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Predicting monitoring failures using the HEXACO framework: The effects of honesty-humility and agreeableness

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Abstract

An auditor's ability to manage conflict in the monitoring process plays a key role in determining the quality of an audit. Auditors who are not willing to communicate disagreement with monitored parties risk compromising professional standards of integrity, resulting in monitoring failures. Organizations and society increasingly recognize the need to improve monitoring quality, however little research has focused on identifying individuals who can be relied upon to disclose others' financial infractions. In the present contribution, we examine whether two personality traits under the HEXACO framework—honesty-humility and agreeableness—predict decisions to flag misreporting by monitored parties. Although both honesty-humility and agreeableness are socially desirable characteristics associated with cooperative behavior, we suggest these traits will differentially predict decisions to disclose others' misreporting. Across a simulated audit experiment (N = 260) and field survey (N = 201) of certified public accountants (CPAs), we find that auditors with higher levels of honesty-humility are most likely to value professional integrity in the monitoring process and to report others' financial infractions. The same cannot be said for auditors with higher levels of agreeableness. Our results provide the first empirical investigation of the HEXACO framework in the audit setting and imply that screening for honesty-humility is likely to have a positive impact on monitoring quality.

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Introduction

Organizations and societies rely on individuals in auditing roles to detect errors and deviance in financial reports. Auditors are not directly involved with the content being audited; thus, they are expected to provide credible evaluations. Yet in recent years, high-profile monitoring failures have shaken public trust in auditors, leading many to question the effectiveness of third-party monitoring. From the collapse of Arthur Andersen to more recent monitoring failures at Tesco, General Motors, Toshiba, and Rolls Royce, these incidents reveal an alarming pattern—that auditors may overlook or ignore financial misreporting.

Given the high costs of monitoring failures, organizations increasingly recognize the need to improve monitoring quality. Existing scholarship argues the central problem lies in the conflict auditors face between two types of cooperation—active and reactive—when determining how to respond to misreporting by monitored parties (Bazerman et al., 2006; Moore et al., 2006). *Active cooperation* is characterized by behaving fairly versus exploiting others, whereas *reactive cooperation* is characterized by being forgiving versus retaliating against others (Hilbig et al., 2013, 2016).

On the one hand, the role of an auditor is to uphold the integrity of financial reports and maintain impartiality in the monitoring process (Nelson, 2006)—these are non-exploitative behaviors indicative of active cooperation. On the other hand, auditors can face internal and external pressures to be forgiving and tolerant toward monitored parties—non-retaliatory behaviors indicative of *reactive cooperation* (Bazerman et al., 1997; Bazerman & Moore, 2011; Toffler & Reingold, 2004). For example, auditors might feel accountable or psychologically close to monitored parties, leading them to discount the interests of more distant stakeholders to whom they owe their ultimate allegiance (Moore et al., 2010).

To maintain effectiveness in auditing, it is important to employ auditors who will prioritize active cooperation in the face of conflict and express disagreement with monitored parties when financial misreporting is evident (Tjosvold et al., 2014). Despite ample evidence indicating that personality traits meaningfully predict cooperative behaviors (Antonioni, 1998; Barrick & Mount, 1991; George, 1992; Heck et al., 2018; Lee et al., 2021; Pletzer et al., 2019; Thielmann & Böhm, 2016), research on dispositional antecedents of monitoring quality have not revealed particularly robust results. Though some researchers have linked moral convictions, empathy, and self-efficacy to intervening against others' misconduct, the evidence is mixed regarding whether these characteristics predict actual behavior as opposed to merely perceptions or intentions to confront transgressors (Labuhn et al., 2004; Hornsey et al., 2003; MacNab & Worthley, 2007; Skitka et al., 2009). Scholars have also found inconsistent effects of Big Five traits in relation to monitoring quality despite its demonstrated relevance to cooperative behaviors (Baumert et al., 2013; Carlo et al., 2005; Graziano et al., 2007; Ozer & Benet-Martinez, 2006; Penner et al., 2005).

We suspect the mixed findings in the literature are due in part to the difficulty in separating active versus reactive cooperation when studying personality traits. In the Big Five framework, for instance, characteristics associated with active cooperation are conflated with characteristics associated with reactive cooperation under the single agreeableness trait (Ashton & Lee, 2021). To predict monitoring quality, these facets of cooperation must be disentangled.

In contrast to the Big Five, the HEXACO model of personality structure cleanly distinguishes between active and reactive cooperation through the traits honesty-humility and agreeableness (Ashton & Lee, 2007). We argue the distinction between these two forms of cooperation makes the HEXACO a suitable framework for investigating monitoring quality. Investigating broad personality dimensions like the HEXACO is advantageous because broad traits can provide enhanced consistency

and theoretical parsimony in predicting behavior across situations and time (Rothstein & Jelley, 2003). Therefore, in the present article, we sought to study the effects of HEXACO personality on monitoring quality, and to do so, we zero in on honesty-humility and agreeableness, which distinctly capture active and reactive cooperation (Ashton et al., 2014; Hilbig et al., 2013, 2016). We also examine the impact of psychological closeness to monitored parties. We suggest that auditors who are psychologically close to monitored parties will tend to prioritize reactive cooperation and will thus overlook or ignore financial misreporting when it occurs.

HEXACO Model and Monitoring Quality

The HEXACO model of personality structure posits that the major dimensions of personality are best captured by six, not five, broad factors. These factors have been robustly established in dozens of studies across the world (for reviews, see Ashton & Lee, 2007, 2021). The previously undocumented dimension of personality has been labeled "honesty-humility" and is a key component of a person's moral character (Cohen et al., 2014; Lee & Ashton, 2012). Altogether, the six dimensions of personality under the HEXACO framework are: (H) honesty-humility, (E) emotionality, (X) extraversion, (A) agreeableness, (C) conscientiousness, and (O) openness to experience.

Besides the addition of the honesty-humility factor, the HEXACO model differs from five-factor models (i.e., the Big Five) in how it groups certain facets of personality. For example, some characteristics that are represented in Big Five agreeableness (e.g., emotional sympathy) are instead represented in HEXACO emotionality. Likewise, some characteristics that are represented in Big Five emotional stability (e.g., low anger) are instead represented in HEXACO agreeableness (Ashton & Lee, 2007; Ashton et al., 2014). Most relevant to the present investigation, the HEXACO cleanly distinguishes between active and reactive cooperation: the tendency to be fair when interacting with others despite opportunities to exploit them (i.e., honesty-humility) versus the tendency to be tolerant of others, even when one is exploited by them (i.e., agreeableness) (Ashton & Lee, 2007). Differentiating honesty-humility from agreeableness using the HEXACO model allows us to develop testable theoretical predictions regarding how auditors will respond to financial misreporting by monitored parties.

