Conclusion

The present study examined the relation between soft controls and employees' well-being in European SMEs ($N = 9255$ salaried employees). We demonstrated that managers in organisations who use soft controls generally promote satisfaction, enhance engagement and prevent burnout and workaholism. In addition, we showed which specific soft controls encourage well-being and also provided possible explanations when no significant effect was found. In general, soft controls may be considered as job resources that stimulate employees' well-being in European SMEs, supporting the ideas from the Job Demands Resources (JD-R) model and the self determination theory (SDT). However, the present study also gives evidence that soft controls providing social safety are important whereas soft controls related to autonomy are less important in European SMEs for promoting employee well-being. Based on the findings from the present study among European SMEs, social safety needs to be added to the needs distinguished by SDT for European SMEs.

Appendix A

Characteristics of the sample used in the present study

Country	Freq.	Percent
<i>Eastern Europe</i>		
Bulgaria	315	3.40
Czech Republic	276	2.98
Hungary	207	2.24
Poland	257	2.78
Romania	268	2.90
Slovakia	232	2.51
<i>Total Eastern Europe</i>	<i>1555</i>	<i>16.81</i>
<i>Northern Europe</i>		
Denmark	180	1.94
Estonia	257	2.78
Finland	163	1.76
Ireland	200	2.16
Latvia	238	2.57
Lithuania	324	3.50
Sweden	205	2.22
UK	262	2.83
Norway	205	2.22
<i>Total Northern Europe</i>	<i>2034</i>	<i>21.98</i>
<i>Southern Europe</i>		
Croatia	204	2.20
Cyprus	274	2.96
Greece	157	1.70
Italy	234	2.53
Malta	248	2.68
Portugal	208	2.25
Slovenia	280	3.03
Spain	788	8.51
Montenegro	191	2.06
Serbia	162	1.75
Turkey	363	3.92
Fyrom	193	2.09
Albania	134	1.45
<i>Total Southern Europe</i>	<i>3436</i>	<i>37.13</i>

<i>Western Europe</i>		
Austria	221	2.39
Belgium	498	5.38
France	322	3.48
Germany	561	6.06
Luxembourg	212	2.29
Netherlands	163	1.76
Switzerland	253	2.73
<i>Total Western Europe</i>	2230	24.09
Total	9255	100

* grouping is based on United Nations Geoscheme Europe

Appendix B

*Factor analysis and reliability analysis soft controls**

Concept	Survey items in questionnaire	Factor 1	Factor 2	Factor 3	Factor 4
<i>Social safety</i>	To what extent do you agree or disagree with the following statements?				
	1 Q70d: The work is distributed fairly	0.653			
	2 Q70c: Conflicts are resolved in a fair way	0.695			
	3 Q70f: In general employees trust management	0.692			
	4 Q70b: The management trusts the employees to do their work well	0.623			
	5 Q70a: Employees are appreciated when they have done a good job (dismissed after preliminary analyses)**	0.596		0.448	
	6 Q61I: you are treated fairly at your workplace	0.493			
	Eigenvalue	2.378			
	% of variance	0.348			
	Cronbach α	0.848			

<i>Autonomy</i>	Are you able to choose or change..?	
	7 Q45: Your speed or rate of work	0.619
	8 Q54b: Your methods of work	0.683
	9 Q54a: Your order of tasks	0.659
	Eigenvalue	1.519
	% of variance	0.223
	Cronbach α	0.774

<i>Support</i>	To what extent do you agree or disagree with the following statements?	
	10 Q63d: Your immediate boss is helpful in getting the job done	0.645
	11 Q63e: Your immediate boss provides useful feedback on your work	0.731

Appendix B (continued)

Concept	Survey items in questionnaire	Factor 1	Factor 2	Factor 3	Factor 4
	12 Q63f: Your immediate boss encourages and supports development			0.756	
	13 Q63b: Your immediate boss gives your praise and recognition when you do a good job			0.707	
	14 Q61b: Your manager helps and supports you (dismissed after preliminary analyses)***			0.533	
	Eigenvalue			2.623	
	% of variance			0.385	
	Cronbach α			0.866	

