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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.

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Two Workplace Behaviors to Effectively Navigate Conflict in Today's Workplace

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Abstract

Over one-third of employees encounter workplace conflict on a daily basis (Moody, 2022), but most are not equipped with the skills to navigate these challenges effectively, ultimately costing both them and their organization valuable time and resources. While there are many dual concern models that examine conflict management styles (e.g., Blake & Mouton, 1964; Rahim, 1983; Thomas, 1992), they do not offer strategies about how to navigate conflict well or when to approach potential difficulties. The current study explores two emergent behaviors – *Engage the Mess* and *Suppress the Noise* – by asking business professionals to tell real-life stories about these behaviors at work. *Engage the Mess* is an effective means to constructively engage conflict through respectfully working toward an outcome. *Suppress the Noise* actively avoids the aspects of conflict that disrupt resolution and confuse a situation to intentionally focus on solving the problem. The results of the current study suggest that rather than pitting employees against each other to determine whether self or other's needs are more important, conflict resolution should focus on working together. We, therefore, propose a revision to Desivilya and Eizen's (2005) framework in two distinct ways. First, we retain the two original destructive styles (Avoidance and Dominating), we but add a third style of Defensive. Second, we replace the two constructive styles with *Engage the Mess* and *Suppress the Noise*. To improve workplace conflict, employees should practice applying these constructive behaviors to achieve more effective outcomes.

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Introduction

Over a third of employees encounter daily conflict and managers spend four hours each week managing it – that equates to almost 10% of their time (Moody, 2022). Employees often find work-related tension uncomfortable and stress-inducing (Shaw et al., 2011) and many employees conflate "navigating" conflict with "eliminating" it due to conflict's disruptive impact on productivity, operational effectiveness, and morale (CPP Global, 2008). While some employees may prefer to avoid confrontation, evading conflict altogether is costly (Turaga, 2015). If conflict is not resolved within the workplace, it often results in decreases in morale, increases in turnover, fissures in team functioning, and financial loss due to expensive lawsuits or dispute resolution. The most common detriment of unresolved conflict is disruption of communication between employees that can directly impact the efficiency or effectiveness of a company's products or services (Lim & Yazdanifard, 2012).

Yet, when conflict is handled effectively, 75% of employees report that they have observed positive outcomes such as increased innovation, a better understanding of others, and improved problem solving that would not have occurred if conflict was absent (CPP Global, 2008). For decades, scholars have recognized that controversy, when navigated well, stimulates creative decision-making and empathy (Liu et al., 2022; Tjosvold et al., 2020) increased employee commitment, superior customer service (Tjosvold, 1998), and improved relationships (Tjosvold, 1984, 2006). During the mid-point of a project, high-performing teams are likely to engage in heavy debate, which allows them to expand their perspective and leverage the synergy of diverse team members working together (Jehn & Mannix, 2001). Furthermore, teams perform best when there is moderate task-related conflict (Jehn, 1994; Shaw et al., 2011). While workplace conflict can feel like a nuisance to be avoided, if it is navigated appropriately, conflict can lead to profound, positive performance outcomes.

It is, therefore, imperative for employees to hone their conflict management skills so they can navigate the work environment successfully, not the least of which is due to the frequency with which disagreements surface (Raj, 2008). Studies suggest that both organizational and employee success can be directly related to how interpersonal differences are handled. Additionally, many workplace tasks inherently involve conflict such as negotiating, supervising high-pressure deadlines, and addressing unprofessional conduct (De Dreu et al., 2001; Turaga, 2015). Given the profound impact conflict has on group functioning, there is a sizeable amount of literature focused on identifying conflict styles.

In our prior research examining soft skills in the workplace (Fletcher & Thornton, 2023), two behaviors emerged related to conflict management, *Engage the Mess* and *Suppress the Noise*. The purpose of the current study is to examine how and when *Engage the Mess* and *Suppress the Noise* operate in the workplace. Due to the exploratory nature of this study, we used an inductive, data-driven approach as this method allows for new insights to be discovered, especially related to a less studied topic since it is not constrained by an a priori hypothesis or pre-contextualized themes (Braun & Clarke, 2021; Thomas, 2006; Woo et al., 2017). Reflexive thematic analysis was used to code the data as it can produce "rich, complex, non-obvious themes that could never have been anticipated in the advance of analysis" through inductive methods (Braun & Clarke, 2021, p. 332). We begin with a brief overview of existing conflict management models followed by an examination of the two emergent behaviors and their relationship with related research.

Existing Conflict Management Models

A majority of conflict management research focuses on intergroup conflict with grids differentiating between self-interests and others' interests (Rahim & Bonoma; 1979; Wombacher & Felfe, 2017), often referred to as dual concern models. The concept of a grid or matrix was introduced by Blake and Mouton in their 1964 publication about managerial styles, which was influenced by Fleishman's earlier work related to the leadership traits of initiating structure and consideration (Molloy, 1998). The grid approach has since been applied to conflict management models. Extending their prior colleague's work, the most commonly referenced taxonomy now is the Thomas-Kilman index that maps different conflict response preferences within a matrix (Thomas, 1992). The five main modes of the Thomas-Kilman grid include Avoiding (low concern for self and other), Accommodating (low concern for self and high concern for other), Compromising (a moderate concern for both self and other), Competing (high concern for self and low concern for other), and Integrating (high concern for self and other; Zhao et al., 2019). While the Thomas-Kilman matrix helps individuals label conflict patterns, it lacks practicality in advising employees on how to navigate conflict when it arises in the workplace. For example, an employee may have preferred "style" of Integrating with a high concern for self and other, but this model provides no context on how to engage in the disagreement – or if the conflict should be addressed at all.

Another commonly referenced approach to conflict management originated by Morton Deutsch (1949), who purported that the outcome of a controversy is dependent on if individuals in conflict view their goals as linked or independent. When individuals in conflict believe their goals are related, they will act in cooperative ways that are mutually reinforcing and conducive to constructive controversy. However, when they believe their goals are negatively linked so that one person's success reduces the likelihood of the other's success, individuals in conflict are more likely to act in a competitive manner characterized by controlling and dominance-seeking behaviors that are counterproductive to effective controversy (Tjosvold, 1998). This model provides insight on how one's mindset often influences their approach to conflict, but again does not offer strategies or methods about how to navigate conflict well or when to approach potential difficulties.

Finally, a third model is proposed by Desivilya and Eizen (2005), who adapt the axes of the dual concern model. Instead of focusing on self and others, Desivilya and Eizen utilize two spectrums from destructive to constructive and conflict engaging to conflict avoiding. This model examines intra-team conflict management patterns and offers four categories including Dominance (destructive, engaged conflict), Avoidance (destructive, avoided conflict), Integrating (constructive, engaged conflict), and Obliging (constructive, avoided conflict). This model most closely relates to the current study and will be further addressed in the discussion.

The existing literature on conflict management provides distinct understandings of conflict styles and their impact on organizations and employees, but often lacks a practical approach of how to navigate conflict well. To complement the research on conflict styles, the current study explores two emergent, constructive workplace behaviors that enable employees to know how and when to address workplace conflict. By utilizing an inductive approach, the stories provided by the participants can be utilized to understand broader themes (Soiferman, 2010) of how the two behaviors, *Engage the Mess* and *Suppress the Noise*, can be practically used in the workplace to engage in conflict effectively.

Defining *Engage the Mess* and *Suppress the Noise*

Engage the Mess and *Suppress the Noise* are two conflict management behaviors that emerged in a replication study by Fletcher and Thornton (2023) examining soft skills in the workplace. These two behaviors were distinct in the 2022 study compared to the original 2012 research and describe a person's posture in relation to conflict management. *Engage the Mess* relates to an employee's choice to engage intentionally in conflict rather than to avoid or escalate differences. For example, if a colleague sends a rude retort to an email, the recipient may choose to address the differences respectfully and promptly in a private conversation to find common ground. *Suppress the Noise* pertains to an employee's ability to get to the heart of the matter by minimizing the static interference that complicates or distorts situations. For example, an individual may step away from political maneuvering or overlook offenses to focus on the central issue. The proposed benefit of *Engage the Mess* and *Suppress the Noise* is that they provide a straightforward approach to conflict resolution in the workplace that complements research related to conflict styles.

While these two behaviors evidenced strong potential to be practical tools to facilitate effective workplace conflict, there is limited research outside of the original study. Additionally, there is a dearth of research on how and when to enhance versus minimize conflict engagement within an organizational context (Rahim, 2002). Given the need for effective tools to facilitate productive workplace conflict, we decided to conduct an exploratory study to understand how and when these behaviors could be applied practically. In the next section we examine parallel research for both constructs followed by the current study to further examine these behaviors.

Engage the Mess

Engage the Mess describes an individual's willingness to participate healthfully in conflict rather than avoid it. While there is limited research on the exact phrase "engage the mess" as it pertains to navigating conflict, there is a body of research concerning how to constructively engage in interpersonal conflict. Effective resolution begins with an individual's willingness to approach conflict. By leaning into uncomfortable conversations and addressing differences both employees and organizations benefit. For example, workplace teams need to strike a balance between consensus and dissension to perform effectively (Carton & Tewfik, 2016). The health of a relationship, therefore, depends not on if conflict arises, but if it is resolved in a mutual and respectful manner (Havasi et al., 2017). The conflict resolution process creates a culture where employees learn from each other (Lim & Yazdanifard, 2012) and task performance improves (Carton & Tewfik, 2016).

Central to navigating conflict well seems to be "how" individuals enter into the interaction. Many researchers agree that it is important to maintain a non-threatening disposition toward the other person by staying focused on problem solving when resolving disagreements (Coutu, 2007; Tjosvold, 1998); rather than criticizing or attacking the other person's character, which is counterproductive to solving conflict (Carrere & Gottman, 1999; Krisnaveni & Deepa, 2011; Lim & Yazdanifard, 2012). It is the way in which employees work through conflict that defines the quality of their relationships and the effectiveness of the outcomes for both individuals and organizations. Individuals who manage conflict effectively often utilize assertiveness to clearly articulate strategy, provide thoughtful and honest responses, garner respect from others, politely disagree with other's opinions when necessary (Chakraborty, 2009), and are perceived as more competent and capable leaders (Gross & Guerrero, 2000).

Nonviolent communication (NVC) is one approach to engaging in conflict that focuses on problem solving rather than blaming or judging a person as the culprit of the disagreement (Rohlfs, 2012). The goal of NVC is to establish genuine connection between two parties, even opponents, to help individuals express and meet needs (Arieli & Armaly, 2023). Rosenburg developed a practical approach to navigate conflict as he believed that all violence stems from unmet needs such as the need for belonging, safety, respect, or understanding. It is through stating needs and dialoging (rather than judging each other) that people begin to see each other as vulnerable human beings rather than enemies, and begin to move toward resolving conflict (Arieli & Armaly, 2023). The four steps of NVC include 1) naming the problematic behavior, 2) naming the emotion that is experienced when the behavior takes place, 3) naming the need that is not being met, and 4) requesting a new behavior for the other person to exhibit in the future (Rohlfs, 2012). NVC is a constructive approach to entering into conflict using respect for the other person.

The overarching goal within an organization should be to maintain a healthy level of constructive conflict rather than eliminating conflict altogether (Carton & Tewflik, 2016). This all begins with an individual's willingness to participate in conflict. *Engage the Mess* is characterized by the choice to intentionally and respectfully lean into rather than away from conflict. But stepping toward the discomfort can be complicated when context blurs or confuses the situation.

Suppress the Noise

Compared to *Engage the Mess*, there is less research available related to *Suppress the Noise*, which refers to minimizing unnecessary conflict to focus on the task at hand. Constructively navigating conflict means not reciprocating the harm that has been experienced (Hicks, 2019). Rispens and Demerouti (2016) demonstrated that the more employees can redirect their focus onto work responsibilities rather than focusing on the "culprit" of an offense, the more they are able to reduce the amount of anger and contempt felt during the workplace disagreement. It is through focusing on the task rather than ruminating on negative emotions that conflict is handled productively. *Suppressing the Noise* during conflict may begin by minimizing aggressive or angry emotional outbursts as these reactions often spur a negative, cyclical pattern of destructive conflict.

John Gottman is a researcher most widely known for his studies on marital relationships, but many of his findings about relational conflict have applications for the workplace as people typically manage their work and personal relationships similarly (Coutu, 2007). *Suppress the Noise* shares qualities with the conflict style Gottman coined as a validating style, which displays self-control and remains calm while trying to find a compromise through the conflict resolution process (Busby & Holman, 2009). The validating style is the least likely to stonewall or allow a relationship to deteriorate due to a conflict arising. Counterproductive and sabotaging behaviors (the opposite of *Suppress the Noise*) most often occur in conjunction with conflict when employees do not feel relationally close with one another. Conversely, when employees experience a high level of relational closeness, they also feel psychologically safe and are more likely to suspend judgement of one another (Rispens & Demerouti, 2016). When there is a high level of respect among team members and individuals are not taking conflict personally, they focus on overcoming disagreements together and conflict is more productive (Jehn & Mannix, 2001).

Lastly, *Suppress the Noise* may share characteristics with the construct of forgiveness, the ability to overlook an offense and work through resentment. Forgiveness allows individuals to focus on core issues rather than being distracted by their anger toward an offender (Greenberg et al., 2008). Forgiveness includes both reducing negative feelings such as anger about the injury incurred as well as increasing positive emotions for the perpetrator (Rizkalla et al., 2008). *Suppress the Noise*, similarly,

may also facilitate effective conflict management by driving clarity and focusing on the heart of the matter rather than becoming fixated on negative emotions.