Honesty-humility. Honesty-humility captures the extent to which a person is honest, modest, and fair (at the high pole), as opposed to deceitful, boastful, and focused on their own self-interest (at the low pole; Ashton et al., 2014). More broadly, honesty-humility represents active cooperation (Hilbig et al., 2013).

Prior research has revealed robust positive relationships between honesty-humility and prosocial, trustworthy, and ethical behaviors, and robust negative relationships between honesty-humility and antisocial, untrustworthy, and unethical behaviors (e.g., Ashton & Lee, 2008; Bourdage et al., 2012; Cohen et al., 2022; Heck et al., 2018; Helzer et al., 2023; Hilbig et al., 2014; Hilbig & Zettler, 2015; Marcus et al., 2007; O'Neill et al., 2011; Thielmann & Hilbig, 2015). For instance, a meta-analysis of 770 studies of prosocial behavior in economic games revealed a robust positive association between honesty-humility and prosocial behavior, with honesty-humility displaying a stronger positive relationship than agreeableness (Thielmann et al., 2020).

Because effective monitoring requires bringing others' errors and deviance to light rather than tolerating it, we suggest that honesty-humility is well-suited for predicting monitoring quality. Indeed, individuals higher in honesty-humility tend to prioritize fair treatment toward others and take action to prevent unethical behavior from arising (Hilbig et al., 2013). Thus, we expect that higher levels of honesty-humility will correspond to decisions to disclose others' misreporting in the monitoring process. Formally, we propose that:

H1. Auditors with higher levels of honesty-humility will be more likely to disclose financial misreporting by monitored parties compared to auditors with lower levels of honesty-humility.

A recent empirical study by Seckler and colleagues (2021) lends support for this assertion. Across three studies of accountants working in a Big 4 firm, researchers found that individuals who displayed behavioral qualities indicative of humility—one hallmark of the honesty-humility trait—disclosed their own errors during the monitoring process rather than denying or hiding them. However, it remains to be examined whether trait-level differences in honesty-humility predict the propensity to disclose *others'* financial misreporting. This distinction is important because auditors must be willing to manage conflict by expressing disagreement when fraud or errors by monitored parties are present in financial reports. Auditors who neglect to seek truthful information or fail to communicate what they believe to be true about monitored parties present the risk of fostering material misconceptions to stakeholders (Cooper et al., 2023; Levine & Cohen, 2018: Mata et al., 2022). Because honesty-humility represents one's moral character, we expect auditors higher in this trait will demonstrate a willingness to flag financial misreporting by monitored parties.

Agreeableness. Agreeableness in the HEXACO framework represents reactive cooperation (Hilbig et al., 2013). Agreeableness captures the extent to which a person is cooperative, good-natured, trusting, and interested in pleasing others. At the low pole, agreeableness captures characteristics related to anger and hostility (Ashton et al., 2014). Highly agreeable people are the prototypical team players in society—they are committed to helping others, building trusting relationships, and avoiding conflict. Accordingly, agreeableness predicts forgiveness (Shepherd & Belicki, 2008), proclivity to apologize (Dunlop et al., 2015), and negatively predicts retaliation against exploitative others in economic games (Hilbig et al., 2013, 2016; Thielmann et al., 2020).

In light of its positive qualities, it should come as no surprise that organizations generally prefer to hire employees who display agreeable characteristics (Sackett & Walmsley, 2014). Yet with respect to third-party monitoring, we argue that having a highly agreeable disposition may be problematic. It is important that auditors maintain independence and communicate disagreement rather than avoid potential conflict with monitored parties. Too much contentment (leading to a lack of due diligence), relational investment, or leniency when evaluating a monitored party's performance—all tendencies of highly agreeable people (Wilmot & Ones, 2022)—can impair monitoring quality and potentially evolve into collusion. For example, Hilbig et al. (2013) empirically demonstrated that agreeableness was positively associated with accepting others' unfair behavior in ultimatum games. These findings were later replicated using other ultimatum paradigms and corroborated by a meta-analysis (Hilbig et al., 2016; Thielmann et al., 2020). Likewise, a recent experimental study by Paul and colleagues (2022) revealed that agreeableness was positively associated with less truthfulness and more prosocial lying when giving performance feedback to others. Building on these findings, we propose that:

***H2*.** Auditors with higher levels of agreeableness will be less likely to disclose financial misreporting by monitored parties compared to those with lower levels of agreeableness.

Psychological Closeness and Agreeableness

Prior scholarship suggests that auditors' psychological closeness to monitored parties could decrease monitoring quality by reducing skepticism, increasing sympathy, and promoting

acquiescence to clients (Bazerman & Moore, 2011; Moore et al., 2006). Psychological closeness can be conceptualized as the perception of feeling bonded and connected with another person or people (Batolas et al., 2023). Such closeness between auditors and those they are tasked with monitoring could lead to auditors to tolerate or overlook financial misreporting by monitored parties.

Despite the conceptual relevance of psychological closeness to auditing, there is limited experimental evidence of this relationship. An exception is a simulated audit experiment by Moore and colleagues (2010) which manipulated psychological closeness to monitored parties. Participants assigned to represent auditors were encouraged to exchange personal information with a client counterpart before conducting an audit, whereas those in a comparison group did not converse with the client at all. Contrary to expectation, psychological closeness to the client did not significantly influence monitoring quality and did not lead auditors to approve positively biased assessments of their client's financial reports.

In the present research, our objective is to conceptually replicate the setup of Moore et al.'s (2010) study by experimentally inducing psychological closeness to monitored parties and exploring its effect on monitoring quality. Given that both psychological closeness and agreeableness are tied to reactive cooperation, we focus on the potential interaction between these constructs. We believe that psychological closeness will lead auditors higher in agreeableness to be more accommodating toward monitored parties when they feel more psychologically connected to them (Wilmot & Ones, 2022). Formally, we predict that:

> ***H3.*** The negative relationship between monitoring quality and agreeableness will be stronger when auditors feel psychologically close to the monitored parties.

We do not develop a prediction for honesty-humility because those higher in this trait are expected to consistently disclose financial misreporting, regardless of their relationship to monitored parties.

Research Overview

We tested our hypotheses in two complementary studies. To be comprehensive in our investigation, we examined the potential influence of each of the six HEXACO traits (i.e., honesty-humility, agreeableness, conscientiousness, emotionality, extraversion, openness to experience) as well as Big Five agreeableness, though we had no theoretical reason to believe traits other than HEXACO honesty-humility and agreeableness would be strongly or reliably associated with monitoring quality. We chose to explore Big Five agreeableness based on its conceptual similarities with HEXACO honesty-humility (Hilbig et al., 2013; Lee & Ashton, 2012) and meta-analytic evidence showing a strong relationship between HEXACO honesty-humility and Big Five agreeableness (and weaker relationships with the remaining Big Five factors) (Howard & Van Zandt, 2020).

