

**Addressing a Novel Source of Hierarchical Failure:
Designing Administrative Controls to Govern Intrafirm Partisan Political Conflict**

ABSTRACT

Traditional transaction cost economics (TCE) relies on fiat (an administrative control) under hierarchy to effectively mitigate internal transaction costs arising from holdup. While the conflict that arises from holdup is well understood, and the administrative control of fiat is effective to mitigate it, this is not necessarily the case for novel sources of internal transaction costs. For instance, the rising trend for U.S. employees to initiate political discussions in the workplace increasingly generates internal transaction costs that represent a novel source of hierarchical failure. While managers recognize these conflicts are costly, they typically do not understand their specific nature or how to effectively govern them, instead instituting blanket policies through fiat (e.g., banning sensitive political discussions) that fan the flames of conflict rather than extinguish them. To address this issue, we draw on regulatory focus theory to predict the likely type of political disclosure and resulting conflict for conservatives and liberals in politically heterogeneous organizations, as well as extremists in politically homogeneous organizations. We then develop a discriminating alignment of organizational characteristics and novel administrative controls necessary to efficiently mitigate the likely type of political conflict under hierarchy. Thus, this theory addresses a novel source of hierarchical failure, providing managers with distinct internal governance mechanisms to address it.

Keywords: Hierarchical Failure, Governance, Political Ideology, Regulatory Focus Theory

“A skirmish broke out on the factory floor of a clothing maker in Portland, Ore. It had received an order to make T-shirts for the Trump presidential campaign — but some people refused to work on the project.” (Noguchi, 2020)

“Meta argued that “discussing abortion openly at work has a heightened risk of creating a hostile work environment,” so it had taken “the position that we would not allow open discussion.” “The policy has led to frustration and anger...some contacted colleagues and managers to express their dissent with the company’s stance.” (Isaac & Mac, 2022)

Traditional transaction cost economics (TCE) focuses on mitigating holdup, which tends to be addressed by fiat, an administrative control under hierarchy. As a result, hierarchy is implicitly viewed as a panacea to internal transaction costs (Gibbons, 2010; Hennart, 1993; Holmström & Roberts, 1998), leaving hierarchical failure sorely understudied in the theory. As a result, administrative mechanisms, beyond general fiat (managerial authority) are also given scant attention in the theory. Thus, TCE does not address how to effectively use fiat other than for addressing intrafirm holdup or provide guidance for developing administrative controls to address other sources of hierarchical failure.

The garment factory example illustrates internal transaction costs arising from partisan political conflict within a firm, which is the result of an increasing trend of U.S. employees sharing their political ideology at work (Glassdoor survey, 2020). This rising source of conflict is also captured in Gartner’s U.S. Employee Election Sentiment survey (2020), which reports 78% of U.S. employees polled discuss politics at work, with 47% relaying that these discussions hindered their productivity, negatively impacting firm performance. Further, the Meta example shows companies are typically unsuccessful in addressing internal political conflict, typically issuing blanket orders through fiat. These unsuccessful attempts to mitigate this rising source of transaction costs increases the risk of hierarchal failure, as these significant internal frictions are rarely incorporated into calculations of transaction costs when determining efficient governance.

The inability of management to address these transaction costs arises from two sources. First, the changing trend of employees discussing politics at work. While politics was not previously considered an appropriate topic for discussion at work (unless the organization was politically homogeneous), the more recent movement of bringing your whole self to work (Kaplan, 2022) increased political sharing (Glassdoor survey, 2020), and the resulting conflict between factions within the organization (U.S. Employee Election Sentiment survey, 2020). As such, managers increasingly must consider hierarchical governance mechanisms to effectively mitigate these novel costs or risk hierarchical failure

Second, managers' there is little research informing managers how to address this novel source of hierarchical failure. Although studies examine how political affiliation affects individual employee's turnover, attitude, and job satisfaction (Bermiss & McDonald, 2018; Henderson & Jeong, 2021), very little work investigates systematic motivations for sharing political identities at work and the resulting types of friction it creates in the organization.

In one notable exception in the area of occupational health, Miner and coauthors (2021) examine whether political affiliation impacts perceived conflict at work, which in turn impacts physical health complaints. Drawing on social identity theory (Tajfel & Turner, 1979), their study predicts self-identified conservatives (liberals) are likely to report more perceived conflict from liberals (conservatives) than politically like-minded individuals. The study also forecasts a stronger effect if the reporter perceives they are in the political minority at work. Interestingly, while the researchers find that conservatives report more perceived conflict incidences from liberals and an amplification of this effect in a liberal majority environment, they do not find the same effect for liberals. We argue their theorizing, based solely on a threat to social identity, is incomplete as it implicitly assumes threats to social identity impact liberals and conservatives the

same way. Yet, another study linking political ideology and specific goal orientations suggests that this is not the case.