While there is complementary research that bolsters the notion that engaging in healthy conflict and minimizing unnecessary confusion in conflict is beneficial, these two behaviors warrant further exploration to improve the experience of conflict in the workplace. The following sections outline the current study, method, results, and discussion.

Study Purpose

The purpose of the current study is to examine two emergent conflict management behaviors, *Engage the Mess* and *Suppress the Noise*. While there are many studies that examine conflict management within the workplace, these two behaviors merit investigation to understand how and when they can be best utilized to facilitate healthy conflict in the workplace as well as their relationship with existing literature. To effectively explore these new conflict management behaviors and obtain a deep understanding of how they present themselves in the workplace, we decided to use an inductive approach as we did not have an a priori hypothesis (Soiferman, 2010). The two research questions explored within this study are:

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RQ1. How are *Engage the Mess* and *Suppress the Noise* used in the workplace to address conflict?

RQ2. When are *Engage the Mess* and *Suppress the Noise* used in the workplace to address conflict?

The method is outlined next followed by the results.

Method

In the current study, we employ an inductive approach to delve into how and when *Engage the Mess* and *Suppress the Noise* are used to navigate conflict effectively in the workplace.

Procedure

Fifty undergraduate business students enrolled in *Organizational and Management Theory* and *Organizational Behavior for Managers* at two different universities in the Pacific Northwest each invited a minimum of two business professionals to participate in a research study. The participants were sent a survey that provided a brief definition of *Engage the Mess* as "an individual's ability to engage in healthy conflict rather than avoid it in the workplace" and *Suppress the Noise* as "an individual's ability to minimize unnecessary conflict and focus on the matter at hand in the workplace." Participants were

then asked to provide a short, real-life story of when they had experienced each workplace behavior in the workplace. While the provided basic definition would offer context to the participants of the type of behavior we were interested in knowing more about, each participant was free to select any story from their work experience that situated these behaviors within the work context.

Participants

A total of 105 business professionals completed the survey who met the three study requirements: 1) are over 18 years of age, 2) live in the United States, and 3) have a minimum of 5 years of professional experience. Participants represented eight industries (i.e., Business and Information, Health Care, Retail and Manufacturing, Education, Entertainment and Hospitality, Non-Profit and Religious, Government, and Finance, Legal Services, and Insurance), had an average of 17.6 years of work experience, and an average of 9.7 years of management experience. Participants were 56% male and 44% female, and their age range was almost evenly dispersed between 20-29 (19%), 30-39 (23%), 40-49 (30%), and 50-59 (19%) age brackets with 10% of participants aged 60 or above. Participants were racially diverse with 58% identifying as White/European American, 12% Black/African American, 10% Ethnically of Hispanic/Latino origin, 10% Asian, 5% Native Hawaiian/Pacific Islander, 2% American Indian/Alaska Native, and 4% as other.

Data Analysis

Because the purpose of this study is to understand how employees describe their lived experience in navigating workplace conflict through utilizing *Engage the Mess* and *Suppress the Noise*, we chose to use reflexive thematic analysis to analyze the participants' stories. This approach provides "reliable" and "as-objective-as-possible" knowledge due to each researcher working independently while still utilizing intercoder agreement to gain a richer interpretation and understanding of all assigned codes (Braun & Clarke, 2019). We began by both researchers independently familiarizing themselves with the data by reading and rereading all survey responses and making notes to document initial insights. Next, codes were developed by engaging with the data and allowing the data to drive an inductive categorizing approach (Terry & Hayfield, 2021). Codes were developed to provide short and meaningful categories to capture the meaning of themes from the participants' stories.

Initially, both researchers reviewed the narratives looking for explicit behaviors or techniques within the participants' stories that showcased how *Engage the Mess* and *Suppress the Noise* were demonstrated in the workplace. For example, the code, Aware of Others, was showcased in participants' stories as they described instances of "listening to understand before responding," "engaging in respectful conversations," and "trying to understand [the other person's] point of view." Once both researchers coded the initial stories separately, we met to discuss and generate preliminary codes that would be used and applied to the remaining data set. After coding the entire data set, we met again to collaboratively align on all codes and develop a more complex and nuanced understanding of the data (Braun & Clarke, 2019).

The data were next rearranged into clusters to explore patterns (Braun & Clarke, 2022). This step of the analysis helped to refine the codes and develop main themes (Braun & Clarke, 2022) as well as ensure that coded extracts were consistent across the full dataset (Braun & Clarke, 2022). These themes are described in the results section, along with frequency codes. While calculating frequency codes is an uncommon practice for reflexive thematic analysis (Bruan & Clarke, 2022), we deemed it important for understanding the similarities and differences between the two conflict management constructs.

This coding process was repeated by both researchers to answer the question of when *Engage the Mess* and *Suppress the Noise* were demonstrated in the workplace. This required reviewing the data for both the timing of when the conflict was addressed (i.e., immediately vs. ongoing) as well as what type of conflict the story entailed (i.e., task conflict vs. interpersonal).

As we analyzed the data, we had an unexpected discovery. In addition to our research questions related to how and when these constructs were utilized, participants also explicitly identified what *Engage the Mess* and *Suppress the Noise* were not. The researchers met and agreed that this topic was indeed important due to the frequency of mentions and that it was relevant to the understanding of how and when to effectively navigate conflict. In addition to coding for how and when, both researchers coded for participant responses related to what each construct was not.

Results

The 105 business professionals who completed the survey provided real-life examples as to how *Engage the Mess* and *Suppress the Noise* occurred within the workplace. At the outset of this study, we sought to understand how *Engage the Mess* and *Suppress the Noise* practically showed up in the workplace and when these two conflict management skills should be applied to workplace situations. Through the coding process, we examined participants' definitions of *Engage the Mess* and *Suppress the Noise* related to how and when each was constructively applied. What was unexpected was the discovery that participants also articulated what each behavior was not and the related negative outcomes. In the subsequent section, we describe the results related to how and when each construct is observed in the workplace and then examine what each construct is not.

How to *Engage the Mess* and *Suppress the Noise*

After coding, we discovered 186 behavior codes for *Engage the Mess* and 136 behavior codes for *Suppress the Noise* related to how they practically showed up in real workplace examples. The codes are grouped into six and seven categories respectively, and are briefly described next.

Table 1. Code Frequencies

	Engage the Mess	**Suppress the Noise**
Being Aware of Others	46 (24.7%)	15 (11.0%)
Communicating Clearly	31 (16.7%)	11 (8.1%)
Applying Teamwork	18 (9.7%)	14 (10.3%)
Taking an Action Step	45 (24.2%)	20 (14.7%)
Finding Common Ground or Workable Solution	30 (16.1%)	16 (11.8%)
Adapting or Being Open to Influence	16 (8.6%)	2 (1.5%)
Focusing on What is Important	-	58 (42.6%)
Total Codes	**186 (100%)**	**136 (100%)**

For the *Engage the Mess* data set, there were six themes that represented how this behavior was exemplified in the workplace. The themes include Being Aware of Others, Communicating Clearly, Applying Teamwork, Taking an Action Step, Finding Common Ground or Workable Solution, and

Adapting or Being Open to Influence. The *Suppress the Noise* data set included the same six themes plus an additional code entitled Focusing on What is Important.

The first theme of Being Aware of Others encompassed trying to understand another person's point of view, listening, and being respectful. There were 46 codes (24.7%) that described *Engage the Mess* and 15 (11%) for *Suppress the Noise*. Participants described this code as "inviting different opinions and perspectives in a respectful manner," "seek[ing] to understand before seeking to be understood," "try[ing]to hear both sides," "expressing the pros and cons of each approach from their perspective," and "listening to understand and demonstrating genuine empathy." One participant succinctly stated, "humility and awareness of identity are such important attributes when it comes to this." It is apparent that engaging conflict healthfully incorporates an individual's ability to understand how conflict impacts all parties involved.

The second theme was Communicating Clearly, which encompassed employees sharing information openly and honestly, with 31 codes (16.7%) for *Engage the Mess* and 11 (8.1%) for *Suppress the Noise*. Examples of this code include "clearly defining expectations, duties, goals and positive communication," "being direct using simple language and 'I' statements," "explain[ing] your reasons on why," and that "clear is kind." Particularly for *Suppress the Noise*, participants mentioned the importance of boundaries and steering the conversation appropriately. For example, one participant talked about a leader who would interject on a call to say "'we can talk about that later offline, but right now I'd like to discuss…' and then quickly move forward" with the meeting's topic. The results of this theme clarified that stating expectations or intentions clearly is another important theme in addressing conflict.

Third, Applying Teamwork had 18 codes (9.7%) for *Engage the Mess* and 14 (10.3%) for *Suppress the Noise*. Participants described employees using collaboration to "develop a working relationship and some basic level of trust" and to "come together to work on the issues." At other times, Applying Teamwork was a tactic for employees to actively remind each other that "we all need each other to do the job" and that success depends on being a team. This focus on collective need served as the impetus to work through the conflict. One participant mentioned using the phrase "how might we be great together?" as a way to encourage a team to creatively think how they can collaborate through a tough moment and make it successfully through to the other side.

Fourth, Taking an Action Step had 45 codes (24.2%) for *Engage the Mess* and 20 (14.7%) for *Suppress the Noise*. While each action step described by participants varied, this code described taking initiative to address the issue head-on. For example, initiating one-on-one conversations or raising concerns was a key differentiator for this theme. The stories included proactive behavior if another employee was not doing their job or speaking up to "ask the person if they need help or point out that they are not doing what is expected." It was noted that many people prefer to avoid confrontation, but addressing poor behavior is what led to resolution and "preventing it from worsening." One participant mentioned that instead of avoiding conflict altogether, it is better to take a break and come back in five minutes to re-address the situation at hand so that it does not devolve into a bigger issue.

Fifth, Finding Common Ground or Workable Solution accounted for 30 (16.1%) of the *Engage the Mess* codes and 16 (11.8%) of the *Suppress the Noise* codes. One participant described this as "working with other departments to problem-solve and think of creative solutions to an existing problem." Another participant described this as "debate in a healthy way to resolve problems and challenge each other." It was often stated in the workplace stories that it is better to focus on the problem rather than the person so that the narrative can be challenged in healthy ways. Participants identified the need to believe the best about other people's intentions and put aside personal differences. Finding a resolution seemed to bring employees together to find common ground that produced even better results than they originally thought possible.

The sixth code, Adapting or Being Open to Influence, had 16 (8.6%) for *Engage the Mess* codes and 2 (1.5%) for *Suppress the Noise*. This theme had the fewest codes but played an important role in healthful conflict. Participants described that part of addressing conflict is being open to "admit your own mistakes," "receive constructive feedback," and being "willing to change and accept the new direction" rather than being defensive and clinging to the desire to be "right." Oftentimes conflict can be seen as a contest of wills, but in this code it was evidenced that conflict was seen as an opportunity to learn and grow, and be open to other people's influence.

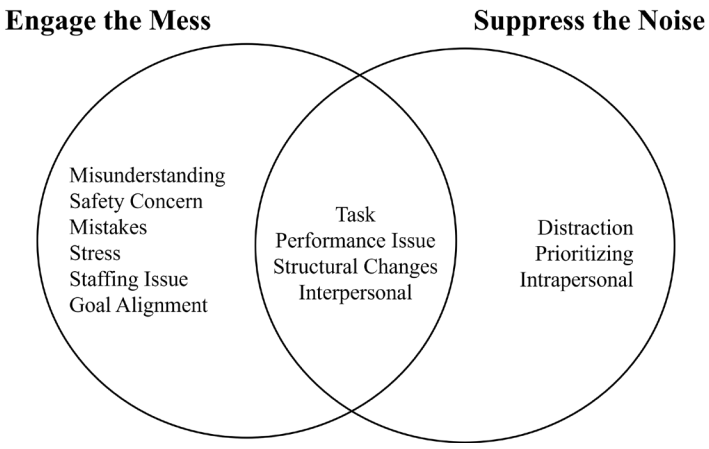
The seventh code was only found in the *Suppress the Noise* data set. It was entitled Focusing on What is Important, which accounted for 58 codes (42.6%). There seemed to be two parts to this theme. First, participants described choosing to avoid distractions by "ignoring smaller" or "unnecessary conflict," and choosing to not participate in gossip. One participant described it as "overlooking an offense" especially if it was not a pattern of behavior of the offender. Second, participants mentioned focusing on what was most important for their particular position or "what the team needs most" based on the situation. Several participants noted that there is a required skillset to "prioritizing and sequencing" or "weigh[ing] the importance of possible activities and choos[ing] only the most important." Three participants specifically mentioned it as "choosing battles wisely." This distinct code evidenced prior research collected on *Suppress the Noise* such that it focused on minimizing or avoiding the extraneous in order to focus on what is central to the present conflict.

Within the *Engage the Mess* stories, there were 7 real-life examples where participants specifically described an employee initiating an uncomfortable conversation with their supervisor. All of these stories mention the importance of approaching the situation constructively by handling it "diplomatically and professionally." Some of the comments focused on not dominating, such as "without being confrontational" or "instead of an argument," while other comments focused on not being defensive, by saying that it was better to take the information to the source than "talk behind their backs." Participants mentioned the importance of not avoiding the conversation as well by saying "they could have just gone along with the orders given" but chose to speak up instead. When it comes to approaching authority figures, constructive conversations are highlighted as important. In contrast, only 2 of the 16 (13%) stories of supervisors having conflict management conversations with their employees specifically highlighted the constructive nature of the conversation.