Empowerment For each of the following statements, please select the response which best describes your work

15 Q61d: You are involved in improving the work organization or work processes of your department of organization?	0.597
16 Q61n: You can influence decisions that are important for your work?	0.633
17 Q61i: You are able to apply your own ideas in your work?	0.661
Eigenvalue	1.396
% of variance	0.205
Cronbach α	0.799

* This table reports the results of factor analyses. Principal components with varimax rotation is used to estimate the factor analyses and extract all factors with eigenvalues > 1. The eigenvalue, % of variance extracted for each factor analysis is reported on under each factor as well as the Cronbach's alpha for each factor (the Cronbach's alpha are calculated after the dismissal of the variable in the preliminary analyses)

** The item 'Employees are appreciated when they have done a good job' had a factor loading (0.59) on the factor social safety but also on the factor support (0.45). Besides the item was also relatively strongly correlated with the item 'Your immediate boss gives your praise and recognition when you do a good job' ($r=0.57$) and is therefore dismissed after the preliminary analyses.

*** The item 'Your manager helps and supports you' of the latent variable support appeared to have a relatively poor factor loading (0.53), also was relatively strongly correlated with the item 'Your immediate boss is helpful in getting the job done' ($r=.52$) and is therefore dismissed after the preliminary analyses.

*Factor analysis and reliability analysis well-being**

Concept	Survey items in questionnaire	Factor 1	Factor 2	Factor 3	Factor 4
Job satisfaction	1 Q89a: Considering all my efforts and achievements in my job, I feel I get paid appropriately (agree, about your job).	0.619			
	2 Q89b: My job offers good prospects for career advancements (Agree, about your job)	0.541			
	3 Q89c: receive the recognition I deserve for my work (Agree, about your job)	0.613			

4 Q88: On the whole, are you very satisfied, not very satisfied or not at all satisfied with working conditions in your main paid job (dismissed after preliminary analyses).**

0.540 0.327

Eigenvalue 1.252
% of 0.255
variance 0.752
Cronbach α

Work engagement

Please tell me how often you feel this way?

0.646

5 Q90a: At my work I feel full of energy.

6 Q90b: I am enthusiastic about my job.

0.660

7 Q90c: Time flies when I am working.

0.559

Eigenvalue 1.462
% of 0.297
variance 0.735
Cronbach α

Workaholism

8 Q45a: Kept worrying about work when you were not working (How often you?)

0.590

Appendix B (continued)

Concept

Survey items in questionnaire

Factor 1 Factor 2 Factor 3 Factor 4

9 Q45c: Found that your job prevented you from giving the time you wanted to your family (How often you?)

0.633

10 Q45d: Found it difficult to concentrate on your job because of your family responsibilities. (How often you?)

0.542

	11 Q46: Since you started you main paid job, how often have you worked in your free time to meet work demands?	0.458
	12 Q61m: You experience stress in your work?	0.433
	Eigenvalue	1.552
	% of variance	0.316
	Cronbach α	0.695
<i>Burnout</i>	13 Q78i: Overall fatigue (last 12 months, have any health problems?) (dismissed after preliminary analyses)***	0.3362
	14 Q79c: Waking up with a feeling of exhaustion and fatigue (Last 12 months, any sleep related problems?).	0.679
	15 Q79a: Difficulties falling asleep (Last 12 months, any sleep related problems?).	0.725
	16 Q79b: Wake up several times a night (Last 12 months, any sleep related problems?).	0.738
	Eigenvalue	1.778
	% of variance	0.362
	Cronbach α	0.810

* This table reports the results of factor analyses. Principal components with varimax rotation is used to estimate the factor analyses and extract all factors with eigenvalues > 1. The eigenvalue, % of variance extracted for each factor analysis is reported on under each factor as well as the cronbach's alpha for each factor (the cronbach's alpha are calculated after the dismissal of the variable in the preliminary analyses)

** The item 'On the whole, are you very satisfied, not very satisfied or not at all satisfied with working conditions in your work' of the latent satisfaction factor had a relatively poor factor loading (0.54), loads also on the latent work engagement factor (0.33) and is therefore dismissed after the preliminary analyses.