Notably, we did not establish a prediction for the relationship between HEXACO conscientiousness and monitoring quality. Conscientiousness, as defined in the HEXACO model, represents a tendency toward diligence, organization, perfectionism, and prudence (Ashton & Lee, 2007). While prior HEXACO research has demonstrated a reliable association between conscientiousness and job performance (e.g., Sackett & Walmsley, 2014), the present research specifically examines one element of job performance in auditing—flagging others' misreporting. Other crucial aspects of job performance include developing and maintaining relationships with clients and winning consulting contracts, the latter of which are a key revenue source for accounting firms (Kinney et al., 2004; Watkins, 2003). As explained by Moore and colleagues (2010, p. 37),

"although auditors have a legal responsibility to judge the accuracy of their clients' financial accounting, the way to win a client's business is not by stressing one's legal obligation to independence, but by emphasizing the helpfulness and accommodation one can provide." This multifaceted nature of job performance in auditing makes it uncertain how conscientiousness will relate to monitoring quality.

Study 1 reports results of a laboratory experiment that simulated the audit environment to test the effects of honesty-humility and agreeableness on monitoring quality. Study 1 also examined whether psychological closeness to the monitored party influences monitoring quality or moderates the effect of agreeableness on monitoring quality. Study 2 reports results from a survey of CPAs to replicate key personality findings from the experiment and to establish the external validity and robustness of our results. In addition, Study 2 explores potential associations between HEXACO traits and endorsement of core values upheld in the audit profession.

All sample size estimates were determined before data analyses began. The Institutional Review Boards (IRBs) at the universities where the data collection took place approved the studies prior to data collection. We report all key measures, manipulations, and exclusions in the paper. Our study materials, data, and results of additional auxiliary analyses, including the effects of the remaining HEXACO factors on monitoring quality are provided in the online supplement at https://osf.io/b9pka/.

Study 1

Participants

Two hundred and sixty-three individuals (M_{Age} = 25.23, SD_{Age} = 11.56; 142 male, 121 female or other) from two university-administered research participation pools comprised of students and community members in the U.S. participated in the study for course credit or financial compensation.[1] In addition to receiving course credit or a show-up fee, all participants earned a $3 bonus for successfully completing the audit task in the study.

We originally aimed to collect data from approximately 250 participants in Study 1, which was partly determined by the availability of participants in the research participation pool, and ended with 260 (after excluding 3 people for suspicion about the procedures). A sensitivity analysis conducted with G*Power (Faul et al., 2009) indicated that the final sample provides 80% power (α = 0.05; two-tailed) to detect an effect as small as Cohen's f^2 = 0.043 (equivalent to an R^2 of .041) in a multiple regression analysis with three predictors (i.e., honesty-humility, agreeableness, and the psychological closeness manipulation).

Design Overview

The study manipulated psychological closeness to the monitored party (high or low closeness) using a between-subjects design.

[1] We tested for potential differences in the samples from the two participant pools by conducting regression analyses in which we included a university control variable in the models. Including this control variable did not substantively change any of the results.

Procedure

Participants began the study by completing a demographic questionnaire. Next, participants were randomly paired with a partner who was also taking part in the study. Participants were informed they would interact with their partner throughout the study.

Once paired, participants completed a face-to-face sharing task adapted from Aron et al. (1997) which allowed them to get to know their partner. The purpose of the sharing task was to compel the dyad members to rapidly become acquainted and is similar to the psychological closeness manipulation used in Moore et al.'s (2010) audit experiment. The sharing task was originally developed in behavioral experiments and has been extensively used to measure closeness in prior empirical work (e.g., Ferguson et al., 2023; Sprecher et al., 2013; Sunami et al., 2019). For instance, Wiltermuth, Bennet, and Pierce (2013) employed the sharing task in a behavioral study examining the relationship between closeness and transgressing on behalf of one's partner.

Participants were randomly assigned to one of two conditions in the sharing task. In the high closeness condition (n = 135), participants shared personal thoughts and memories with one another. An example questions is "*Name three things you and your partner have in common.*" In the low closeness condition (n = 125), participants had "small talk" conversations. An example question is "*Do you prefer digital watches and clocks or the kind with hands? Why?*" All participants were instructed to take their time answering each question and to focus on providing thoughtful responses rather than getting through all of the questions with their partner.

Directly after the sharing task, participants were seated at individual computer stations where they were asked to indicate how psychologically close they felt to their partner using four items previously used by Xie and colleagues (2022) (e.g., "How psychologically close do you feel to your partner?"). These items were averaged into a composite measure of closeness (α = .84) and served as a manipulation check of psychological closeness.

Next, participants completed a simulated audit task previously established by Aven, Morse, and Iorio (2021). Participants were informed they had been randomly assigned to a role in the audit task, either a manager or a reviewer. Managers prepared financial statements on behalf of a company whereas reviewers checked the manager's financial statements for accuracy. Participants were told they would complete one round of the audit task with their partner who was assigned to the role opposite them. In reality, the study design contained deception—all participants were assigned to the reviewer role and assessed materials prepared by the experimenter. The use of deception allowed us to focus on monitoring quality, our key outcome of interest, and to maintain control over the probability of financial misreporting occurring regardless of what happened in the sharing task portion of the study.

Audit task. Participants received detailed information about their role as a reviewer and the payoff structure in the audit task, which broadly resembled the incentives and risks present in an actual audit (see Appendix for exact instructions). Key features of the task were that: 1) Reviewers would be paid a flat rate for assessing the manager's reports and were told their review decisions would be visible to their partner; 2) Reviewers learned that the manager would earn additional money in the study for over-stating profits on financial reports, but would not earn any money if the reviewer rejected the reports (thus, rejecting a financial report came with the risk of social discomfort by keeping the manager from earning money in the task); and 3) An "oversight committee" (represented by the experimenter) would randomly review participants' performance in the task and issue fines to those who submitted inaccurate reviews. The purpose of the oversight committee was to incentivize reviewers to accurately review the reports. The odds that a participant would be reviewed by the

oversight committee was one in ten. In reality, the oversight committee did not exist and participants' decisions were not subject to fines.

Participants had to pass a comprehension check regarding their role, the payoff structure, and the oversight committee before they could proceed with the study. Participants completed a training session on the computer that allowed them to practice reviewing two financial reports. All participants successfully passed the training portion.

After the training ended, participants began the audit task. They were asked to complete the HEXACO-60 personality inventory (Ashton & Lee, 2009) while they ostensibly waited for their partner to prepare four financial statements. Of importance, they completed the personality questionnaire before making any decisions about whether to approve or reject any financial statements from their partner.