When to *Engage the Mess* and *Suppress the Noise*

Through the coding process, we identified the types of conflict addressed within participants' real-life stories of *Engage the Mess* and *Suppress the Noise* to understand when to apply each conflict management behavior. Participants described 13 distinct types of conflict (see Figure 1). *Engage the Mess* was the main method to approach six types of conflict (i.e., goal alignment, misunderstanding, stress, safety concern, staffing issues, and mistakes). These stories exemplified active engagement as the main course of action when seeking resolution. *Suppress the Noise* was applied to three forms of conflict (i.e., distraction, prioritizing, and intrapersonal). Participants' narratives indicated that reducing or avoiding confounding information was essential to manage these difficulties. Finally, there were four conflict situations (i.e., task, performance, structural changes, and interpersonal) that employed either or both constructs. These results suggest that each construct serves a distinct purpose in conflict management but can also be used in tandem for specific types of conflict.

Figure 1. When to *Engage the Mess* and *Suppress the Noise* based on Type of Conflict



Participants rarely indicated a specific timeframe in which to approach each type of conflict (i.e., hours, days, weeks, etc.). However, they often mentioned that *Engage the Mess* and *Suppress the Noise* could establish trust when applied consistently to manage difficulties. Stories described applying these behaviors "on a daily basis," "continuously," and "a priceless process worth spending time building" as it developed a culture where employees could work together effectively, solve problems, and overcome challenges. Additionally, the narratives highlighted the preventative quality of these behaviors to stop conflicts before they even started.

What *Engage the Mess* and *Suppress the Noise* are Not

In describing *Engage the Mess* and *Suppress the Noise*, participants defined the characteristics of the behaviors as well as how and when they were utilized constructively in the workplace. *Engage the Mess* and *Suppress the Noise* each reflect a desire for both parties involved in a controversy to work together toward a solution. *Engage the Mess* was discussed as a behavior to actively and respectfully provide insight to others, while *Suppress the Noise* was mentioned as a method to minimize unnecessary or confounding information so that both parties could focus on working toward a solution.

Participants went beyond defining how the behaviors function constructively as they voluntarily and consistently defined what each behavior was not. After coding for this discovery, both *Engage the Mess* and *Suppress the Noise* were defined as not being dominating or defensive. *Engage the Mess* was also described as not avoiding. *Suppress the Noise*, however, appears to incorporate avoidant behaviors strategically to mitigate confounding or confusing information that heighten conflict. The contrast of what these behaviors are and are not enable us to better apply them to existing research to extend and enrich our understanding of conflict management. In Table 2, we present how participants described what each construct is and is not.

Table 2. Participant Differentiation of What is and is not *Engage the Mess* and *Suppress the Noise*

Descriptions	Example Quotes
Engage the Mess	
Is Constructive	"Openly talk with me about it," "respectful conversations with others that often begin with statements such as 'help me understand,'" "listening to understand before responding," "they spoke kindly although their evaluation may have been painful to hear," "open to offering and receiving honest criticism"
Is Not Dominating	"aggressive," "creating more tension," "arguing," "getting into an argument" "yelling and causing a scene," "confrontational," "holding onto own agenda or fiefdom," "making aggressive/disrespectful remarks" "attacking," "people attacking your intelligence"
Is Not Defensive	"defending," "taken personally," "want to have the 'right answer,'" "fear of retribution or people attacking your intelligence," "disrespectful remarks"
Is Not Avoiding	"sugar coat or dance around the bush," "not saying anything," "keeping quiet," "could have just gone along with orders given," "avoiding it" "waiting until they become bigger issues," "groupthink" "not knowing the questions and concerns that employees had about the new program,"
Suppress the Noise	
Is Constructive	"working together to find a solution," "choosing to ignore smaller conflicts," "put aside personal differences," "extend grace to smaller issues," "agreeing to disagree about minor points or agree to discuss them at a later date if they still need a resolution"
Is Not Dominating	"demanding," "reacting," "heated argument," "compare and complain," "arguing," "finger pointing and not-my-jobbing," "getting angry"
Is Not Defensive	"need to look for a scapegoat or someone to blame," "rumor mill," "gossip," "negativity," "watercooler talk," "getting sucked into negativity and rude sarcasm," "focusing on negativity or mistakes," "complaining," "arguing about things that don't matter," "lamenting on past incidents"

What these results suggest is that these two behaviors may offer a simpler framework to help employees know how and when to participate in healthy conflict. Next, we will discuss how the results translate to theoretical and practical contributions.

Discussion

In asking business professionals about their workplace experiences of *Engage the Mess* and *Suppress the Noise*, we wanted to understand how these two behaviors function in the workplace as well as when to apply each behavior to facilitate healthy conflict management. Based on the results, these two conflict management behaviors offer a straightforward framework to help employees constructively engage in productive workplace conflict. We begin by discussing the theoretical

implications and propose a revision to Desilviya and Eizen's (2005) research. We then address the practical application to the workplace to inform employees and managers how to best apply these findings (Marin et al., 2022).

Theoretical Contribution

As noted at the outset of the paper, there are several dual concern models that examine conflict management styles (e.g., Blake & Mouton, 1964; Rahim, 1983; Rahim & Magner, 1995; Thomas, 1992, 2008) based on matrices distinguishing concern for self and concern for others (Rahim, 2002; Thomas, 1992). These models suggest that individuals should evaluate conflict by first determining which party's concerns are more important (i.e., self or other). A critical downside of this approach is that the individuals involved are established as combatants from the outset, which often leads individuals to justify implementing a dominating style when time is constrained or issues are deemed as trivial (Rahim, 2002; Thomas, 2008). In these tense situations, there is additional complication as individuals fail to recognize the harm incurred by the other party when they are attacked or poorly treated, such as amplified employee stress levels (Römer et al., 2012). Instead of engaging in conflict, Rahim (2002) supports obliging when "you believe you may be wrong" instead of encouraging individuals to speak up to voice their hesitancies. However, what this suggestion negates is that moderate task-related conflict can drive team performance (Jehn, 1994; Shaw et al., 2011). When individuals are set up as enemies and must choose between their needs or others', conflict is unlikely to find an effective resolution.

Recent research has challenged the assumption that concern for self and concern for others should be the core tenants of a dual concern model (Davis et al., 2023; Sorenson et al., 1999). By cooperating, rather than competing, conflict de-escalates and allows compromises and problem solving to happen more naturally (Janssen & Van de Vliert, 1996) rather than focusing solely on concern for self versus others. Existing conflict management models refer to five conflict styles including dominating, obliging, avoiding, compromising, and integrating. In Sorenson's (1999) research, dominating and obliging conflict management strategies correlated with concern for self and concern for other while the other three did not. Davis et al. (2023) reported that the integrating style relates to other-concern, but not self-concern. This suggests that it is time to explore other avenues related to conflict management models.

The results of the current study align with the evidence that effective conflict management is more complicated than a single axis evaluating concern for self and concern for others. Rather than pitting employees against each other struggling to determine whether my needs or their needs are more important, Desivilya and Eizen's (2005) conflict management framework operates on the premise that conflict should be handled constructively by working together rather than operating from competing interests. Their model and the results of the current study reinforce Deutsch's (1949) conflict management theory that focuses on individuals finding interdependent goals and working cooperatively with others to achieve them. In Desivilya and Eizen's (2005) framework, the axes span from destructive to constructive and conflict avoiding to conflict engaging.

While we retained the axes of Desivilya and Eizen's (2005) framework, our proposed theoretical model diverges from the original in two important ways. First, we propose a third category of destructive controversy that we have labeled as Defensive, which derails problem solving through negativity or personalizing conflict. Desivilya and Eizen's (2005) model incorporates only two destructive conflict management styles, Dominating and Avoidance. However, results from the current study indicate that Defensive is different from a dominating response that is combative or an Avoidant response that chooses not to engage at all. Defensive is a self-protective act that is not

focused on resolving the conflict, but rather complains, finds someone to blame, or defames someone through gossip. Consistent with prior research, Defensive is often used by employees during conflict to deflect against embarrassment or judgements of incompetence and is destructive to the workplace (Rahim, 2002). While highly damaging, this approach to conflict management neither fully avoids nor fully engages the conflict directly. Therefore, we have added a new conflict category to capture the destructive conflict management style of Defensive.

The second difference is that this study updates the framework by providing two different constructive approaches to conflict management, *Engage the Mess* and *Suppress the Noise*. The original model labels the constructive-engaging behavior as "compromising" or "integrating," which focuses on outcomes that may not be mutually satisfying through a process of "give-and-take." The results of the current study indicate that there is an effective way to engage constructively in conflict that enables effective resolution through working respectfully toward the outcome. This was evidenced in the participant's stories when they described "taking the time to de-escalate the situation so we can fix what went wrong in a timely manner," "understand[ing] the challenges of each team to align goals that bring success to the plant," or "asking honest, valid questions about [X] and what it means for our organization without being confrontational." The spirit of *Engage the Mess* even enables two people who do not like each other to work together effectively despite their differences because they are focused on working toward a solution rather than fixing the person. This study demonstrated that to effectively *Engage the Mess* it is important to not only Take an Action Step in addressing the conflict, but it is equally important to Be Aware of Others in the process. Constructive controversy does not happen in a vacuum, and therefore steps taken need to be thoughtful and respectful of the other party.

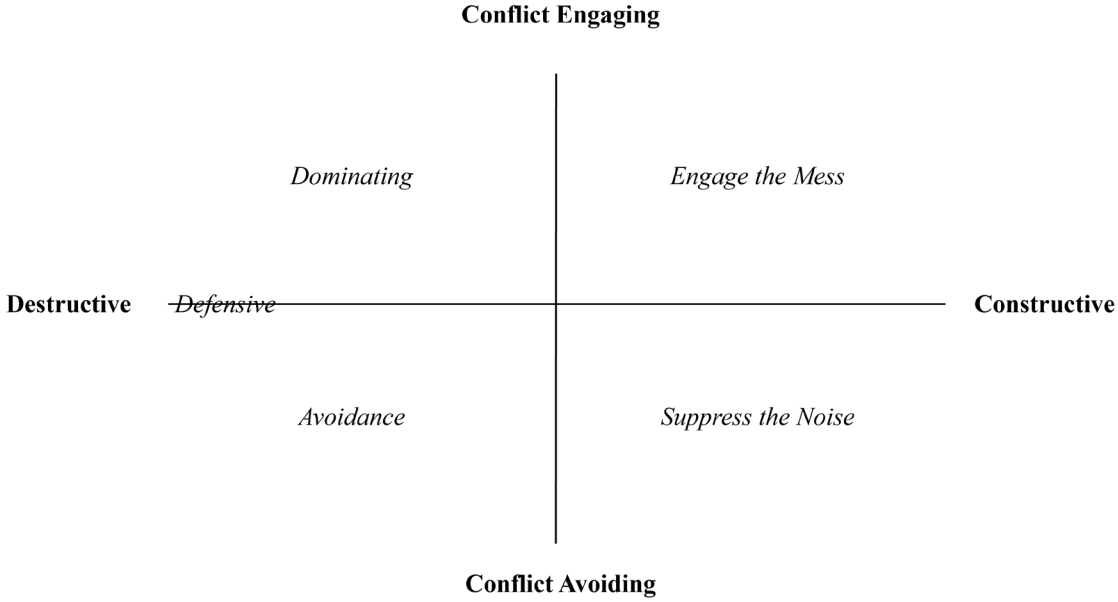
The other category revision is to the constructive-avoidant behavior labeled "obliging," which is based off Rahim's Organizational Conflict Inventory – II (ROCI-II). Rahim (1983) used "obliging" to describe a conflict management behavior that has a low concern for self and a high concern for others and is often expressed by going along with or conceding to someone else's preference or decision. In the current study, however, results indicated that avoiding conflict does not automatically diminish concern for self and amplify concern for others. Rather, we propose the constructive-avoidant conflict behavior is actually *Suppress the Noise,* which is an intentional avoidance of confounding information and actions that can derail or complicate situations, yet demonstrates concern for both parties involved.

Suppress the Noise is distinctly different from complacently avoiding conflict as this behavior is actively aware of participants' concerns and purposefully directs their attention to what is most important. It is seen by "set[ting] aside differences while working on the request together," "staying away from unnecessary distractions," "continuing to work hard, regardless of what is happening around them," and "extending grace to minor issues or frustrations." *Suppress the Noise* actively avoids the aspects of conflict that disrupt resolution and confuse a situation to intentionally focus on working toward problem resolution. For this reason, conflict avoiding was not evidenced as concession but a constructive choice to focus on what matters.

This new, separate category for constructive conflict avoidance (*Suppress the Noise*) may be the reason that at times previous studies have found avoidance behavior as constructive to team functioning. For example, when examining relational conflict, De Dreu and Van Vianen (2001) found that avoidant responses compared to contending or collaborating responses led to better team performance because it allowed participants to focus on task behavior. This constructive conflict management behavior seems to describe a willful act similar to *Suppress the Noise* rather than a resignation to engage or pure avoidance. Similarly, Davis et al. (2023) found that avoidance was positively related to concern for others during a conflict. Participants in their study who avoided

conflict also inhibited hostile emotional responses toward others, displaying respect for the other party. Perhaps, *Suppress the Noise* is the phenomenon these studies are actually referring to as a constructive means to avoid conflict in order to advance team goals and respect all parties involved.