*** The item 'Overall fatigue' of the latent burnout factor had a poor factor loading (0.34) and is therefore dismissed after the preliminary analyses.

References:

- Anthony, R.N. (1965), *Planning and Control Systems: A Framework for Analysis*. Boston, MA: Division of Research, Graduate School of Business Administration, Harvard University.
- Ates, A. and Bititci, U. (2011), "Change process: A key enabler for building resilient SMEs", *International Journal of Production Research*, 49(18): p 5601–5618.
- Ates, A., Garengo, P., Cocca, P. and Bititci, U. (2013), "The development of SME managerial practice for effective performance management", *Journal of Small Business and Enterprise Development*, 20(1): p 28–54.
- Bacon, N. and Hoque, K. (2005), "HRM in the SME sector: Valuable employees and coercive networks", *International Journal of Human Resource Management*, 16(11): p 1976–1999.
- Bakker, A.B. and Demerouti, E. (2007), "The job demands-resources model: State of the art", *Journal of Managerial Psychology*, 22(3): p 309–328.
- Bakker A.B., Demerouti, E. and Euwema, M.C. (2005), "Job resources buffer the impact of job demands on burnout", *Journal of Occupational Health Psychology*, 10(2): p 170–180.
- Bakker, A.B. and Oerlemans, W.G.M. (2011), "Subjective well-being in organizations", In: Cameron, K.S. and Spreitzer, G.M. (Eds.), *The Oxford Handbook of Positive Organizational Scholarship*, pp. 179-189. New York: Oxford University Press.
- Baumeister, R.F. and Leary, M.R. (1995), "The need to belong: Desire for interpersonal attachments as a fundamental human motivation", *Psychological Bulletin*, 117(3): p 497–529.
- Beaver, G. and Prince, C. (2004), "Management, strategy and policy in UK small business sector: A critical review", *Journal of Small Business and Enterprise Development*, 11(1): p 34–49.
- Bergman, J., Viljainen, S., Kassi, T., Partanen, J. and Laaksonen, P. (2006), "Managing the exploration of new operational and strategic activities using the scenario method—assessing future capabilities in the field of electricity distribution industry", *International Journal of Production Economics*, 104(1): p 46–61.
- Bisbe, J. and Otley, D. (2004), "The effects of the interactive use of management control systems on product innovation", *Accounting, Organizations and Society*, 29(8): p 709–737.
- Browne, M.W. and Cudeck, R. (1993), "Alternative ways of assessing model fit", In: Bollen, K.A. and Long, J.S. (Eds.), *Testing Structural Equation Models*, pp. 136-162. Newbury Park, CA: Sage Publications.
- Campbell, A. (1981), *The Sense of Well-Being in America: Recent Patterns and Trends*. New York: McGraw-Hill.
- Chatman, J.A. and Cha, S.E. (2003), "Leading by leveraging culture", *California Management Review*, 45(4), 20–34.
- Chtioui, T. and Thiéry-Dubuisson, S. (2011), "Hard and soft controls: Mind the gap!", *International Journal of Business*, 16(3): p 289–302.
- Cunningham, C.J.L. (2014), "Religion and spirituality as factors that influence occupational stress and well-being", In: P.L. Perrewé, C.C. Rosen and J.R.B. Halbesleben (Eds.), *The Role of Demographics in Occupational Stress and Well Being*, pp. 135-172. Bingley, UK: Emerald Group Publishing Limited.
- Daniels, K. and Harris, C. (2000), "Work, psychological well-being and performance", *Occupational Medicine*, 50(5): p 304–309.
- Davila, A., Foster, G. and Jia, N. (2010), "Building sustainable high-growth startup companies: Management systems as an accelerator", *California Management Review*, 52(3): p 79–105.
- Dean, B.V. (1986), "The project-management approach in the "systematic management" of innovative start-up firms", *Journal of Business Venturing*, 1(2): p 149–160.
- De Neve, J.E., Diener, E., Tay, L. and Xuereb, C. (2013), "The objective benefits of subjective well-being", In: J. Helliwell, R. Layard and J. Sachs (Eds.), *World Happiness Report*. New York: UN Sustainable Development Solutions Network.
- De Vries, H. and Margaret, J. (2003), "The development of a model to assess the strategic management capability of small and medium-size businesses", *Journal of American Academy of Business*, 3: p 85–92.
- Deci, E.L. (1995), *Why We Do What We Do: The Dynamics of Personal Autonomy*. New York: Grosset/Putnam.