Following the personality questionnaire, participants were instructed to check a Gmail inbox (which was open in a separate tab on the computer) to see whether their partner had emailed them a link to the financial reports (available on a shared "Google Doc"). In reality, the experimenter emailed the link to participants shortly after they began the personality questionnaire. After opening the Google Doc, participants reviewed four financial statements that were previously prepared by the experimenter. The task instructions directed participants to review the financial statements in sequential order. The first financial statement contained accurate financial reporting, however the "manager" over-reported income in the subsequent three statements. Participants reviewed these reports and indicated whether they approved or rejected each statement. Next, participants completed a one-question online survey asking whether they had comments about the study. We used this question to determine whether participants were suspicious of deception in the study. Three participants were excluded due to suspicion about whether they were actually interacting with their partner in the audit task.[2] Finally, participants were debriefed (at which point they were informed that the oversight committee review would not take place), individually compensated for their participation, and dismissed from the study.

Measures

Honesty-humility and agreeableness. We measured honesty-humility and agreeableness using the HEXACO-60 personality inventory (Ashton & Lee, 2009). Participants were asked to indicate the extent to which they agreed or disagreed with 60 statements about themselves using a five-point scale ranging from 1 = s*trongly disagree* to 5 = s*trongly agree*. Each HEXACO factor was measured with 10 statements. An example item of honesty-humility is "I would never accept a bribe, even if it were very large." An example item of agreeableness is "I tend to be lenient in judging other people."

While we did not have hypotheses for the other HEXACO dimensions, we nonetheless examined their relationships with monitoring quality for exploratory purposes.

Monitoring quality. Monitoring quality was measured as the number of times participants rejected the manager's over-reported income on the financial reports, which ranged from zero to three.

Results

Manipulation check. An independent samples t-test on the closeness composite indicated that participants in the high closeness condition (M = 3.51, SD = .77) felt psychologically closer to their

[2] Similar findings were discovered when the excluded participants were included in the analyses.

partner than did participants in the low closeness condition (M = 3.03, SD = .73, t(258) = -5.13, p < .001). Thus the sharing task produced the intended effects on manipulating psychological closeness to the manager. Neither honesty-humility nor agreeableness significantly moderated the effect of closeness condition on the manipulation check.

Descriptive results. Eighty-four participants (32.3% of the sample) overlooked financial misreporting by the manager at least once in the audit task—specifically, 32 participants (12.3%) never flagged misreporting, 17 participants (6.5%) flagged misreporting only once, and 35 participants (13.5%) flagged misreporting twice. The remaining 176 participants (67.7%) flagged financial misreporting all three times it arose.

Descriptive statistics, internal consistency reliabilities, and bivariate correlations among the variables are shown in Table 1. There was a significant positive correlation between honesty-humility and monitoring quality (r(260) = .13, p = .03) and a nonsignificant correlation between agreeableness and monitoring quality. Despite their different bivariate relationships with the outcome variable, we nonetheless observed a significant positive correlation between honesty-humility and agreeableness (r(260) = .25, p < .001). This positive correlation supports previous work suggesting that honesty-humility and agreeableness are positively related despite having different relationships with other variables (Ashton et al., 2014; Hilbig et al., 2013).

Closeness condition and the remaining HEXACO dimensions were not significantly correlated with monitoring quality. The online supplement details further analyses for the other HEXACO traits, none of which yielded significant findings.

Effects on monitoring quality. An independent samples t-test revealed that the effect of the closeness condition on monitoring quality was nonsignificant. That is, participants in the high closeness condition (M = 2.30, SD = 1.09) flagged misreporting at a similar rate to participants in the low closeness condition (M = 2.43, SD = 1.00, t(258) = 0.98, p = .33).

Next, we tested our hypotheses by conducting multiple linear regression analyses. The continuous personality measures were standardized to z-scores for ease of interpretation. Z-scores indicate how far a particular value is from the mean according to a normal distribution and are useful for comparing variables with different means and standard deviations.[3]

Honesty-humility had a significant positive effect on monitoring quality in the audit task (β = 0.17, SE = .07, p = .01) and agreeableness had a significant negative effect (β = -0.15, SE = .07, p = .02). The effect of closeness condition was nonsignificant (β = -0.05, SE = .13, p = .44). We also tested the interaction between agreeableness and closeness condition, and it was nonsignificant (β = 0.04, SE = .13, p = .65).

Discussion

The results support our personality hypotheses by revealing that honesty-humility was a positive predictor of monitoring quality whereas agreeableness was a negative predictor of monitoring quality.[4] Contrary to expectation but replicating findings from Moore et al.'s (2010) experimental study, the psychological closeness manipulation did not significantly impact monitoring quality nor did it significantly interact with agreeableness to predict monitoring quality.

[3] Similar findings were observed when raw scores rather than z-scores were included in the regression models.

[4] See the online supplement for further analyses involving the additional HEXACO and demographic variables.

Table 1

Study 1: Descriptive Statistics and Zero-Order Correlations

Variables	M *(SD)*	1	2	3	4	5	6	7
1. Monitoring quality	2.37 (*1.05)*	--						
2. Honesty-humility	3.29 (*0.58*)	.13*	(.70)					
3. Agreeableness	3.14 (*0.60*)	-.11	.25**	(.79)				
4. Emotionality	3.28 (*0.63*)	-.01	-.08	-.20**	(.78)			
5. Extraversion	3.46 (*0.60*)	.08	.08	.15*	-.08	(.79)		
6. Conscientiousness	3.56 (*0.58*)	.09	.15*	.06	.04	.06	(.78)	
7. Openness to experience	3.53 (*0.59*)	.06	.16*	.13*	.00	.04	-.09	(.73)
8. Closeness condition	0.52 (*0.50*)	-.06	-.10	-.02	-.03	.05	-.03	-.04

Note: N = 260. Alpha coefficients are provided on the diagonal. Monitoring quality ranged from 0 to 3. Closeness condition was coded: 0 = low closeness, 1 = high closeness.
**$p < .01$, *$p < .05$

Although these results are promising, we conducted a second study to address some limitations of the study. For one, the study implemented an artificial design of monitoring to test our hypotheses in a controlled laboratory setting. In addition, it is possible the sharing task produced demand characteristics such that participants may have suspected the purpose of the study when reviewing the manager's financial reports in the audit task. We believe the risk of demand effects is relatively low given that the effect of the closeness manipulation on monitoring quality was nonsignificant. Moreover, both tasks in the experiment are previously established and have been used to examine the relation between closeness and cooperative behavior (Aven et al., 2021; Wiltermuth et al., 2013).

Another limitation is that Study 1 included the use of deception, which may have influenced the quality of the data despite having excluded three participants who suspected deception. The study also did not include Big Five agreeableness, making it difficult to reconcile the current findings with the broader personality literature which has primarily focused on the Big Five framework rather than the HEXACO (Avery, 2003; Bjørkelo et al., 2010; LePine & Van Dyne, 2001).

Study 2

In Study 2, we sought to complement the controlled experimental nature of Study 1 and further test our hypotheses by conducting a survey of professional CPAs. The survey was administered to CPAs who were currently working in the U.S. and therefore supplied realistic experiences of real auditors' responses to financial misreporting by monitored parties from their own perspective.