Figure 2. Revision to Desivilya and Eizen's (2005) Conflict Management Framework



Together, *Engage the Mess* and *Suppress the Noise* create an actionable framework for employees to constructively address workplace conflict.

Practical Contribution

Conflict is a natural part of conducting business as controversies arise when teams work together to combine ideas, brainstorm, work toward goal attainment, and correct errors (Tjosvold, 1985). While conflict has the potential to catalyze teams to be more effective and benefit the organization (Tjosvold, 2008), many employees avoid conflict altogether because they struggle to know how and when to effectively navigate conflict and drive toward productive outcomes. Instead of determining at the outset of a conflict whose concerns are most valued (self or other), it is more important to focus on minimizing destructive approaches to conflict (i.e., Avoidance, Defensive, and Dominating) and enhancing constructive approaches to conflict (i.e., *Engage the Mess* and *Suppress the Noise*). The current study offers practical behaviors that employees can develop to improve their conflict management skills.

The results of this study emphasize that at the center of constructive controversy is demonstrating respectfulness toward others by not blaming or getting defensive, which is consistent with previous literature (LaGree et al., 2023; Tjosvold, 1985; Yungbluth & Johnson, 2010). In particular, results from this study indicated an even greater importance of implementing constructive conflict management techniques when *Engaging the Mess* with a supervisor. As formerly discussed, *Engage the Mess* shares characteristics with non-violent communication as both suggest that instead of getting stuck in the "anger-blame loop" to find a culprit of wrongdoing (Rohlfs, 2012), conflict management

should focus on communicating openly about what is needed and staying focused on the facts. A respectful disposition creates an environment where employees feel their perspective matters and they have "permission to have opposing opinions." In turn, people willingly explain their ideas, concerns, and reasons for their behavior, which transforms enemies looking for someone to blame into partners trying to solve problems. Demonstrating respectfulness is key to keeping lines of communication open so that a resolution to the conflict can be found. The outcomes of the current study combined with the theoretical contributions provide a practical application for the research to improve conflict management in the workplace.

To unlock the potential of effectively navigating workplace conflict, we recommend that employees participate in a practice-oriented training where they can evaluate their conflict management behaviors, learn the differences between destructive and constructive conflict resolution, and practice how to productively resolve difficulties when they arise. In the training, participants would be provided with vignettes of common conflict-inducing workplace scenarios and examine their own reactions and how they would respond. In this way, participants would start to cultivate self-awareness to identify when they would naturally lean toward destructive or constructive behaviors. The training facilitator would walk through a specific vignette, such as a product launch running behind schedule, to demonstrate destructive and constructive responses to the situation.

The facilitator would give examples of Dominating behavior (e.g., attacking a different department for their deficiencies, yelling profanities, or demanding everyone work significant overtime), Avoiding behavior (e.g., sitting back and not saying anything about the product delay or sugarcoating the facts), and Defensive behavior (e.g., constant worrying about the situation or trying to prove innocence for the delay). Participants would be reminded that both Dominating and Avoiding have been demonstrated to be damaging to conflict resolution as well as harmful to interpersonal relationships (e.g., Friedman et al., 2000; Tjosvold, 1985; Trudel & Reio, 2011), and Defensive can be equally detrimental. Employees should avoid trying to be right, defend, or find someone to blame for the mishap as it hinders s resolution and understand that a destructive approach spurs rumination, negative thinking, and typically pits employees against one another (Argyris, 1994). All of these responses inhibit resolution.

The facilitator would then walk through two constructive responses to prepare employees to practice responding productively. Definitions of *Engage the Mess* and *Suppress the Noise* should be provided as well as practical applications of how to implement each. While conflict is often uncomfortable to initiate, *Engaging the Mess* provides employees a means to respectfully bring up their concerns and take action steps toward productive resolution. While a large part of *Engage the Mess* is being courageous to voice concerns, it is equally important to be aware of others in the process. Productive controversy must begin by understanding others' concerns through curiosity and listening before bringing one's own concerns forward. Communicating clearly and finding common ground are also highly valued in constructively addressing conflict, which reinforces that articulation of needs must be balanced with coming to a mutual understanding. Teamwork and being open to influence are also aspects of addressing conflict healthfully. In the workplace vignette, employees could address the product delay by taking ownership, asking for help, inquiring of others on what happened, and collaborating to find creative solutions.

The other constructive response, *Suppress the Noise,* reminds employees to intentionally avoid unnecessary distractions and frustrations. While focusing on what is most important is a core element to this behavior, deliberately avoiding confusing information is a critical skill to develop. This may look like refusing to engage in negative self-talk that wastes time and promotes disengagement from actual problem solving or not gossiping about who is to blame. Once participants understand the

constructive approaches, it is important they have an opportunity to practice implementing them through role playing and applying them to personal, daily work scenarios.

Through practicing, employees will learn when to apply each behavior individually or in combination. *Engage the Mess* equips employees with the ability to courageously and respectfully address a dispute (e.g., when goals are misaligned, a misunderstanding takes place, or when there is a safety concern) while *Suppress the Noise* helps everyone stay focused on the core issues (e.g., by removing distractions or prioritizing what is most important). Furthermore, there are scenarios that are more effective when both behaviors are applied to address the conflict (e.g., when interpersonal differences arise). This is when employees will find that they need to actively participate through *Engage the Mess* while also staying razor focused on what matters through *Suppress the Noise.* Employees should practice identifying real workplace situations and applying the behaviors to create a habit of constructively responding to conflict.

Limitations and Future Research

Before addressing future research, there are two distinct limitations to the present research. First is the method to collect data through a convenience sample. While this approach is a common practice and there were specific participation requirements, it would be remiss to acknowledge there may be bias in the sample. To evaluate the potential biases, we could collect additional workplace stories and evaluate the alignment or divergence with the discovered themes. The good news for the current sample is that multiple demographics were represented, which helps mitigate natural bias. Second, we utilized an inductive approach to explore real workplace stories based on the definitions provided of *Engage the Mess* and *Suppress the Noise*. While this approach provided us with a rich opportunity to analyze stories and draw categories and themes from patterns found within the data to contribute new ideas and theories to the body of academic research, it provides an opportunity for further research to confirm these findings using deductive methods. The limitations also open up new avenues of research related to effective conflict management.

There are two additional insights from the data that inform future research related to how these two workplace behaviors address purpose and mutuality. First, participant stories evidenced a theme of meaningful work. In describing these behaviors, employees did not seem to be trying to fulfill an insecurity or stroke their ego, but rather to achieve a higher goal, vision, or purpose. This directional effort was referenced both for individuals as well as teams. It is worth exploring if this intentional focus could prevent conflict or be used to effectively manage conflict once it begins. The second theme was that participants who spoke of productive ways to manage conflict addressed a mutual respect for both self and others. Neither the task at hand nor people were diminished in how these workplace behaviors were described in the data, but instead focused on positive benefits for both the individual initiating and the individual receiving the behavior. Collectively, these insights indicate an opportunity to better understand the innerworkings of conflict and behaviors that could mitigate conflict or better manage the experience.

Conclusion

While interpersonal conflict is inevitable in the workplace (Deutsch, 2008) and can foster effective outcomes, it is often a source of discomfort and individuals lack the skills to effectively navigate the challenges. This study highlighted two workplace behaviors that can assist employees in overcoming these difficulties to navigate toward a healthy resolution. Initiating healthy conversations, or *Engaging the Mess*, may be one way to bring clarity and mutually beneficial outcomes as involved

parties can actively participate to address and resolve the issue. At other times, the workplace behavior of *Suppress the Noise* may be more appropriate to redirect or bring focus to a conversation rather than diverting into debates about tangential frustrations. Both of these workplace behaviors operate as approaches to effectively manage workplace conflict and provide a simple, actionable framework to address inherent workplace conflict either individually or in tandem.

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Negotiation and Conflict Management Research

The Sequence Effect and its Impact on Cooperation, Conflicts, and Conflict Management in IT Freelancer-Client Relationships

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Abstract

Since conflict is a ubiquitous phenomenon in inter- but also intra-organizational work, conflict management behavior (CMB) is a preconditioning factor for successful cooperations. Prior research shows that CMB can be individualistic or collectivistic in orientation and highlights the episodic nature of CMB. However, in focusing on analyzing specific conflicts and conflict dynamics in collaborative contexts, research paid less attention to how conflict and CMB are influenced by structural patterns and thus might overstate the role of individual agency compared to the role of the general structure of the cooperation. We address this issue by investigating the inter-organizational cooperation of IT-freelancers and their client organizations. Based on 18 semi-structured problem-centered and expert interviews with IT-freelancers, representatives of client organizations and agencies, we show that the CMB orientation depends on the institutionalized sequential stages of the cooperation. While individualistic CMBs dominate the pre-contract sequence, in which recruitment processes and negotiations take place, the parties switch to collectivistic CMB in the contract sequence, in which the actual cooperation is carried out. The post-contract sequence serves for reflections on the cooperation and thus influences the willingness to engage in future cooperations and, in turn, affects future pre-contract sequences. With a focus on the IT industry, the paper addresses research gaps related to the specific temporality and temporal structuring of contingent work. It introduces a sequence-oriented framework and analysis of conflict and conflict management in inter-organizational projects, complementing related episodic perspectives on conflict, and psychological contracts with a more chronological and structural perspective.

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Introduction

Conflict is a ubiquitous phenomenon in social interactions, including cooperation in organizational work settings (Coleman et al., 2010; Desivilya et al., 2010; Dimas & Lourenço, 2015, Kugler & Brodbeck, 2014; Standifer & Wall, 2010). As a broad construct, conflict has been studied by different disciplines in recent years with a focus on various forms of social interaction. In organizational research, the study of intragroup conflict received considerable attention (e.g., Caputo et al., 2019; Greer & Dannals, 2017; Rahim & Katz, 2019). According to Pondy (1989), conflict should not be understood as a temporary disruption of the otherwise cooperative relationships among organizational members, but as the normal state: "what needs to be explained is not the presence of conflict but the presence of cooperation" (Pondy, 1989, p. 97).

This highlights the relevance of conflict management behavior (CMB), i.e. the behavior of individuals in dealing with a given conflict (e.g., Ayoko, 2016; DeChurch et al., 2013; Speakman & Ryals, 2010). CMBs can be categorized into more collectivistic ones (e.g., openness, cooperation), which are oriented towards shared goals, or individualistic ones (e.g., avoiding, competing), which aim at achieving one's own goals (Greer & Dannals, 2017). However, the literature emphasizes disagreement about the adoption of CMB and, consequently, to date three different approaches have evolved: (1) the "one best way"-approach claims that while individuals have a preferred style to deal with conflict, cooperation is seen as the objectively most effective CMB (Sternberg & Soriano, 1984); (2) the "contingency approach", stating the CMB to be contingent on the specific situation (Thomas, 1992); (3) the "complexity approach" claiming conflicts to be dynamic and episodical and the CMB to be varying during or between these episodes (Medina et al., 2004; Nicotera, 1993).

Even if the complexity approach is the only one that emphasizes the episodic nature of conflict and CMB, scholars have paid less attention to how conflict and CMB might be influenced by structural patterns, especially by the basic sequentiality of interaction (Speakman & Ryals, 2010). We address this gap by developing a sequential contingency perspective on cooperation in work contexts, distinguishing between three sequences of interaction: the actual cooperation, its precedent initiation, and its subsequent evaluation. We argue that (a) each sequence has its own potential for conflict, (b) the nature and extent as well as the absence of conflict within sequences are strongly rooted in preceding sequences or the quality of the post-hire socialization, and (c) the CMB, and especially its individualistic or collectivistic character, depends on and changes with the respective sequence in which it takes place, what we call the sequence effect. In sum, we show that this sequential perspective can explain not only the presence of cooperation, but also – with reference to Pondy (1989) – the absence of conflict in cooperation. To elaborate on this, we formulate the following research question:

> ***RQ.*** *How do interaction sequences affect the nature and extent of conflict and CMB in work cooperations?*

We focus on inter-organizational projects in which freelancers cooperate with internal and permanent employees. Such arrangements are common in knowledge-intensive industries, such as IT. While studies in conflict research often focus on intra-organizational projects and workgroups (e.g., Anicich et al., 2016; Carton & Tewfik, 2016; Hardy & Phillips, 1998; Hinds & Bailey, 2003; Hinds & Mortensen, 2005), the dynamics in inter-organizational projects received little consideration. They are characterized by different dependency relationships in which the negotiation power can vary significantly during the cooperation phase (e.g., Jang et al., 2018; Simosi et al., 2021; Standifer & Wall,

2010) and thus help to draw lines between the sequences outlined above. The derivation of a sequential approach receives additional support by research on the importance and interdependence of experiences at different stages of the negotiation process in determining the nature of psychological contracts (e.g., Jang et al., 2018; Robinson & Morrison, 2000; Rousseau, 2001). Against this background and with reference to Pondy (1989), crucial conflicts threatening cooperation should be likely to occur, but – according to our data – surprisingly they are not. Based on empirical results we argue that a sequential perspective provides an essential explanation for this.

In sum, the paper makes three main contributions: (a) empirically, it enriches the literature on conflict and cooperation by investigating inter-organizational projects where freelancers work together with internal workers, (b) it links the nature and extent of conflict as well as the respective CMB to the sequence of the work cooperation; (c) it introduces a sequential contingency perspective on conflict and thus extends the complexity approach on CMB.