- Deci, E.L. and Ryan, R.M. (2000), "The "what" and "why" of goal pursuits: Human needs and the self-determination of behavior", *Psychological Inquiry*, 11(4): p 227–268.
- Deci, E.L., Ryan, R.M., Gagne, M., Leone, D., Usunov, J., and Kornazheva, B. (2001), "Need satisfaction, motivation, and well-being in the work organizations of a former Eastern Bloc country: A cross-cultural study of self-determination", *Personality and Social Psychology Bulletin*, 27(8): p 930–942.
- Diener, E. (1984), "Subjective well-being", *Psychological Bulletin*, 95(3): p 542–575.
- Diener, E., Wirtz, D., Tov, W., Kim-Prieto, C., Choi, D., Oishi, S. and Biswas-Diener, R. (2010), "New well-being measures: Short scales to assess flourishing and positive and negative feelings", *Social Indicators Research*, 97(2): p 143–156.
- Edmondson, A.C. and Lei, Z. (2014), "Psychological safety: The history, renaissance, and future of an interpersonal construct", *Annual Review of Organizational Psychology and Organizational Behavior*, 1(1): p 23–43.
- Eurofound (2015), *Sixth European Working Conditions Survey 2015*, Eurofound, Europe.
- Eurofound (2020), *Working Conditions in Sectors*, Eurofound, Europe.
- European Commission (2020), *User Guide to the SME Definition*, Publications Office of the European Union.
- Falkenberg, L. and Herremans, I. (1995), "Ethical behaviours in organizations: Directed by the formal or informal systems?", *Journal of Business Ethics*, 14(2): p 133–143.
- Freeman, J. and Engel, J.S. (2007), "Models of innovation: Startups and mature corporations", *California Management Review*, 50(1): p 94–119.
- Gagne, M. and Deci, E.L. (2005), "Self-determination theory and work motivation: Self-determination theory and work motivation", *Journal of Organizational Behavior*, 26(4): p 331–362.
- Garengo, P. and Bernardi, G. (2007), "Organizational capability in SMEs: Performance measurement as a key system in supporting company development", *International Journal of Productivity and Performance Management*, 56(5-6): p 518–532.
- Gerhardt, C., Stocker, D., Looser, D., Grosse Holtforth, M. and Elfering, A. (2019), "Well-being and health-related interventions in small- and medium-sized enterprises: A meta-analytic review", *Zeitschrift für Arbeitswissenschaft*, 73(3): p 285–294.
- Gilal, F.G., Zhang, J., Gilal, N.G. and Gilal R.G (2018), "Integrating self-determined needs into the relationship among product design, willingness-to-pay a premium, and word-of-mouth: A cross-cultural gender-specific study", *Psychology Research and Behavior Management* 11: p 227–241.
- Gillet, N., Fouquereau, E., Forest, J., Brunault, P. and Colombat, P. (2012), "The impact of organizational factors on psychological needs and their relations with well-being", *Journal of Business and Psychology*, 27(4): p 437–450.
- Gomez, C. and Sanchez, J.I. (2005), "Human resource control in MNCs: A study of the factors influencing the use of formal and informal control mechanisms", *International Journal of Human Resource Management*, 16(10): p 1847–1861.
- Gomez-Baya, D. and Lucia-Casademunt, A.M. (2018), "A self-determination theory approach to health and well-being in the workplace: Results from the Sixth European Working Conditions Survey in Spain", *Journal of Applied Social Psychology*, 48(5): p 269–283.
- Gong, Y. (2003), "Subsidiary staffing in multinational enterprises: Agency, resources, and performance", *Academy of Management Journal*, 46(6): p 728–739.
- Hakanen, J.J., Peeters, M.C.W. and Schaufeli, W.B. (2018), "Different types of employee well-being across time and their relationships with job crafting", *Journal of Occupational Health Psychology*, 23(2): p 289–301.
- Hall, M. (2010), "Accounting information and managerial work", *Accounting, Organizations and Society*, 35(3): p 301–315.
- Harney, B. and Dundon, T. (2006), "Capturing complexity: Developing an integrated approach to analysing HRM in SMEs", *Human Resource Management Journal*, 16(1): p 48–73.
- Hasle, P. and Limborg, H.J. (2006), "A review of the literature on preventive occupational health and safety activities in small enterprises", *Industrial Health*, 44(1): p 6–12.