We measured HEXACO honesty-humility and agreeableness in the survey, as well as HEXACO conscientiousness and Big Five agreeableness. We included Big Five agreeableness based on its strong relationship with honesty-humility (Howard & Van Zandt, 2020) and prior association with cooperation at work (Avery, 2003; Bjørkelo et al., 2010; LePine & Van Dyne, 2001). The survey examined monitoring quality by assessing CPAs' self-reports about whether they had overlooked financial misreporting in the past, or, if they had never encountered such a situation, their intentions to overlook financial misreporting were such a circumstance to arise.

In addition to questions about personality, the survey included exploratory questions assessing CPAs' self-reported endorsement of core accounting values in the audit profession. The survey did not include questions about psychological closeness because that variable was not of interest at the time the survey was conducted.[5]

Participants

Two-hundred-and-one licensed CPAs (M_{Age} = 38.56, SD_{Age} = 10.27; 104 male, 97 female or other) participated in the study. To be eligible, participants were required to be a CPA currently working in the United States. They were recruited by a private survey research firm to take an online survey examining auditors' perceptions and experiences in the audit industry, and were paid for their participation.[6]

Participants' average career tenure as a CPA was 11.93 years (*SD* = 8.96; *Mdn* = 10.00; *Range*: 1 to 39 years). Their average annual income, which was assessed in income groupings, was $100,001 to $150,000 (*Mdn* = $100,001-$150,000; *Range*: $50,001-$100,00 to $200,001 or higher). Half of the sample (50%) worked in medium size (50 to 100 employees) or small size (less than 50 employees) accounting firms, although other types of firms were represented in the sample, including large size accounting firms (more than 100 employees; 23%), government-owned firms (5%), Big Four accounting firms (3.5%), sole practitioners (2.5%), and other types of firms, which involved tax firms, financial services organizations, and joint ventures (16%). 47% of the sample held a Bachelor's degree and 53% had received a Master's degree or higher.

We originally aimed to collect data from 200 participants, which was partly based upon the costs for accessing licensed professional auditors, and ended with 198 (after excluding 2 people for missing data on key variables). A sensitivity analysis using G*Power indicated that the sample provides 80% power (α = 0.05; two-tailed) to detect an effect as small as Cohen's f^2 = 0.049 (equivalent to an R^2 of .046) in a multiple regression analysis with two predictors (i.e., honesty-humility, agreeableness).

Procedure

The online survey was organized into three parts. The first portion of the survey consisted of personality questionnaires, including HEXACO honesty-humility and agreeableness as well as Big Five agreeableness. Despite the nonsignificant findings for HEXACO conscientiousness in Study 1, we measured conscientiousness in Study 2 for exploratory purposes given its notable association with

[5] The reason that psychological closeness was not of interest at the time we administered the survey is because the closeness manipulation failed to reveal any significant effects and did not interact with HEXACO personality in Study 1.

[6] We paid the research firm $36 per participant. A small, undisclosed amount of each payment went to the research firm and the remainder went to the participant.

job performance (e.g., Sackett & Walmsley, 2014). We did not include the remaining HEXACO dimensions due to time constraints. The order of the personality questionnaires and the order of the items within each questionnaire was randomized for each participant.

The second portion assessed participants' self-reported endorsement of professional accounting values defined by the American Accounting Association. Participants were subsequently asked questions about their experiences as an auditor, including questions about monitoring quality. Thus, there was proximal separation between the questions assessing personality and the questions assessing monitoring quality. The final section of the survey asked demographic questions as well as unrelated questions that were included for a separate research study (see online supplement for the complete survey).

Measures

Honesty-humility and agreeableness. HEXACO honesty-humility and agreeableness were measured with the same items used in Study 1. Additionally, we measured HEXACO conscientiousness with the same items from the prior study and Big Five agreeableness using 10-items from John et al. (1991). An example item for Big Five is "I see myself as someone who is helpful and unselfish with others." All personality measures were assessed using a five-point scale ranging from 1 = s*trongly disagree* to 5 = s*trongly agree*.

Accounting values. We measured participants' self-reported endorsement of five core values in the accounting profession as stated by the American Accounting Association at the time the study was conducted. These were: "Integrity – Promoting honesty, transparency, and credibility in audit decisions and business practices", "Building relationships – Developing productive, long-term relationships with clients", "Community – Drawing together the auditing profession to achieve a shared vision and mission", "Passion – Exceeding personal and organizational goals with excellence", and "Innovation – Taking chances and applying creative ideas and approaches". Participants were asked to rate each value according to how personally important it was to them (1 = *not at all important*, 5 = *extremely important*).

Monitoring quality. Participants were asked if they had ever faced a situation where they felt pressured by clients or managers to withhold concerns about inaccurate financial statements. Eighty-five participants (43%) indicated yes and were subsequently asked to report what percent of the time they "overlooked or approved financial statements that were not completely accurate" on a scale from 0-100%. The remaining 57% of the sample indicated no and were instead asked how often they would hypothetically overlook or approve inaccurate statements using the same response scale. These two self-report measures, *monitoring quality* and *hypothetical monitoring quality*, served as our criterion variables in the study and were reverse-scored to capture the rates that CPAs flagged (vs. overlooked) financial misreporting.

Results

Two participants were excluded due to missing data on the accounting values measures. The remaining sample responded to all of the key variables.[7] Descriptive statistics, internal consistency reliabilities, and bivariate correlations are reported in Table 2. As shown in the table, honesty-humility

[7] Similar findings were observed when the participants with missing data were included in the analyses.

(but not agreeableness) was significantly and positively correlated with both monitoring quality ($r(85)= .40$, $p < .001$) and hypothetical monitoring quality ($r(113) = .31$, $p < .001$). Like Study 1, we observed significant positive correlations between honesty-humility and HEXACO agreeableness ($r(198) = .17$ $p = .02$) and found the same for Big Five agreeableness ($r(198) = .26$, $p < .001$). There was also a significant positive correlation between valuing integrity and monitoring quality ($r(85) = .26$, $p = .02$) as well as hypothetical monitoring quality ($r(113) = .45$, $p < .001$). For conscientiousness, we observed positive correlations with monitoring quality ($r(85) = .22$, $p = .045$) and hypothetical monitoring quality ($r(113) = .36$, $p < .001$).

We conducted two versions of each of our regression models (see Table 3) to separately test the effects of HEXACO agreeableness and Big Five agreeableness on the criterion variables because including both in the same model could present multicollinearity issues that obscure the results. As in the first study, all continuous predictors were standardized to z-scores.[8]

Consistent with our first hypothesis, honesty-humility had a significant positive effect on monitoring quality and hypothetical monitoring quality (Models 1: $B = 9.53$, $SE = 2.38$, $p < .001$ and $B = 6.93$, $SE = 2.02$, $p < .001$, respectively). Contrary to our second hypothesis, neither HEXACO agreeableness nor Big Five agreeableness had significant effects on the criterion variables. The online supplement reports six additional regression models that tested the robustness of the effects once conscientiousness and occupational/demographic variables (e.g., firm type, tenure, gender) were controlled; the overall findings corroborated the patterns observed in the table for honesty-humility, HEXACO agreeableness, and Big Five agreeableness. In addition, conscientiousness was found to be a positive significant predictor of hypothetical monitoring quality, however the effect of conscientiousness on monitoring quality was nonsignificant.