We substantiate our considerations with a literature review of the research on conflict types, conflict processes, and CMB. After pointing out the lack of considerations of the basic sequentiality of interactions in work relationships, we explain our case selection and then develop a sequential perspective on work relationships that will allow us to elaborate on conflicts in and the influence of the specific sequences. Our study is based on 18 interviews with IT freelancers, internals and relevant representatives of IT companies, as well as those of staffing agencies in IT. After presenting our methodology and empirical data, we discuss conflict in the pre-cooperation phase and their influence on conflict and conflict management in the later actual cooperation.

Conceptual Background

Conflict in Cooperation: from Conflict States to Conflict Management Behavior

Korsgaard et al. (2008, p. 1224) define conflict "as the experience between or among parties that their goals or interests are incompatible or in opposition". Regarding organizational contexts, the widespread assumption has been (or still is) that conflict is the exception, while cooperation is the norm. This is consistent with Pondy's (1967) seminal work on organizational conflict. In his reflections (Pondy, 1989), however, he switched the perspective by advocating conflict to be the normal state. Thus, cooperation is created and maintained not only in spite of, but also against, perennial conflict.

Subsequent research established conflict as an essential feature of work cooperation in organizational contexts and identified four different types of conflict. While *task conflict* refers to disagreements about the content of the task at hand (e.g., different viewpoints, ideas, understandings), *relationship conflict* typically arises when interpersonal incompatibilities exist (e.g., hostility, stress, nuisance) (Amason, 1996; Jehn, 1995; Pelled, 1996). *Process conflicts* arise from disagreements about the logistics of task performance (e.g., task and role allocation) (Hinds & Bailey, 2003; Jehn 1997), and *status conflicts* involve the social position and the perceived and recognized status of a person involved and may manifest in competitive negotiation tactics (Anicich et al., 2016; Bendersky & Hays, 2012).

Beyond that, Greer and Dannals (2017) distinguish between collectivistic and individualistic CMBs. Collectivistic CMBs, such as *openness* and *cooperation,* are characterized by a concern for team goals. In contrast to collectivism, they expose behaviors such as *avoiding* and *competing* among individualistic CMBs, where the focus is on achieving individual respectively personal goals. While there is agreement in the literature that outcomes are affected by how conflict episodes are handled (e.g., Amason, 1996), there is disagreement on the adoption of CMBs (Speakman & Ryals, 2010).

Related research applies either a "one best way" (Sternberg & Soriano, 1984), contingency (Munduate et al., 1999; Nicotera, 1993; Thomas, 1992) or complexity approach (Euwema et al., 2003).

From Approaches on Conflict Management Behavior to a Sequential Contingency Perspective

The one-best-way perspective (Sternberg & Soriano, 1984) has two key assumptions: (1) individuals have a preferred style for dealing with conflict and (2) cooperation is considered the most effective conflict management style. However, this approach has been criticized for its lack of consideration of situational aspects and it has inspired the development of the contingency approach (Thomas, 1992), which states that CMB depends less on individual preferences and more on situational conditions, and therefore may vary depending on the situation. Because both perspectives ignore the dynamic and multidimensional nature of conflict in a complex world, several authors call for a complexity perspective that goes beyond the artificially created boundaries of such two-dimensional models (e.g., Speakman & Ryals, 2010; van de Vliert et al., 1997), and suggest to disaggregate CMB: "The complexity perspective argues that any reaction to a conflict episode consists of multiple behavioral components rather than one single conflict management behavior" (Speakman & Ryals, 2010, p. 193).

Previous studies using the complexity approach have shown that a combination of collectivistic and individualistic CMBs contributes to the most effective outcomes (see García et al., 2017 for an overview). Other studies (e.g., Medina et al., 2004) prove that individuals change their interests and behavior during conflict episodes and adapt their CMB to the behavior of the conflict partner. However, even though the complexity approach emphasizes the episodic nature of conflict and CMB, it has so far failed to consider structural patterns, especially regarding the sequentiality of interaction. Therefore, Speakman and Ryals (2010) suggest that future research should extend the complexity approach to a sequential contingency perspective, based on the postulate "that conflict is a constant and inherent condition of the organization" (Speakman & Ryals, 2010, p. 196).

For the conceptualization of a sequential contingency perspective, we relate to research on the psychological contract. The concept refers to the "individual's belief regarding the terms and conditions of a reciprocal exchange agreement" (Rousseau, 1989, p. 123) between an employee and her or his organization (Conway & Briner, 2009, p. 83). While studies find psychological contracts to be decisive for the work relationship, especially when they are broken or violated (e.g., Morrison & Robinson 1997, Robinson & Morrison 2000), Rousseau (2001) points to basic sequential patterns in the formation and development of the psychological contract. In particular, she distinguishes between pre-employment beliefs on the one side and the post-hire socialization on the other (Rousseau, 2001).

Pre-employment beliefs result from the professional norms individuals possess with regard to their occupation and their work, from societal ideologies on what is the value of a specific job occupation and how it should be carried out (Bunderson, 2001; Rousseau, 2001). The recruitment process can also be understood as a source of pre-employment beliefs, since active exchange and negotiation of promises take place between employees and employers while no employment relationship is established (Rousseau, 2001). Post-hire socialization refers to the experiences in the actual cooperation. Herein, most of the psychological contract literature focuses on whether given promises are broken and/or violated (Rousseau, 2001) and highlights resulting disputes, conflict, or even fluctuation (Morrison & Robinson, 1997; Robinson & Morrison, 2000; Robinson & Rousseau, 1994). Rousseau (2001) emphasizes that in this phase promises are not only evaluated but also further developed and readjusted through exchange. Thus, within the actual cooperation the psychological contract is developed and evaluated simultaneously.

Recent studies investigate the connection between the pre-employment beliefs and the post-hire socialization by focusing on the negotiation process, which contains the actual bargaining process, its precedent planning, and the subsequent practical implementation of the bargained agreement (Jang et al., 2018; Simosi et al., 2021). Among other things, planning involves information gathering, the development of tactics and strategies based on personal aspirations and the establishment of aspirations. The bargaining process is about the general and specific application of the tactics and strategies that have been developed previously. Referring to Rousseau (2001), both relate to the pre-employment phase. The implementation phase, crucial for post-hire socialization (Rousseau, 2001), involves translating agreements into concrete actions, which can be challenging due to their inherent incompleteness (Jang et al., 2018). While agreements signify future actions, they are often vague, leaving room for different interpretations (Rousseau, 1990; Aldossari et al., 2023), leading to potential conflicts and re-negotiations (Jang et al., 2018; Simosi et al., 2021), or even a termination of the relationship.

Finally, related scholars (e.g., Rousseau, 2001; Simosi et al., 2021) also point to previous employment experiences as a source of individual beliefs, respectively as an issue in negotiation processes. While Rousseau (2001) relates them to the pre-employment beliefs, it may be more precise to understand them as post-employment evaluations in the first place that inform subsequent pre-employment beliefs and negotiation processes. This analytical distinction becomes more important for considering contingent work arrangements (e.g. Gallagher & Parks, 2001). Contrary to regular employment which tends to be open-ended, contingent contract work usually implies a (sometimes more, sometimes less fixed) termination date of the actual cooperation and thus contributes to the institutionalization of the post-employment phase with its evaluation of the previous cooperation.

As we refer to independent contract work, we elaborate on the extension of the complexity approach by building on the previous consideration of psychological contract research and thus, divide the cooperation into three sequences: the actual cooperation sequence, its preceding initiation sequence and a subsequent sequence in which the cooperation is evaluated and reflected upon by the participants. In line with the psychological contract research, we assume, that (a) each sequence has its own potential for conflict, (b) the nature, extent, and the absence of conflict within the sequences is strongly rooted in the preceding sequences, and (c) the CMB, and especially its individualistic or collectivistic character, depends on and changes with the respective sequence in which it takes place, what we call the *sequence effect*. In the next section, we translate this idea into a framework for the empirical investigation of independent contract work in IT.

Toward a Sequential Contingency Perspective on Cooperation with IT Freelancers

While independent contract work is often associated with the risk of legal, material and social precariousness, there are also qualified and highly qualified contract workers who are able to negotiate advantageous working conditions in areas with high demand (Spreitzer et al., 2017). The latter is to be observed within the field of IT experts: As the use of digital technologies increases in everyday life, in the workplace, and as part of the public infrastructure, so does the demand for workers to develop and implement these technologies. Due to their scarce high-end expertise, IT freelancers may have more control over the decisions about their working conditions, which also changes the power relations (e.g., Coleman et al., 2010; Lu et al., 2020; Standifer & Wall, 2010; White et al., 2007) vis-à-vis companies that compete for their expertise not only during contract negotiations (e.g., Brett & Thompson, 2016), but probably also during and after the (successful) completion of the project.

Being in such a powerful position might influence IT freelancers' CMB toward individualistic strategies. Euwema et al. (2003), for instance, found that a higher hierarchical status led to the dominance of procedures which give advantage to the individual in the better position. In contrast, the analyses by Süß and Kleiner (2010) show that IT freelancers place particular value on a social and cooperative working atmosphere. The adoption of independent contracting or freelance work is associated with different structural conditions and motivations, which in turn affect organizational and individual outcomes (e.g., Wu et al., 2018). Related studies have therefore examined not only whether the deployment of freelancers achieves the economic benefits expected by the companies (e.g., Barlage et al., 2019; Flinchbaugh et al., 2020; Pinto et al., 2009), but also the psychological effects on the individuals involved.

While the study of differences in psychological outcomes such as job satisfaction (e.g., Davis-Blake et al., 2003) and organizational commitment (e.g., Süß & Kleiner, 2010) dominates the research on IT workers, conflict states and processes (e.g., CMB) have received little attention. Research on conflict and CMB has mainly focused on intra-organizational cooperation, e.g., project teams composed of internal employees, while inter-organizational investigations, especially in the sense of freelancers cooperating with internals of the hiring company, are rare. However, the investigation of cooperation with freelancers referring to conflict and CMB from a sequential perspective has further advantages: (a) compared to cooperation among permanent employees, pre- and post-cooperation sequences are simply more common and much easier to distinguish in cooperation with freelancers than in cooperation with internal employees; (b) the shortage of qualified IT workers provides freelancers with better working conditions in terms of renumeration, flexibility and autonomy than internal employees, while the work content often does not differ; (c) this also provides IT freelancers with a great deal of authority to enforce their own will and goals, which is why they might be expected to show a more individualistic CMB in cooperation.

Thus, the deployment of IT freelancers is accompanied by faultlines, such as the inequality in working conditions, which may provide a breeding ground for conflictual relations between internals and freelancers (e.g., Adair et al., 2017). Furthermore, it is strongly structured in sequences that we differentiate in terms of the contractual relationship of the IT freelancers to the hiring company as follows: (1) the pre-contract sequence, in which recruitment processes and negotiations take place, (2) the contract sequence, which is about the actual cooperation between freelancers and internals, and (3) the post-contract sequence, in which evaluation processes are made. In addition, we take into account that individuals can change their interests and behavior even during a conflict episode or sequence and adapt their CMB to the behavior of the conflict partner, as has been suggested by the complexity approach in CMB (Speakman & Ryals, 2010). Thus, we also relate the sequential structure and the management of conflict in different stages to the actors and relationships involved.

Data and Methods

Our analysis is based on two qualitative studies on highly qualified freelance workers in the IT, medicine and film industry in Germany. In both studies, we conducted pilot-tested semi-structured problem-centered interviews (Witzel & Reiter, 2012) with external workers, such as freelancers and temporary employment workers, and expert interviews (Meuser & Nagel, 2009) with representatives of the strategic level of hiring companies as well as with intermediaries, such as trade unions, professional associations, staffing agencies, and cooperatives. For enabling an informed consent to the participation in the studies, upon first contact (usually via email), the participants were informed about the aim of the study and research goals and about the data protection provisions. All interviews were held only once and between the interviewee and up to two of the authors of this study via phone,

or on site; any interviewee refused to participate or dropped out. The first study (Study 1)[1] conducted in 2015 focused in particular on formal and informal differences between externals and internals, such as of contract status, conditions, arrangements, duration of engagements, but also on the sources of recruitment of externals and the role of intermediary actors in this regard. The second study (Study 2)[2] conducted between 2019 and 2020 aimed to deepen these findings by focusing on the interaction between externals and internals in terms of their differences. We asked the interviewees about certain types and patterns of conflict between externals and internals and their management, but also about cooperation and knowledge transfer processes that may exist even despite all the differences. However, questions also focused on recruitment processes and negotiations and thus on the pre-contract-sequence as well as on processes like evaluations that take place after a cooperation. With respect to our research questions, both studies together provide well informed insights into conflict and CMB, especially with respect to a sequential perspective that considers not only the contract sequence where the actual cooperation between externals and internals takes place, but also the pre- and post-contract-sequences as breeding ground for conflict in the actual cooperation.

In this paper, we focus on those 18 interviews from both studies that are related to the IT-Sector (see Table 1) which resulted from purposeful sampling (e.g., Patton, 2015) until the primary criterion of data saturation was reached (Lincoln & Guba, 1985). Specifically, 7 interviews with IT freelancers, 5 with company representatives of the strategic level as well as 6 with temporary employment and staffing agencies were analyzed for this article. The selected interviews lasted between 38 and 130 minutes with an average of 62 minutes and were audio-recorded and fully transcribed with the permission of the interviewees.