- Hendrix, W.H., Spencer, B.A. and Gibson, G.S. (1994), "Organizational and extraorganizational factors affecting stress, employee well-being, and absenteeism for males and females", *Journal of Business and Psychology*, 9(2): p 103–128.
- Hobfoll, S.E. (1998), *Stress, Culture, and Community: The Psychology and Philosophy of Stress*. New York: Springer.
- Holt, M. and Powell, S. (2015), "Health and well-being in small and medium-sized enterprises (SMEs): What public health support do SMEs really need?", *Perspectives in Public Health*, 135(1): p 49–55.
- Hu, L.T. and Bentler, P.M. (1999), "Cutoff criteria for fit indexes in covariance structure analysis: Conventional criteria versus new alternatives", *Structural Equation Modeling: A Multidisciplinary Journal*, 6(1), p 1–55.
- Hudson Smith, M. and Smith, D. (2007), "Implementing strategically aligned performance measurement in small firms", *International Journal of Production Economics*, 106(2): p 393–408.
- Ilardi, B.C., Leone, D., Kasser, T. and Ryan, R.M. (1993), "Employee and supervisor ratings of motivation: Main effects and discrepancies associated with job satisfaction and adjustment in a factory setting", *Journal of Applied Social Psychology*, 23(21): p 1789–1805.
- Johnson, S., Robertson, I. and Cooper, C.L. (2018), *Well-Being: Productivity and Happiness at Work (Second Edition)*, Palgrave Macmillan Cham.
- Judge, D.A. and Burrell, D.N. (2021), "Exploring the nature of business strategy change for mental health practices in the age of Covid-19", *International Journal of Business Strategy and Automation*, 2(4): p 1–11.
- Kaptein, M. and Vink, H.-J. (2014), *The soft side of hard controls: A control coding theory*. Available at SSRN. <https://doi.org/10.2139/ssrn.2378437>
- Lopez-Martin, E., & Topa, G. (2019), "Organizational culture and job demands and resources: Their impact on employees' wellbeing in a multivariate multilevel model", *International Journal of Environmental Research and Public Health*, 16(17): article 3006.
- Liu, J., Siu, O.L. and Shi, K. (2010), "Transformational leadership and employee well-being: The mediating role of trust in the leader and self-efficacy", *Applied Psychology*, 59(3): p 454–479.
- Lycklama à Nijeholt, M.P. and Meurs, D.N.D. (2022), "Soft controls: Wat werkt in welke situatie? Onderzoek naar de verhouding tussen soft controls en hard controls in het MKB", *Tijdschrift voor Management & Organisatie*, 2022(1): 4–21.
- Maben, J., Peccei, R., Adams, M., Robert, G., Richardson, A., Murrells, T. and Morrow, E. (2012), *Exploring the relationship between patients' experiences of care and the influence of staff motivation, affect and wellbeing*, Report commissioned by the NIHR Service Delivery and Organisation (SDO) Programme, Southampton, UK.
- Martin, A., Sanderson, K., Scott, J. and Brough, P. (2009), "Promoting mental health in small-medium enterprises: An evaluation of the "Business in Mind" program", *BMC Public Health*, 9: article 239.
- Maslach, C. and Jackson, S.E. (1986), *Maslach Burnout Inventory Manual (2nd Ed.)*, Palo Alto, CA: Consulting Psychologists Press.
- Maslow, A.H. (1954), *Motivation and Personality*, New York: Harper & Row Publishers.
- Meggendorfer, O. (2007), "Style of management and the relevance for workplace health promotion in small and medium sized enterprises", *Journal of Public Health*, 15(2): p 101–107.
- Meijman, T.F. and Mulder, G. (1998), "Psychological aspects of workload", In: C.J. De Wolff, P.J.D. Drenth and H. Thierry (Eds.), *Handbook of Work and Organizational Psychology, Volume 2: Work Psychology*, pp. 5–33. London: Psychology Press.
- Merchant, K.A. (1982), "The control function of management", *Sloan Management Review*, 23(4): p 43–55.
- Michael, J.H., Evans, D.D., Jansen, K.J., and Haight, J.M. (2005), "Management commitment to safety as organizational support: Relationships with non-safety outcomes in wood manufacturing employees", *Journal of Safety Research*, 36(2), 171–179.
- Mikhailitchenko, A. and Lundstrom, W.J. (2006), "Interorganizational relationship strategies and management styles in SMEs", *Leadership & Organization Development Journal*, 27(6): p 428–448.