Next, we tested the link between the personality traits and endorsement of core accounting values in the audit profession. Multiple linear regression analyses (Table 4) revealed that honesty-humility significantly predicted integrity (Model 1: $B = .16$, $SD = .04$, $p < .001$) but none of the other values. In contrast, agreeableness significantly predicted building relationships, community, and innovation (ps < .01) but not integrity or passion, and Big Five agreeableness significantly predicted all of the values (ps < .01) except integrity.

Additional regression analyses exploring the relationship between accounting values and the criterion variables (Table 3, Models 3) demonstrated that integrity significantly predicted monitoring quality ($B = 7.45$, $SE = 3.32$, $p = .03$) and hypothetical monitoring quality ($B = 9.04$ $SE = 1.72$, $p < .001$), but none of the other values had significant effects on these outcomes. We further found that the effect of integrity on monitoring quality became nonsignificant when honesty-humility was included in the regression model (Models 4), and the effects of honesty-humility ($B = 10.25$, $p < .001$) and building relationships ($B = 4.65$, $p = .047$) were significant.[9]

Discussion

Study 2 provided an empirical test of our hypotheses using a field survey in which professional auditors self-reported their past responses to financial misreporting by monitored parties or, if they had never encountered such a situation before, reported their intended response to financial

[8] We found a similar patterns of results when raw scores rather than z-scores were included in the regression tests.

[9] We explored whether integrity mediated the effect of honesty-humility on monitoring quality and it was nonsignificant.

Table 2

Study 2: Descriptive Statistics and Zero-Order Correlations

Variables	M *(SD)*	1	2	3	4	5	6	7	8	9	10
1. Monitoring quality[a]	84.18 *(23.17)*	--									
2. Hypothetical monitoring quality[b]	88.51 *(21.54)*	--	--								
3. Honesty-humility[c]	3.61 (*0.58*)	.40***	.31***	(.67)							
4. Agreeableness (*HEXACO*)[c]	3.36 *(0.53)*	.13	.06	.17**	(.66)						
5. Agreeableness (*Big Five*)[c]	3.96 *(0.53)*	.26*	.06	.26***	.60***	(.74)					
6. Conscientiousness[c]	3.97 (*0.62*)	.22*	.36***	.51***	.11	.39***	(.82)				
7. Integrity[c]	4.76 (*0.52*)	.26*	.45***	.31***	.07	.18*	.33***	--			
8. Building relationships[c]	4.45 (0.*68*)	.16	.10	.02	.20**	.29***	.17*	.26***	--		
9. Community[c]	3.94 (0.*97*)	-.02	-.12	-.02	.29***	.37***	.01	.12	.31***	--	
10. Passion[c]	4.30 (0.*74*)	.02	-.15	.08	.15*	.28***	.17*	.19**	.36***	.45***	--
11. Innovation[c]	3.93 (0.*92*)	-.08	-.10	-.09	.17*	.15*	-.06	.09	.31***	.54***	.43***

Note: Alpha coefficients are provided on the diagonal. Sample sizes for the criterion variables differ because participants only reported monitoring quality or hypothetical monitoring quality, but not both. [a]*n* = 85, [b]*n* = 113, [c]*n* = 198.

***p < .001, **p < .01, *p < .05

Table 3

Study 2: Multiple Linear Regression Analyses of Personality Traits and Auditing Values on Criterion Variables

	Monitoring quality[a]				Hypothetical monitoring quality[b]			
Variables	(1) B (*SE*)	(2) B (*SE*)	(3) B (*SE*)	(4) B (*SE*)	(1) B (*SE*)	(2) B (*SE*)	(3) B (*SE*)	(4) B (*SE*)
Honesty-humility	9.53*** (*2.38*)	8.57*** (*2.45*)		10.25*** (*2.66*)	6.93*** (*2.02*)	6.75*** (*1.99*)		3.31 (*1.90*)
Agreeableness (*HEXACO*)	2.67 (*2.25*)				-0.84 (*2.08*)			
Agreeableness (*Big Five*)		3.68 (*2.31*)				-0.27 (*2.07*)		
Integrity			7.45* (*3.32*)	4.46 (*3.15*)			9.04*** (*1.72*)	7.96*** (*1.82*)
Building relationships			3.60 (*2.49*)	4.65* (*2.31*)			1.41 (*2.30*)	1.50 (*2.28*)
Community			0.78 (*2.91*)	0.44 (*2.69*)			-1.16 (*2.42*)	-1.46 (*2.40*)
Passion			-1.44 (*2.74*)	-4.90 (*2.68*)			-3.83 (*2.41*)	-3.37 (*2.40*)
Innovation			-1.46 (*3.05*)	0.62 (*2.87*)			-1.99 (*2.28*)	-1.60 (*2.27*)
Intercept	85.54*** (*2.33*)	85.76*** (*2.32*)	83.80*** (*2.53*)	85.90*** (*2.39*)	12.24*** (*1.95*)	12.20*** (*1.96*)	89.05*** (*1.82*)	88.58*** (*1.83*)
R^2	.18	.19	.10	.24	.10	.10	.26	.28

Note: Sample sizes for the criterion variables differ because participants only reported actual monitoring quality or hypothetical monitoring quality, but not both. [a]$n = 85$, [b]$n = 113$. Continuous predictors were standardized to z-scores.

***$p < .001$, **$p < .01$, *$p < .05$

Table 4

Study 2: Multiple Linear Regression Analyses of Personality Traits and Auditing Values

	Auditing Values Models[a]									
	Integrity		**Building relationships**		**Community**		**Passion**		**Innovation**	
Variables	(1) B (*SE*)	(2) B (*SE*)	(1) B (*SE*)	(2) B (*SE*)	(1) B (*SE*)	(2) B (*SE*)	(1) B (*SE*)	(2) B (*SE*)	(1) B (*SE*)	(2) B (*SE*)
Honesty-humility	0.16***	0.15***	-0.01	-0.04	-0.07	-0.12	0.05	0.01	-0.11	-0.12
	(*.04*)	(*.04*)	(*.05*)	(*.05*)	(*.07*)	(*.07*)	(*.05*)	(*.05*)	(*.07*)	(*.07*)
Agreeableness (*HEXACO*)	0.01		0.14**		0.29***		0.10		0.18**	
	(*.47*)		(*.05*)		(*.07*)		(*.05*)		(*.07*)	
Agreeableness		0.06		0.21***		0.39***		0.20***		0.17*
(*Big Five*)		(*.04*)		(*.05*)		(*.07*)		(*.05*)		(*.07*)
Intercept	4.76***	4.76***	4.45***	4.45***	3.94***	3.94***	4.30***	4.30***	3.93***	3.93***
	(*.04*)	(*.04*)	(*.05*)	(*.05*)	(*.07*)	(*.06*)	(*.05*)	(*.05*)	(*.07*)	(*.07*)
R^2	.10	.11	.04	.09	.09	.15	.03	.08	.04	.04