The analysis is based on the qualitative content analysis according to Mayring (2014) using MAXQDA software. The category system was developed and applied by the two lead-authors both deductively and inductively. For consensual validation, the category system was regularly discussed and aligned, first on a bilateral level between the lead authors and second in further consultation with the whole project team. We have furthermore discussed our findings externally (e.g., on workshops and scientific conferences, such as the ILPC 2024 in Goettingen) to ensure the trustworthiness of our data (e.g., Lincoln & Guba, 1985).

First, we subdivided our sample into three different levels: the employee/freelancer level refers to the interviews with permanent employees and freelancers (see Table 1: interviewees #01-#09). The two permanently employed interviewees (see Table 1: #08, #09) started as permanent employees who used to work as regular members of project teams in their firm. Despite them acquiring leading positions as project managers, they are sometimes still active as team members in project teams needed. The organizational or strategic level refers to interviewees who are responsible for the strategic development of the organization, also with respect to the engagement of freelancers. Specifically, this level involves an interview with a head of human resources and disposition, a strategic

[1] The first study was conducted by Maximiliane Wilkesmann, Caroline Ruiner and Birgit Apitzsch. All of them are sociologists by training and hold a PhD. At the time of the study, Maximiliane Wilkesmann worked as junior professor and Caroline Ruiner as a research assistant at TU Dortmund University and Birgit Apitzsch worked as a research assistant at the University of Duisburg-Essen.

[2] The second study was conducted by Maximiliane Wilkesmann, Caroline Ruiner, Birgit Apitzsch, Lena Schulz and Ronny Ehlen. All are sociologists by training. At the time of the study, Maximiliane Wilkesmann worked as interim professor at the TU Dortmund University, Caroline Ruiner as full professor at the University of Hohenheim and Birgit Apitzsch as senior researcher at the SOFI Goettingen. Lena Schulz worked as research assistant at the SOFI Goettingen and Ronny Ehlen as research assistant at the University of Hohenheim. Both hold a M.A. in sociology.

Table 1
Overview of Interviewees

#	Interviewee Label	Study No.
01	Freelancer 1	Study 1
02	Freelancer 2	Study 1
03	Freelancer 3	Study 1
04	Freelancer 4	Study 2
05	Freelancer 5	Study 2
06	Freelancer 6	Study 2
07	Freelancer 7	Study 2
08	Permanently Employed Project Leader 1	Study 2
09	Permanently Employed Project Leader 2	Study 2
10	Permanently Employed Project Architect and Leader	Study 2
11	Strategic Purchasing Officer	Study 2
12	Head of Human Resources and Disposition	Study 2
13	Agency Representative 1	Study 1
14	Agency Representative 2	Study 1
15	Agency Representative 3	Study 1
16	Agency Representative 4	Study 2
17	Agency Representative 5	Study 2
18	Agency Representative 6	Study 2

purchasing officer and a permanently employed full-time project architect and leader (see Table 1: #10-#12). Finally, the intermediary level involves interviews with six agency representatives that mediate between freelancers and IT companies (see Table 1: #13-#18). Within these levels and according to our theoretical framework, our category system is divided into the three sequences (pre-contract, contract, post-contract). For each sequence, we drew on the established conflict literature, deductively derived corresponding codes on the different conflict types (in concrete *task conflict, relationship conflict, process conflict, status conflict* and *conflict management*), and relate them to the conflicts in our data. According to our theoretical focus, we furthermore coded the CMB in each sequence. However, due to the wide range of different behavior in our data, we coded CMB inductively. Across all sequences and levels, we detected ten different types of CMB, which we coded as follows: *avoidance, empathy, role consciousness, transparency, abandonment/work according to regulations, escalation, exit, networking, moderation, and organization*. In some cases, two of the aforementioned CMBs were also combined, which is why we double coded them also as *hybrids* (what, however, turns out to be not a decisive fact for our analysis). A table presenting the entire category system as well as the frequency with which the respective codes were assigned by sequence and level can be found here: https://dataverse.harvard.edu/dataset.xhtml?persistentId=doi:10.7910/DVN/KJVIRP.

In the following section, we present our findings in light of our research question. After presenting contextual information from our interviews, the presentation is structured according to the consecutive sequences in our framework.

Findings

Initial Situation of the Deployment of Freelancers in IT

There are two main reasons for using freelancers: First, digital technologies have become so prevalent in recent years that firms can no longer handle them all with their own staff and must instead hire specifically qualified freelancers. Second, the German IT sector is facing a massive shortage of qualified workers. IT companies may therefore not have enough staff, so hiring freelancers is a quick solution to shortages. This situation provides a comfortable position for IT freelancers, who generally enjoy better working conditions than the internals, especially in terms of renumeration, flexibility and autonomy. At the same time, freelancers in the IT sector are exposed to the market risk of a lack of demand, but in practice, this risk is minimized by the structural lack of qualified labor. The following quote from an interview with a project manager, who is also works council member, illustrates these points:

> Well, I've seen colleagues who switched from internal to external employment. … So they quit … and then switched to the same job … as a freelancer, doubling their remuneration. … They also benefited from having a more flexible work arrangement. … And as a freelancer you are not subject to all the working hours regulations. … As a project manager, you're happy to accept that because project stress is always there … Of course, they have to live with the risk that if there is overcapacity, they will be the first to lose orders. But that happens very rarely. (Permanently Employed Project Leader 1)

However, the use of freelancers is also characterized by the role of intermediary actors, such as staffing and temporary employment agencies (Apitzsch et al., 2022; Ruiner et al., 2020). Hiring a freelancer through or from an intermediary actor is a way to avoid the risk of bogus self-employment, i.e. the suspicion that the freelancer is in fact to be considered as a dependent employee rather than a legally independent contractor. This is crucial for hiring companies (and freelancers), since in this case hiring companies have the obligations of regular employers including additional payments for the respective workforce's social insurance. The judgement of bogus self-employment is often based on circumstantial evidence, whereby the involvement of an intermediary is considered a strong counter-indication in this respect (Apitzsch et al., 2022; Ruiner et al., 2020). Furthermore, agencies claim to offer a better matching of supply and demand than both sides could do on their own and thus to reduce transaction costs, e.g., in terms of searching and pre-filtering, initiating contact and negotiation processes.

In sum, the initial situation in IT is favorable for freelancers: they are confronted with an almost riskless market situation, enjoy better working conditions than their permanently employed colleagues and have greater opportunities to assert their will and to negotiate favourable working conditions. While one might expect that this initial situation would lead to the outbreak of conflict, our interviewees suggest the opposite. However, we will show that a sequential view of cooperation provides reasons for this.

Pre-contract Sequence

IT companies cooperate with freelancers due to a quantitative or qualitative need. Search and recruitment processes have to be initiated and negotiations have to be conducted in terms of planning

and bargaining (Jang et al, 2018). This takes place in the *pre-contract sequence*. Since mismatches, misunderstandings and divergent interpretations provide a crucial breeding ground for conflict, finding a good fit between the capabilities, demands, and expectations of the freelancers with those of the hiring company is decisive. Our empirical data shows that a good fit has at least four dimensions.

The first one is the *technical fit*. There are two sides to technical skills, as the tools used must also meet the freelancer's preferences in this regard, as the following quote from a project manager illustrates:

> There were even colleagues here at [Company 1] who said that the tools we use to develop software, 'those don't suit to me in this area. I don't like them, I go to the other [company].' (Permanently Employed Project Leader 2)

It may not only be due to the market situation even the personal preference to work with a specific tool becomes a decision criterion. It may also be strategic for freelancers to carefully choose the tools they work with, especially when it comes to mediation by intermediaries and agencies. While the matching of the freelancers' and the IT companies' demands is often described as being at the core of what agencies do, especially freelancers describe this as source of mismatch, e.g. when the agents are unfamiliar with the technologies in question. Therefore, a good fit of skill supply and demand depends more on the self-assessment and honesty of the freelancer when being asked by the agent than on the intermediary actor involved. In turn, when the intermediary actor is not familiar with the competencies required by the IT companies, the use of agencies can lead to a series of mismatches that will become a conflict in the later contract phase, even if there still is a personal talk between the freelancer and the hiring company.

The second dimension is the *social fit*. Both sides describe this dimension as more important the longer the project duration is. However, ensuring a social fit seems to be the main reason, why IT companies usually try to fall back on freelancers they already know from previous projects. In fact, intermediaries even urge the hiring companies to put less emphasis on the social factor due to the shortage of qualified workers in the labor market:

> The shortage of qualified workers has also changed external staffing, so that today we say: Dear client, now please don't focus so much on the nose factor, you don't have to marry him. So please ask about the technical aspects, and these classic HR questions, such as: 'What motivates you to work here with us?', leave out this question. (Agency Representative 6)

Thus, the statements in our sample indicate that conflict arising from social mismatches are more likely to occur in the cooperation sequence. This seems to be particularly the case, when intermediary actors are involved in the recruitment process, which is usually the case.

Third, the *contractual conditions* must fit. This refers foremost to monetary aspects, such as the price per hour, but also payment terms, which can become an issue of conflict in later sequences of the cooperation. Herein, our interviews relate to existing literature (e.g., Ruiner et al., 2020) that agencies can be helpful in this respect, since they level and intermediate between the expectations of freelancers on the one side, and those of the hiring IT companies on the other. The following quote gives an example of this:

> [W]e had a customer who was willing to pay 20 Euros less than adequate to the market, it was in my opinion not possible to find people at that point. We looked over it briefly and then said:

> We are out. … Then that's the company's decision, whether they want it or not. (Agency Representative 3)

There are even cases in which agencies reduce their own share to establish a contractual relation.

The fourth and last dimension can be labeled as the *fit of individual/personal expectations*. Since freelancers are solo self-employed workers, they cannot be contractually obliged to work within the hiring companies' offices or to specific working times, as well as they are not obliged to follow instructions. For IT freelancers, it is also a decisive part of their self-perception, to freely choose where and when to work. Herein, our interviews support the psychological contract research of Rousseau (2001) and Bunderson (2001) on professional norms as sources of individual pre-employment beliefs. Anyway, there might be certain critical stages in the progression of the project, but also basic informal demands from hiring companies that violate those aspects, such as the will of a company to specify a certain share between remote and office working time. The following quote on an enquiry of an IT company points to this fact:

> The agent's contact person in the IT company establishes contact with his project manager, who gives me the customer requirement: "I need someone who knows Oracle version eleven as a developer, ideally with a banking background. He has to start in October for twelve months. I have a budget of 100 Euros. We expect him to be on site four days a week. One day he can work remotely." So the classic, I call them, general parameters we discuss so that I have as good a picture as possible of what is being looked for. (Agency Representative 5)

Obviously, the inquiry is problematic in the light of bogus self-employment in particular due to the requested working time-shares. Nevertheless, as the quote already indicates, this level of specificity is commonplace for an enquiry, as also other interview partners reported to us. Thus, mismatches regarding those individual expectations might lead to serious conflict in the later cooperation in terms of broken psychological contracts as well as in terms of issues regarding bogus self-employment.

Taking into account these four dimensions, it becomes clear how presuppositional it is to find a good fit. Here, the presence of intermediaries plays an ambiguous role – while they may contribute to a better fit especially in contractual aspects, their involvement is a potential source of mismatch in social and technical aspects. Thus, it is important to point out how freelancers and IT companies behave when they perceive mismatches in this early sequence of interaction. In fact, the usual behavior in this respect is an avoiding one, i.e. no contractual agreement is established. The following quote may serve as an example of how freelancers draw red lines regarding their individual expectations, even if it means not getting a project:

> I say straight out what I expect. And if they don't meet it, then I just say, no, then it doesn't fit. So my standard is to start at six o'clock, because I don't have the projects on my doorstep. I have to drive and I accept an hour. But then I also have to be able to decide when I drive. … And if then – it has already happened to me that I didn't get two or three projects because they really said, no, we want the people to start at eight o'clock – then I say no. (Freelancer 5)

While it would be intuitive to assume that this strict behavior is also due to the privileged market situation of freelancers, also in the other dimensions of fit our interviews point to that individualistic behavior in the pre-contract sequence. Therefore, the room for bargaining seems to be limited in

terms of prices as well as in social or technical aspects. This also holds for the other party of the cooperation, the IT companies. Only in special circumstances, some of them report to offer training to freelancers, if the technical fit is not given, or to support freelancers with finding on-site accommodations. Yet such cases are rather exceptions than the rule. Overall, the interviews suggest that the expectations of both sides regarding the arrangement along the four dimensions of fit form fairly clear red lines.