- Montano, D., Hoven, H. and Siegrist, J. (2014), "Effects of organisational-level interventions at work on employees' health: A systematic review", *BMC Public Health*, 14: article 135.
- Ng, T.W. and Feldman, D.C. (2010), "The relationships of age with job attitudes: A meta-analysis", *Personnel Psychology*, 63(3): p 677–718.
- Norris, G., and O'Dwyer, B. (2004), "Motivating socially responsive decision making: The operation of management controls in a socially responsive organisation", *British Accounting Review*, 36(2): p 173–196.
- Nudurupati, S.S., Garengo, P., and Bititci, U.S. (2021), "Impact of the changing business environment on performance measurement and management practices", *International Journal of Production Economics*, 232: article 107942.
- Potgieter I.L., Ferreira, N. and Coetzee, M. (Eds.) (2019), *Theory, Research and Dynamics of Career Wellbeing: Becoming Fit for the Future*. Springer Cham.
- Russell, J.A. (1980), "A circumplex model of affect", *Journal of Personality and Social Psychology*, 39(6): p 1161–1178.
- Ryan, R.M. and Deci, E.L. (2000), "Self-determination theory and the facilitation of intrinsic motivation, social development, and well-being", *The American Psychologist*, 55(1): p 68–78.
- Ryan, R.M. and Deci, E.L. (2017), *Self-Determination Theory: Basic Psychological Needs in Motivation, Development, and Wellness*. New York: Guilford Press.
- Sagiv, L. and Schwartz, S.H. (2007), "Cultural values in organisations: Insights for Europe", *European Journal of International Management*, 1(3): p 176–190.
- Schaufeli, W. and Salanova, M. (2011), "Work engagement: On how to better catch a slippery concept", *European Journal of Work and Organizational Psychology*, 20(1): p 39–46.
- Schaufeli, W.B., Salanova, M., Gonzalez-Roma, V. and Bakker, A.B. (2002), "The measurement of engagement and burnout: A two sample confirmatory factor analytic approach", *Journal of Happiness Studies*, 3(1): p 71–92.
- Schaufeli, W.B., Taris, T.W. and Van Rhenen, W. (2008), "Workaholism, burnout, and work engagement: Three of a kind or three different kinds of employee well-being?", *Applied Psychology*, 57(2): p 173–203.
- Sedgwick, P. (2014), "Cross sectional studies: Advantages and disadvantages", *BMJ*, 348(2): article 2276.
- Shimazu, A. and Schaufeli, W.B. (2009), "Is workaholism good or bad for employee well-being? The distinctiveness of workaholism and work engagement among Japanese employees", *Journal of Industrial Health*, 47(5): p 495–502.
- Simons, R. (1995a), "Control in an age of empowerment", *Harvard Business Review*, 73(2), 80–88.
- Simons, R., (1995b), *Levers of Control: How Managers Use Innovative Control Systems to Drive Strategic Renewal*. Boston, MA: Harvard Business School Press.
- Smith, M. and Bititci, U.S. (2017), "Interplay between performance measurement and management, employee engagement and performance", *International Journal of Operations & Production Management*, 37(9): p 1207–1228.
- Speklé, R., Van Elten, H. and Widener, S. (2017), "Creativity and control: A paradox — Evidence from the levers of control framework", *Behavioral Research in Accounting*, 29(2): p 73–96.
- Spence, G.B. and Deci, E.L. (2013), "Self-determination theory within coaching contexts: Supporting motives and goals that promote optimal functioning and well-being", In: David, S., Clutterbuck, D. and Megginson, D. (Eds.), *Beyond Goals: Effective Strategies for Coaching and Mentoring*, pp. 85–108. Aldershot, UK: Gower Publishing.
- Trépanier, S.G., Forest, J., Fernet, C. and Austin, S. (2015), "On the psychological and motivational processes linking job characteristics to employee functioning: Insights from self-determination theory", *Work and Stress*, 29(3): p 286–305.
- Van Gils, A. (2005), "Management and governance in Dutch SMEs", *European Management Journal*, 23(5): p 583–589.
- Van Nispen, P. (2017), *Encyclopedia of Culture*. Foundation IT and Education, The Netherlands.
- Van Tuin, L., Schaufeli, W.B., Van Rhenen, W. and Kuiper, R.M. (2020), "Business results and well-being: An engaging leadership intervention study", *International Journal of Environmental Research and Public Health*, 17(12): article 4515.