Note: *N* = 198. Personality predictors were standardized to z-scores. ***p <.001, **p < .01, *p < .05

misreporting were such a circumstance to arise. The results replicated the findings in Study 1 by showing that CPAs who possessed higher levels of honesty-humility reported greater monitoring quality and hypothetical monitoring quality. Additionally, honesty-humility was positively associated with endorsement of integrity, the only professional value linked to both monitoring quality and hypothetical monitoring quality. In contrast, neither the HEXACO nor Big Five measures of agreeableness were significantly associated with monitoring quality in Study 2, which raises doubts about the viability of Hypothesis 2 despite the encouraging evidence from Study 1.

It is interesting to note that CPAs who were higher in conscientiousness reported greater hypothetical monitoring quality than their lower conscientiousness peers. However, conscientiousness was not a significant predictor of monitoring quality in the CPA survey or in Study 1. The inconsistent pattern of results between hypothetical versus actual monitoring quality for conscientiousness is similar to previous findings showing a tendency for conscientious individuals to overestimate their likelihood of intervening against others' transgressions in hypothetical scenarios compared to when they actually face this situation (Baumert et al., 2013; Kawakami et al., 2009).

In addition, the operationalization of monitoring quality in the survey may have contributed to the mixed conscientiousness findings. As previously mentioned, conscientiousness is strongly related to job performance (Sackett & Walmsley, 2014). In Study 2, the operationalization of monitoring quality captured performing accurate audits at the expense of pleasing mangers and clients, yet both are integral aspects of an accountant's job (Moore et al., 2010). We expect the conscientiousness results would have been positive and consistent if monitoring quality only assessed whether auditors provided accurate reviews and did not conflict with other aspects of an accountant's job, such as maintaining positive interactions with clients and managers. We suggest future research is needed to fully understand how monitoring quality is impacted by this personality dimension.

A limitation of Study 2 is that the significant effects of honesty-humility on the criterion measures could be due in part to social desirability bias. That is, CPAs may have portrayed themselves as more honest than they really were. We do not consider social desirability to be a serious concern for several reasons (for a more detailed discussion on this topic, see Ashton and Lee, 2020; Morse & Cohen, 2020). First, the CPA survey was anonymous and completed online, thus reducing motivations for participants to present themselves in a positive light. Second, the raw data for honesty-humility and agreeableness in Study 2 was normally distributed rather than skewed toward the high pole. The latter would be expected if dishonest or disagreeable people were seeking to promote a falsely desirable impression of themselves when completing the HEXACO questionnaire (Ashton & Lee, 2020).

Third, prior work indicates that HEXACO self-reports largely capture personality information rather than social desirability information. For example, Ashton, Lee, and de Vries (2014) revealed that self-reports of honesty-humility and agreeableness (N = 2,134) correlated moderately strongly with observer-reports (r = .47 and r = .48 respectively). Self-reports of honesty-humility have also been reliably linked to observed behaviors reflective of this trait, such as refraining from lying and cheating (e.g., Cohen et al., 2013; Hilbig & Zettler, 2015). In line with this work, we found that honesty-humility positively predicted observed monitoring quality in Study 1.

Fourth, both honesty-humility and agreeableness are socially desirable traits, yet the findings in Study 2 revealed that only honesty-humility predicted monitoring quality. The fact that agreeableness was nonsignificant helps to alleviate potential concerns regarding social desirability bias. Fifth, HEXACO personality traits tend to be less influenced by impression management compared to the Big Five (Biderman et al., 2018). Altogether, we consider social desirability bias to be a somewhat implausible explanation for the honesty-humility findings observed in Study 2.

General Discussion

The present research sought to extend the current understanding of monitoring failures by examining the influence of HEXACO personality traits on monitoring quality, with a primary focus on honesty-humility and agreeableness. Across a laboratory experiment and a survey of professional auditors, we found that higher levels of honesty-humility reliably predicted monitoring quality. Auditors who displayed higher levels of honesty-humility disclosed others' financial misreporting more frequently than did those lower in this trait.

In contrast, the findings for HEXACO agreeableness and monitoring quality were inconsistent. In the first study, a multiple regression analysis indicated that agreeableness was negatively related to monitoring quality such that highly agreeable auditors flagged misreporting less frequently than their lower-level counterparts. However, HEXACO agreeableness was not associated with monitoring quality in the second study, raising questions about the robustness of the result. Despite the variations in agreeableness results across the two studies, our findings are nonetheless clear in indicating that agreeableness is not positively linked to monitoring quality.

Theoretical Implications

Our research makes several theoretical and practical contributions. Given the relative uncertainty in the literature about personality antecedents that reliably predict monitoring quality, the present findings fill this knowledge gap by revealing honesty-humility is a robust and stable predictor. Auditors with higher (vs. lower) honesty-humility disclose wrongdoing by monitored parties despite having opportunities overlook others' malfeasance. While this result may not seem surprising at first glance, it is meaningful given that little to no attention has been paid to honesty-humility in the monitoring setting. In fact, our study is the first to our knowledge to empirically investigate the HEXACO personality framework and monitoring behavior.

More broadly, without the HEXACO model, we would not have observed the significant finding because cooperative characteristics associated with honesty-humility are conflated with cooperative characteristics associated with agreeableness in five factor models like the Big Five (which conflate these characteristics under the single agreeableness trait). Indeed, the results for Big Five agreeableness in our second study corroborate prior research that has yielded inconsistent and largely nonsignificant findings for Big Five agreeableness and cooperative behavior (Brocklebank et al., 2011; Hedberg, 2021; Lönnqvist et al., 2011; Pothos et al. 2011; Zettler et al., 2013).

Our research also provides insight into how HEXACO traits relate to auditors' endorsement of core values in the audit profession. Strengthening the conceptual underpinnings of honesty-humility, we found that honesty-humility positively predicted integrity and integrity was the only value related to both monitoring quality and hypothetical monitoring quality. Agreeableness, on the other hand, was linked to endorsement of a wider range of accounting values, including building relationships, community, and innovation. Given that agreeableness did not reliably predict monitoring quality, it is possible that agreeableness leads auditors to prioritize building relationships, community, and innovation over upholding integrity in the monitoring process.