Contract Sequence

When both sides, the freelancer as well as the hiring company, agree, the interaction moves forward from the pre-contract-sequence to the contract sequence. Herein, the actual working cooperation takes place. Interestingly, we recognize a change in the statements in our data, when we were talking with the interviewees not about conflict in recruitment and negotiation processes anymore, but about those in cooperation processes. Compared with the rather individualistic behavior in the pre-contract-sequence, herein both sides show an overall greater will to compromise and emphasize the need to do so. The following quote from a project manager gives a good example of this:

> Every now and then [in the team] I have an expert dispute. And usually, everyone is trained to keep things objective, to let everyone have their say. … But at some point, a decision has to be made. Either the participants do it themselves. In many cases, and this is what we do when things don't work out on their own … we have the decision drafted. And then you bring in the opponents, who of course argue objectively, variant A against B. One is the father, the other is the mother of a solution. Everyone loves their baby, of course. And then you have to make a decision as objectively as possible, so that the arguments are weighed against each other. You always look at the cost, the benefit to the customer, and so on. And then you arrive at objective decision criteria, where you say that this is the right solution. And then you communicate that this is not about people. You just go different ways and the person … is not the winner. We shouldn't really be working with winners and losers at this point. Instead, we are all struggling to find the best solution. (Permanently Employed Project Architect and Leader)

In line with this, the outbreak of unmanageable conflicts in contract sequences is the very exception – all of our interviewees describe the actual cooperation of IT freelancers and their hiring company as being mainly harmonious. However, as the quotes above show, this is also due to the CMB in the contract sequence. As outlined above, both sides are generally reported to act empathetically and strive to understand the needs and necessities of the other party. In this respect, transparency on both sides is crucial. For example, even if the freelancers' specialized knowledge is a critical asset, they are willing not only to contribute it to a specific project, but also to teach it to the internals if necessary. Our interviewees indicate that this is rooted in their self-image as freelancers, but also part of a code of conduct common in IT. When there is withholding of knowledge, it also can be understood as kind of empathy. The interviewed freelancers do this in cases where they feel that providing additional information might simply overburden the internals or otherwise hinder the achievement of the overall project goal. The following response to the question about withholding own knowledge underlines these points:

> Not at all, maybe if I think I'm overdoing it because they don't want to hear it or they're really scared. But not as a rule. … In the past, people thought that a software company had to sell its

> products and know-how and always keep them secret. And that changed about 30 years ago and there is much more open source. So, you publish your algorithms and so on. Because what is somebody else is going to copy and sell? The know-how, the ability to use it or develop it further, is the essential part of it, and that's why you can publish your software openly. … [Also] many companies publish their software and hope for orders, because the customers know: OK, they not only have the software, they also have the knowledge about how to use it optimally or how to develop it. (Freelancer 6)

The IT companies not only confirm this behavior, but also willingly provide freelancers with the same information as their permanent employees.

Against the background of the freelancers' employment status and the generally better working conditions, a context-dependent creation and dissolution of boundaries between internals and freelancers seems to be another decisive element of CMB. In order to promote the everyday cooperation between freelancers and internals, given boundaries to the freelancer's employment status or working conditions tend to be made invisible – instead, commonalities such as a passion for technology are emphasized. Conversely, when conflicts erupt in the cooperation between internals and freelancers, boundaries are (re-)established by project managers in particular in order to justify the need for and deployment of freelancers by pointing to the lack of knowledge and the workload that would exist without them, as the following quote illustrates:

> Most of the time, it helps, when someone complains about an external, [to say]: 'OK, listen. You've convinced me, I'll kick him out. But the project tasks don't change. Can you guys absorb that?' [Then they say:] 'OK, we want to keep him.' (laughs). (Permanently Employed Project Leader 1)

Remaining conflicts in the contractual sequence are largely managed through by escalation. Thus, if conflicts cannot be resolved among the project members or by the respective project managers themselves, the conflict is escalated by successively involving actors from higher hierarchical levels. Each level represents a new possibility to mediate between the conflicting parties and to find an adequate conflict resolution. Thus, usually several attempts are made by different actors on different levels to manage the remaining conflicts. Consequently, it only rarely comes to a total exit of the freelancer. Possible stages of conflict escalation can be best shown with an example of conflict that could not be solved and ended with the freelancer's exit. The following quote gives an overview of the exemplary development of a conflict and how the respective actors and stages get involved. Moreover, the quote points to the simultaneous existence of *task*, *relationship*, *process*, and *status conflicts* and particularly to the interrelatedness of these types. The quote is a response of a freelancer to our question about the causes of conflict in cooperation:

> [Most conflicts are based] completely in the human realm, of course. … You have to think of it like this: an IT manager is asked by his management: 'We want to implement this project.' Well, the IT manager knows, it can't be done with our internal people. We have neither the know-how nor the manpower. So, he is forced to hire external personnel. From a personal point of view, however, he has a fundamental reluctance to work with external personnel, because he might think: 'Oh damn, he earns three times as much as I do, and now I have to work with him.' … So, there are already various prejudices and that, of course, is not so nice. … As a rule, I take a moment to look at this and of course try to refute it, and then I always say things like: 'You can assume that I will use all my know-how here in the interests of your company. And that I will try

> to satisfy you with a high level of quality. And if that should fail because of a personal attitude here, then you should tell me that straight out, and then we would have to just end the cooperation.' So, I always deal with this quite proactively. And sometimes that works, and sometimes it doesn't. … Of course, I will then go to the IT leader, to the person in charge. …. And I tell him exactly the same thing. And if he wants to have a consultation or something like that, I tell the respective person straight out. … The agency then also tries to interfere. So, I go to the agency first and foremost. And I say, 'Look, there is a problem in the project. It is set up in such a way, and I will now react in such a way.' And then they usually ask: 'Listen, give me a day, I'll try to contact the customer myself because they don't want to lose their order.' And they don't want to lose their reputation according to the motto: 'What kind of consultant have you sent me here? We can't get along with him at all.' And they want to try to save it somehow. And then they approach the people, the client, with a lot of empathy and try to manage it somehow. Of course, they also approach me again and try to convince me once more. And, yes, I then decide afterwards simply from my gut and don't let myself be forced into something where I feel uncomfortable. (Freelancer 6)

As outlined above, the quote points to several aspects: (a) It gives an example of how task and process conflicts can be based on underlying status and relationship conflicts, which in turn are difficult to distinguish from each other in practice. (b) It testifies to the initially more collectivist response behavior already mentioned, which is evident in the contract sequence in all of our interviews. (c) It shows different ways of resolving a conflict are combined. These range from horizontal, such as arguing with the respective person at the same level, to vertical, escalating the conflict hierarchically. This also marks the turning point in this example, where the CMB turns into a rather individualistic behavior. (d) The quote also points to the role of intermediaries. These usually get involved in this sequence as an instance that tries to promote collectivistic CMB attempts. (e) The last sentence of the quote highlights that the final decision to continue a cooperation in the contractual sequence is by no means one that follows clear red lines, as it is largely the case in the pre-contract-sequence – instead it is described as a gut decision.

Cases that end in the termination of the cooperation are usually due to mismatches in the previous phases of search and recruitment that cannot be resolved afterwards. In most cases, the cooperation is maintained even in the case of unresolved problems. A crucial criterion in this respect is the remaining duration of an ongoing project – the longer it is, the less likely it is that the cooperation will be maintained.

In this light, the uncompromising behavior in the pre-contract sequence may be seen less as a problem and more as functional. It serves as a filter that allows only those cooperations in which disagreements between freelancers and internals are kept to a generally manageable level. Accordingly, the dominant CMB switches between the sequences from a more individualistic to a more collectivistic one. Thus, the dominant CMB strongly depends on the particular sequence of interaction.

Post-contract Sequence

Once the actual cooperation is over, the interaction shifts to the post-contract sequence. Here, mismatches regarding the contractual conditions in the pre-contract sequence, such as payment conditions, can be particularly problematic for the freelancers. However, as the following quote from a freelancer illustrates, this also depends on the respective industry:

> Payment terms are sometimes a problem .... I actually have to pre-finance 2 months of travel expenses always until I get the first fee via the intermediary. If I'm not there through the intermediary, the payment target is often shorter. ... In some cases, I have already received the fee after one week. ... Some intermediaries then offer a discount arrangement. ... Instead of 30 days, 10 days, then costs 2% or 3% gross. In practice, a relatively high interest rate, so as long as I have financial reserves, this is rarely used. ... So for IT for financial services 30 days is quite good, but in other industries [there are] even payment terms of three months. And it's difficult when I have to pre-finance for 4 months. And then, as has happened before, company x goes bankrupt and you have to chase a number of monthly fees, so some have come very close to personal bankruptcy. (Freelancer 1)

In the case of long payment periods, the involvement of intermediaries can mitigate their impact on the financial situation of freelancers. In fact, the financial situation of the freelancer in relation to the payment conditions (and especially the payment terms) can determine whether a further contract with the same client is financially affordable for a freelancer. It thus influences the constellation of actors involved (if there is a need for an intermediary or not) or even the likelihood of further contracts between the respective freelancers and IT companies in general.

In addition to payment issues, evaluation processes are carried out in the post-contract sequence with regard to the previous cooperation. Experienced conflicts and perceived CMBs are sensitive to evaluation processes. In fact, these evaluation processes can be roughly divided into cognitive and institutional ones. Cognitive evaluations are those in which the persons who were actively involved in the cooperation reflect on its pros and cons in order to decide whether they are willing to cooperate with the respective persons or organizations in the future. However, the possibility of further cooperation always depends on the existence of alternatives as the following quote shows. The freelancer was asked whether it would influence his decision about future cooperation with an IT company if it did not pay attention to his advice:

> I would say yes. But then it always depends on the situation. If you have three other projects available, then you say, no you're not going to do that again. If you don't have one available, you say OK, that's the way it is. It depends on the situation. (Freelancer 5)

Institutionalized evaluation processes are particularly present when intermediary actors are involved. As a standard procedure, many of them give the freelancers as well as the hiring company the opportunity to evaluate their cooperation as well as that with the intermediary actor. This can be formalized or even personal.

The answers may influence future search and recruitment processes. In the future, if possible, intermediaries will only recommend freelancers to client companies that do not have the same criteria that led to conflicts in the past. However, the networks and social relationships established in the contract sequence, which are maintained or even deepened in the post-contract sequence, seem to be even more decisive for future matching processes. Since the freelancers already have the contact to the responsible persons in the IT companies, they can get in touch with them directly. Thus, networking is a source of future independence for freelancers from gatekeeping intermediaries. In fact, freelancers hired through intermediaries usually have contractual clauses that undermine such direct agreements exclusively between the hiring company and the freelancer for a certain period. As a result, it is more common for freelancers to recommend other members of their personal network to the hiring company. When asked if they network to avoid intermediaries, one freelancer said:

> Definitely, because it helps both the client, you work for and the external freelancer, because you don't have the one in between, who brings nothing (laughs).... But you prefer to go through such well-known contacts ... because you have more knowledge. So the person who's recommending you can assess [you] and say: 'Yes, he's good, he fits, he's a team player' and so on. (Freelancer 6)

In fact, recommendations become an asset for the respective actor regarding the appropriate issues in the pre-contract sequence again, so as the cognitive and institutionalized evaluations of the cooperation as well as the financial situation of freelancers in relation to the payment conditions affect the likelihood of future cooperations between the same actors.

Discussion

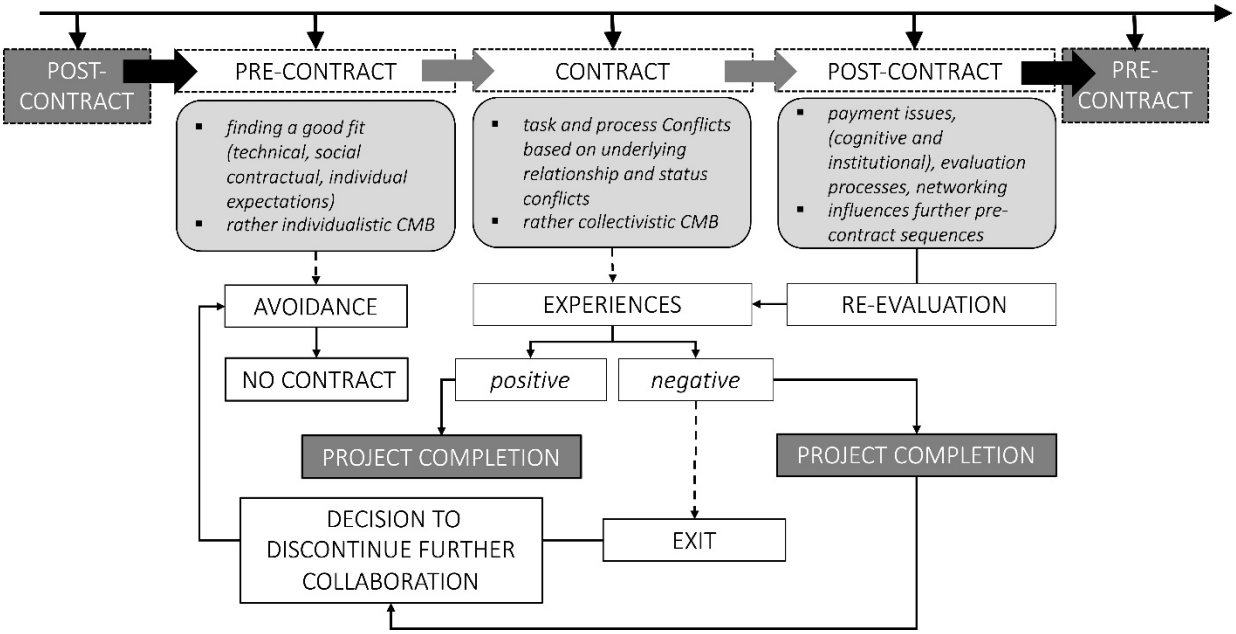
A Sequential Approach on and the Sequence Effect in Cooperations with IT Freelancers

To understand conflict as a normal state of interaction, Pondy (1989) raises serious questions about how to explain the presence of cooperation in work contexts, such as IT companies' cooperation with freelancers. Research has highlighted the role of CMB in mitigating the effects of conflict (DeChurch et al., 2013; Dimas & Lourenço, 2015; Speakman & Ryals, 2010). The CMB can be more individualistic or collectivistic (Greer & Dannals, 2017). Contrary to previous approaches that claim that the CMB is entirely based on individual preferences (Sternberg & Soriano, 1984) or depends on the respective situation (Thomas, 1992), the complexity approach introduces the idea that conflicts usually have several episodes during which the actors can change their CMB-style according to the behavior of the conflict partner (Speakman & Ryals, 2010).