- Voss, U. and Brettel, M. (2014), "The effectiveness of management control in small firms: Perspectives from resource dependence theory", *Journal of Small Business Management*, 52(3): p 569–587.
- Warr, P. (1999), "Well-being and the workplace", In: Kahneman, D., Diener, E. and Schwarz, N. (Eds.), *Well-Being: The Foundations of Hedonic Psychology*, pp. 392-412. New York: Russell Sage Foundation.
- Wetherall, K., Cleare, S., McClelland, H., Melson, A.J., et al. (2022), "Mental health and well-being during the second wave of Covid-19: Longitudinal analyses of the UK Covid-19 Mental Health and Wellbeing study (UK COVID-MH)", *BJPsych Open*, 8(4): article e103.
- Widener, S.K. (2007), "An empirical analysis of the levers of control framework", *Accounting, Organizations and Society*, 32(7-8): p 757–788.
- Wright, T.A. (2014), "Putting your best "face" forward: The role of emotion-based well-being in organizational research", *Journal of Organizational Behavior*, 35(8): p 1153–1168.
- Wright, T., Cropanzano, R. and Bonett, D.G. (2007), "The moderating role of employee positive well being on the relation between job satisfaction and job performance", *Journal of Occupational Health Psychology*, 12(2): p 93–104.
- Xanthopoulou, D., Bakker, A.B., Dollard, M.F., Demerouti, E., Schaufeli, W.B., Taris, T.W. and Schreurs, P.J.G. (2007), "When do job demands particularly predict burnout?", *Journal of Managerial Psychology*, 22(8): p 766–786.
- Yong, A.P.C., Roche, M. and Sutton, A. (2019), "Psychological autonomy and well-being of employees in low-skilled occupations", *New Zealand Journal of Employment Relations*, 44(1): p 37–58.
- Yulita, Y., Idris, M.A. and Dollard, M.F. (2022), "Effect of psychosocial safety climate on psychological distress via job resources, work engagement and workaholism: A multilevel longitudinal study", *International Journal of Occupational Safety and Ergonomics*, 28(2): p 691–708.
- Zeng, Z., Guo, Y., Lu, L., Han, L., Chen, W. and Ling L. (2014), "Mental health status and work environment among workers in small- and medium-sized enterprises in Guangdong, China—A cross-sectional survey", *BMC Public Health*, 14: article 1162.