Finally, we conceptually replicated prior research on psychological closeness and monitoring quality (Moore et al., 2010). In doing so, the present work addresses the call by social psychologists (e.g., Schmidt & Oh, 2016) to replicate nonsignificant findings in initial studies. The absence of a main effect for psychological closeness combined with the nonsignificant interaction with agreeableness

suggests that this construct may not be as influential to monitoring quality as previously assumed in the literature (Bazerman & Moore, 2011; Moore et al., 2006).

Practical Implications

From a practical standpoint, our findings suggest that HEXACO personality assessment could be a useful tool for understanding how individuals manage conflict in monitoring roles and their propensity to flag others' financial misreporting. Organizations should consider adjusting their selection criteria toward auditors who display higher levels of honesty-humility as the positive effects on monitoring quality seem robust and reliable. On the other hand, prior recommendations in the literature to recruit, select, and promote highly agreeable employees (e.g., Sackett & Walmsley, 2014) may be ill-advised in monitoring professions given that neither HEXACO nor Big Five agreeableness was shown to enhance monitoring quality. Rather, agreeableness could pose a liability by leading auditors to overlook or ignore misreporting by monitored parties.

Our research also suggests potential interventions for currently employed auditors who may not possess higher levels of honesty-humility and may benefit from adapting their attitudes and behaviors to reflect characteristics indicative of this trait. We call for management to provide strong and clear communications to auditors that pleasing clients at the expense of monitoring quality will not be rewarded. Given that honesty-humility was positively correlated with valuing integrity, these communications should emphasize that integrity is important to uphold. We suggest that managers reinforce these communications with appropriate incentives and punishments, such as efforts to recognize auditors who demonstrate high integrity in the monitoring process and reprimanding auditors who engage in morally questionable acts.

Limitations and Future Directions

Despite the strengths of our mixed-methodology approach, our studies have limitations that can be addressed in future research. For example, it is difficult to say what accounts for the difference in the HEXACO agreeableness findings across the two studies—methodological differences between the laboratory study and the CPA survey as well as substantive differences between the two samples could be at play. In particular, Study 2 relied on a relatively small yet specialized sample of licensed professional accountants that were further split into two distinct criterion variables in the analyses. A larger sample is recommended for future research in order to obtain more precise findings.

Alternatively, it is possible that auditors unknowingly overlooked financial misreporting in Study 1 to some degree, but this behavior was not captured in Study 2 due to the reliance on self-reports. Indeed, prior work demonstrates that auditors are prone to producing subconsciously biased judgments that align with their client's perspective, which may hinder monitoring quality (Moore et al., 2010). Our measure of monitoring quality in Study 2 is conservative in that it asked participants to self-report whether they knowingly overlooked or approved client financial statements that were not completely inaccurate, of which 43% of respondents indicated they had. That being said, Study 1 assessed actual monitoring behavior and found that 32% of the sample had overlooked financial reporting. Based on these findings, it is difficult to say whether monitoring quality was under-reported in the second study. We encourage future work to explore this question further by employing a mixed-methodology approach that includes self-reports as well as external assessments of actual monitoring behavior. This may involve observational studies, analyses of personal documents, or informal interviews with individuals in professional monitoring roles (Peytcheva & Warren, 2013).

It is also noteworthy that the criterion measures in Study 2 were broader in that they captured auditors' experiences of overlooking misreporting in order to please clients and/or managers whereas Study 1 focused specifically on clients. It is possible that motivations to please managers offset motivations to please clients in Study 2, leading to the inconsistent effects for agreeableness across the studies. In a similar vein, it is possible the task and moral aspects of an auditor's job were in conflict when assessing monitoring quality in Study 2, potentially resulting in the mixed findings for conscientiousness. We suggest future scholars disentangle these elements in future studies of HEXACO personality and monitoring quality. More broadly, future researchers should continue to apply the HEXACO model in contexts where auditors face conflicts in the monitoring process that could lead them to overlook others' misconduct. This might include performance evaluations, mediation, and health care monitoring, among other settings.

Finally, it may be useful for future research to examine honesty-humility and agreeableness at the facet level rather than the broader trait level. For example, the fairness and greed-avoidance facets of honesty-humility, but not the remaining facets, have been associated with prosocial behavior (Hilbig et al., 2014). As detailed in the online supplement, we observed similar positive associations between monitoring quality and fairness and greed-avoidance. Correlational findings also revealed a positive and significant relationship between monitoring quality and the modesty facet of honesty-humility. There were no significant relationships between monitoring quality and the agreeableness facets; however, facet-level internal consistency reliabilities for HEXACO honesty-humility and agreeableness were low in our studies, making it difficult to make interpretations at this level. We recommend that future scholars use a longer personality inventory to explore facet-level predictors of monitoring quality, such as the 100-item HEXACO Inventory (Lee & Ashton, 2018), or a longer battery of moral character measures that capture different elements (Cohen et al., 2014).

Conclusion

An auditor's ability to manage conflict in the monitoring process plays a key role in determining the quality of an audit. Given the critical importance of third-party monitoring as a safeguard against financial misreporting, it is unfortunate that individuals in auditor roles sometimes fail to communicate disagreement with monitored parties and instead overlook or ignore others' errors and deviance. Our results provide the first empirical investigation of the HEXACO framework in the audit setting and demonstrate that screening for HEXACO personality traits is likely to have a meaningful impact on monitoring quality. In particular, our findings reveal that individuals with higher levels of honesty-humility are better suited for auditor roles in that they value integrity and have fewer monitoring failures than do individuals with lower levels of this trait. The same cannot be said for those with higher (rather than lower) levels of agreeableness.

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Appendix

Monitoring Task Instructions (*Study 1*)

You have been assigned to the role of a reviewer.

As the reviewer, your job is to examine whether a firm manager's income statements are accurate. Specifically, you will be asked to indicate whether you AGREE or DISAGREE with the income statements. You will receive a transaction analysis of the firm's earnings and expenses to help you prepare each income statement. You may use a calculator for this task. You will interact in the task with your partner from the sharing game. Your partner has been assigned to the role of a firm manager. The firm manager's job is to report the firm's earnings and expenses by preparing income statements. You must either AGREE or DISAGREE with each income statement the manager prepares. Keep in mind that your decisions for each income statement will be visible to the manager.

Payment

You will earn $0.75 for each income statement you review regardless of whether you AGREE or DISAGREE with the income statement. The manager will earn money for each income statement he or she prepares, but only if you AGREE with the income statement. If you DISAGREE with the income statement, the manager will not earn money for preparing that income statement (i.e., the manager will earn $0 for preparing that income statement). The manager may earn additional money by over-reporting income on an income statement, but only if you AGREE with the income statement.

Oversight Committee

Your decisions in each task may or may not be checked for accuracy by an oversight committee, which will be represented by the experimenter. At the end of the study, after all tasks are complete, the oversight committee will draw one card from a stack of ten cards for each manager-reviewer pair. There is one Jack in the stack of ten cards. The card drawn will determine whether the financial documents prepared by that pair will be checked for accuracy.