However, the CMB also changes according to the overall structure and respective sequence of a cooperation. We call this the "sequence effect". With reference to the literature on the formation and development of psychological contracts (Bunderson, 2001; Gallagher & Parks, 2001; Rousseau, 2001) and on the negotiation process (Jang et al., 2018; Simosi et al., 2021), we differentiated the cooperation of freelancers with IT companies into three sequences (see Figure 1).

First, there is the pre-contract sequence in which recruitment processes and negotiations take place. In this sequence, both parties try to find a good fit in terms of technical and social aspects, contractual terms, and individual expectations of the cooperation. The individual expectations are in particular based on pre-employment beliefs, such as the duties and rights of a specific occupation that are anchored in professional norms and societal ideologies (Bunderson, 2001; Rousseau, 2001). While Rousseau (2001) and Bunderson (2001) point to physicians, our interviews especially highlight the professional norms of IT freelancers. In the interviews, their professional norms become visible not only in the willingness to share information with internal IT workers, but also in clear expectations on the organization of their work: They expect to freely choose where and when they work, showing an unwillingness to negotiate on these terms. These norms become fixed components of their psychological contracts, established before negotiations begin. This challenges the idea that the psychological contract forms solely through bargaining (e.g., Jang et al., 2018), as some elements are pre-existing. Both freelancers and hiring companies set boundaries and react if these are not met, highlighting individualistic CMB. In tight labor markets, understanding workers' psychological contracts is crucial for HR managers to attract experts.

Figure 1
Towards a sequential approach to the analysis of CMB.



Second, there is a contract sequence. This is the sequence in which the actual cooperation takes place. It is characterized by the presence of tasks and process conflicts, which in our cases were based on underlying relationship and status conflicts. This is partly in line with De Wit et al. (2012) who have already found that task conflicts are highly dependent on the presence of relationship conflicts. It also suggests that conflicts are indeed causally related (Korsgaard et al., 2008) and that one type of conflict (e.g., relationship conflict) that is not, or not adequately treated can cause further conflicts of a different conflict type (Carton & Tewfik, 2016). In contrast to the pre-contract sequence, however, we found that the conflict parties exhibited a more collectivistic CMB. Specifically, both stressed the need to act empathetically and to try to understand the needs and necessities of the other party. They show a great willingness to be transparent with each other, to share knowledge and to find compromises, if necessary also by escalating a conflict. Thus, while Jang et al. (2018) referred to the escalation of conflicts to higher hierarchical levels as an expression of a problem, an intentional escalation can also be a measure of pro-active CMB. However, choosing the individualistic CMB of contract termination is a legitimate option for the parties only when a wide range of collectivistic attempts to deal with the conflict have failed. While this seems to contradict large parts of the psychological contract literature that point to a regularly fair amount of perceived broken contracts (Robinson & Rousseau 1994, Morrison & Robinson 1997, Robinson & Morrison 2000), we argue that this fundamental change in the CMB over the sequences originates from the CMB in the pre-contract sequence. Because the CMB is individualistic in nature there, it only allows cooperation that are likely to have a good fit along four dimensions: the technical fit, the social fit, the fit of contractual conditions, and the fit of individual respectively personal expectations. However, this does not undermine the emergence of conflict in the contract sequence based on mismatches, misunderstandings, and misinterpretations of the always incomplete agreements made in the previous bargaining phase (Jang et al., 2018), but they usually tend to stay within manageable limits. As a result, they are unlikely to lead to either a “full-

blown dispute" (Jang et al., 2018, p. 338) or the termination of the employment relationship. Rather, mutual clarifications and re-negotiations in terms of what each party is obligated to deliver or to bear – especially beyond the contractual terms – are more characteristic of the contract sequence. This is also reflected in the patience of both parties to make several attempts at different levels to resolve the conflict. The rare cases where conflict resolution was not possible can be attributed to larger mismatches in the pre-contract sequence, or a suboptimal implementation process. As argued by Jang et al. (2018) and Simosi et al. (2021), there are three big challenges to agreement implementation: Incompleteness due to unforeseen contingencies or a lack of specificity in terms of the agreement, perceptions of (in-)justice and (un-)fairness, and spoilers (in terms of parties that are somehow threatened by the agreement). Indeed, there is a possibility of a lack of specificity in technological terms. Especially when agencies are involved, incompleteness can be an issue, even if there is still a personal correspondence between the freelancer and the hiring company. Also perceptions of (in-)justice and (un-)fairness can emerge, even though our interviews point to several proactive measurements by the project managers to deal with them, for example in terms of intentionally making boundaries (in-)visible, depending on the respective need in a given situation. Spoilers, instead, were no crucial element. For sure, this is partly due to the pro-social behavior based on professional norms but also due to the fact that the industry is simultaneously characterized by widespread digital technologies and a lack of qualified labor supply. As a result, the hiring of a freelancer is rather a gain than a threat for all parties involved in the relationship. However, the extent to which both parties' collectivistic CMB in the contract sequence is able to lead to a mitigation of a given conflict appears to be directly connected with the individualistic CMB shown in the pre-contract sequence: As a rule, it can be stated that the more the parties examine an individualistic CMB in the pre-contract sequence, the more likely it becomes that the upcoming conflicts can be managed in the contract sequence by their collectivistic CMB.

Third, we found the post-contract sequence to be largely functional in informing further pre-contract sequences. Cognitive and institutional evaluation processes as well as networks may increase the likelihood of a better fit in the future. Thereby, they might reduce potential issues due to the incompleteness of agreements and, as a further consequence, also reduce the need for time-intensive "re-negotiation-loops" (Jang et al., 2018, p. 337). Also personal networks that inform actors about the social skills of the other party, may be particularly functional in reducing future conflict in cooperation, since, as discussed above, conflict is often based on social mismatches. It should be noted that the distinction between a pre- and a post-contractual sequence is an analytical rather than an empirical one. From the actors' perspective, the two sequences can overlap largely and are difficult to distinguish from each other clearly. However, our findings underline the argument of Rousseau (2001), Jang et al. (2018), and Simosi et al. (2021) that pre-employment beliefs are also derived from previous employment experiences, and thus speak directly to the need for a holistic approach to analyzing negotiation processes (e.g., Jang et al., 2018; Simosi et al., 2021) in contingent work arrangements. Figure 1 provides an overview of the key findings, highlighting the importance of experiences during the contract phase in determining the potential for cooperation to reoccur in the future.

Is the Sequence Effect Contextual? Reflections on the Role of Labor Market Conditions

The German IT sector is characterized by a lack of qualified workforce supply. Since this initial situation gives the freelancers great opportunities in terms of project offers and negotiations, the question arises as to whether the sequence effect can be justified under these specific circumstances. In addition, in industries and market segments where the relationship between supply and demand of labor is the opposite of that in IT, hiring companies are in a superior position. Consequently, it

should be expected that freelancers in these industries and market segments are less likely to exhibit an individualistic CMB in the pre-contract sequence compared to IT freelancers. In turn, the hiring company should be even more likely to exhibit an individualistic CMB in the pre-contract sequence in these industries and market segments than in IT. This underscores the importance of bargaining power in relation to the choice of CMB as found in other studies (e.g., Lu et al., 2020; Standifer & Wall, 2010).

In the contract sequence, the influence of labor market conditions is not expected to vary as much as for freelancers. Despite their privileged labor market position, IT freelancers show a high degree of collectivistic CMB. Of course, they still have to take care of their reputation, which is why project performance is crucial regardless of labor market conditions. However, this applies even more to freelancers in industries and market segments that are characterized by unfavourable labour market conditions, which is why they should have an collectivist CMB as well. In turn, the hiring company might be more likely to show an individualistic CMB in the contract sequence under reversed labor market conditions, but also have to take care for their reputation. Thus, it is an empirical question, if the sequence effect also holds for cooperations between freelancers and hiring company in industries and market segments characterized by a lack of labor demand. We will have to leave this to future studies.

On the Role of Agencies from a Sequential Perspective

The role of agencies is interesting, especially in relation to our sequential framework of a cooperation between freelancers and their client companies. They are like a bracket, i.e. they are present in the pre- and post-, but less in the contract sequence.

In the pre-contract sequence, their role is ambivalent. They might improve the fit of contractual conditions and, perhaps more importantly, they could protect the parties from inadvertently exposing themselves to the risk of entering into an agreement that could be construed as bogus self-employment. On the contrary, they are described in our interviews as being rather poor at ensuring a good fit in a technical and social sense. In fact, their involvement may even be a source of mismatch in this respect. This also contradicts their self-image as well as the literature that points to their role as information dealers and matchmakers (Bull et al., 1987; Neugart & Storrie, 2006). Instead, their positive contributions are in line with existing literature (Ehlen et al., 2022; Ruiner et al., 2020) that finds agencies to be helpful as they level and intermediate between the income expectations of freelancers and the hiring IT companies. In the contract sequence, however, they become only present as actors of mediation and conflict resolution the parties fall back to in escalation processes. In the post-contract sequence, agencies are decisive again. In particular, they potentially offer solutions for freelancers when questions arise about their financial situation or payment emerge. They also provide institutionalized feedback-loops that could improve future matches. Thus, agencies' poor ability to provide technical and social fit gradually diminishes as they continue to work with these specific clients and freelancers (or the clients and freelancers with the specific agency). This is in line with the findings of previous research, which suggest that long-term relationships between agencies and client companies are a favorable strategy for the latter, especially in highly qualified working fields characterized by a lack of labor supply (Ehlen et al., 2022).

However, our interviews with IT freelancers also reveal some strategic attempts on their part to avoid the involvement of agencies. Personal networks with hiring companies, but also with other freelancers seem to be useful in this respect. This behavior relates to new forms of solidarity among highly qualified freelance workers, called labor market collectivism (Apitzsch et al., 2022). This offers

a broader perspective on the dynamics in inter-organizational projects, as the inclusion of labor market conditions and actors is relatively new in related research.

On Episodes, Sequences and Actor Constellations

Within the complexity approach, the episodic perspective already points to temporal aspects in understanding the development of conflict and CMB (Speakman & Ryals, 2010). However, this perspective has some analytical implications. Because of its conflict-centered perspective, each conflict is necessarily recognized to be idiosyncratic due to the unique constellation of conflict causes, conflict participants, and CMB. Thus, while this perspective is fruitful for detailing how individual actions influence the development of a conflict (e.g., García et al., 2017; Medina et al., 2004), it may be difficult to derive generalizable patterns. Simply put, the (observed and reported) time-related structure of conflicts in literature to date has largely followed the individual agency of the actors involved.

In contrast, our sequential perspective emphasizes structure over agency. Rather than focusing on a particular conflict, we focus on the institutionalized and temporal-patterns of cooperations between freelancers and client companies and ask for how the causes of the conflict, the conflict participants, and the CMB depend on this broader institutionalized temporal structure. In doing so, we are in line with leading theories of time and temporal structuring, such as Hernes and Schultz (2020), who note that time is not only a resource to be managed (e.g., speed, rhythm or duration of projects), but also "the very medium through which actors address and translate their realities" (p. 4). Transferred to the context of contract work, the respective sequence of interaction defines how IT freelancers behave in the present. Moreover, it has been suggested that changing temporal structures (e.g., limited organizational membership) may influence the expectations about the nature and temporality of activities and behaviors to be initiated (e.g., Gallagher & Parks, 2001; Hernes & Schultz, 2020; Jang et al., 2018).

The sequential perspective leads to the basic assumption that the more repetitions of the sequence loops freelancers and client companies have experienced, the better the established cooperation should become. Previous interactions between parties can significantly enhance social fit and align individual expectations. Positive past experiences, particularly in resolving conflicts, can build trust, a key factor in the resilience of psychological contracts (Robinson, 1996; Atkinson, 2007). These shared experiences, especially of conflict resolution, shape psychological contracts and reduce the likelihood of breaches, even in freelancer-company relationships. This suggests that psychological contracts may exist before formal negotiations, influencing factors like social fit and individual expectations, contrary to Jang et al.'s (2018) assertion that they solely result from agreements.

Thus, cooperation has an iterative concept. This statement may be critical in that it places less emphasis on the role of the particular constellation of actors, their characteristics, and other factors that may affect their relationships and intra-group processes than on mere cooperation within a project. It is easy to imagine that the iterative cooperation process will come to an abrupt halt if the composition of the project team changes (e.g., if the project leader changes), either in the current project or in future cooperations. Conversely, personnel changes could also set the iterative cooperation process in motion in the first place, which would not be possible with a different composition of actors. This suggests a possible complementarity between the sequential perspective, which is good at showing the influence of highly institutionalized patterns on cooperation in the work context, and the episodic perspective, which takes into account the constellation of actors and their internal dynamics. We therefore argue that the two approaches should be seen as complementary rather than antithetical.

Limitations and further research

There are limitations to our empirical study. First, by focusing on IT companies, the study was conducted in a very specific field where power inequalities due to the lack of workforce play a particular role. Although we observe similar relationships in other settings such as medicine, an analysis of the CMB in other contexts is needed to substantiate the findings regarding CMB. Second, the interviews refer to workers in different projects. A comparative perspective of workers in a particular project would be helpful in order to compare perspectives. Third, and following on from this, we call for longitudinal studies to observe the structural patterns of the CMB (e.g., sequentiality of interactions). Fourth and finally, the relationship between sequences and episodes should be further explored both theoretically and empirically.

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