Drawing on regulatory focus theory (RFT) (Higgins, 1998), Cornwell and Higgins (2013) report that liberals and conservatives in the U.S. tend to view the world in distinctly different ways. Specifically, they find self-identified conservatives tend to focus on avoiding negatives; while self-identified liberals are more likely to attend to achieving positives, which corresponds to a prevention and promotion focus, respectively. RFT suggests prevention-focused individuals are galvanized to avoid threats by speaking up against or acting to thwart them, while promotion-focused people are unmotivated by them. Instead, the theory suggests promotion-focused individuals are motivated to pursue potential opportunities, which are unlikely to prompt attention or action from prevention-focused individuals (Tumasjan & Braun, 2012). Thus, we argue that Miner et al. (2021) did not find support for their liberal hypothesis because while conservatives are motivated by threats to their identity, liberals are not. As such, theory examining systematic motivations for sharing political views and their impact on organizational frictions needs to incorporate both conservative's threat motivation and liberal's opportunity motivation.

In this paper, we argue the systematic motivations of conservatives and liberals in the U.S. lead to predictable patterns of political disclosure in the workplace when each group is in the political minority (perceiving a potential threat) or majority (perceiving potential opportunities). Additionally, we suggest individuals with extreme liberal (conservative) views are likely to disclose in yet other distinct ways, when working in an organization of predominantly liberals (conservatives). We further predict the combination of these distinct types of disclosure are likely to lead to systematically different types of conflict. Specifically, in a

workplace with a liberal majority and conservative minority, we postulate both groups tend to disclose more openly and actively, leading to more overt, combustible conflict. In contrast, in a workplace with a conservative majority and liberal minority, both groups tend to be more reserved in their disclosure, leading instead to undercurrents of tension. Further, we argue both extreme conservatives and liberals are likely to actively disclose their political beliefs to their more moderate counterparts, but for distinct reasons. Interestingly, these different motivations are likely to increase expulsion of extremists from conservative organizations and moderates from liberal organizations. We further suggest prevention-framed administrative mechanisms work best to address combustible conflict in a liberal majority-conservative minority workplace. Conversely, we propose promotion-framed administrative mechanisms best address simmering conflict in a conservative majority-liberal minority workplace. Finally, we argue administrative mechanisms ensuring internal procedural justice reduces moderate conservatives' conflict with extreme conservatives, while those reframing the obstacle to advancement as external to the organization most effectively reduces moderate liberals' conflict with extreme liberals.

We make three important contributions to the literature on governance and political conflict in the workplace. First, we recognize that political conflict inside organizations, rooted in the psychological tendencies of liberal and conservatives, is a novel and significant source of hierarchical failure. Second, we illustrate political conflict in the workplace differs both dramatically and systematically. Rather than being homogenous, it depends on the interaction between the discloser's political affiliation and the political composition of their organization, resulting in specific political disclosure styles. As a result, the type of conflict and level of emotional intensity can vary and must be considered in designing efficient administrative mechanisms within hierarchical governance. Finally, we offer a practical contribution to

managers by providing theory-based guidance for crafting effective governance to address this previously overlooked, but significantly consequential governance issue.

HIERARCHICAL FAILURE AND ADDITIONAL GOVERNANCE MECHANISMS

The theory of transaction cost economics (TCE) (Williamson, 1985) traditionally prescribes the efficient governance mode (market, hybrid, or hierarchy) for mitigating transaction costs in an exchange with specific characteristics. Specifically, TCE predicts that exchanges with high, medium, and low transaction hazards are efficiently governed with hierarchy, hybrids, and the market, respectively. Given that hierarchy supplants other governance forms as transaction hazards increase, critics have suggested that hierarchy is a panacea in TCE (Gibbons, 2010; Hennart, 1993; Holmström & Roberts, 1998). That is, the theory provides a detailed explanation of when hierarchy supersedes markets (market failure) but has not sufficiently examined when markets are superior to hierarchy (hierarchical failure). This is largely because there is not sufficient investigation of internal transaction costs (Nickerson & Zenger, 2008).

However, scholars have begun to examine sources of hierarchical failure by both augmenting TCE assumptions to identify novel transaction costs, as well as examining alternative sources of internal costs that should be considered in addition to transactions costs. For example, Foss & Weber (2016) examine novel transaction costs arising from an expanded bounded rationality assumption. While Weber, Foss, and Lindenberg (2023) expand TCE's motivational assumption to predict novel types of opportunism that require additional governance mechanisms not previously considered in the efficient governance choice.

Conversely, Nickerson and Zenger (2008: 1430) identify social comparison costs arising when employees compare their compensation within a firm. The envy arising from these

comparisons requires managers “to take costly organizational actions to restrict and efficiently manage [them],” by changing the firm’s boundaries, compressing employee wages, or choosing a suboptimal production technology. Unlike traditional transaction costs, which are predicated on specific transaction characteristics (e.g., level of asset specificity in the exchange), firm characteristics determine social comparison costs. Specifically, greater social comparison costs arise in firms with a broader scope of activities, suggesting they are an alternative source of hierarchical failure that must take be considered.

POLITICAL CONFLICT UNDER HIERARCHY

However, these psychological costs based on cognitive bias, motivation, and social comparison are not the only alternative source of internal costs requiring additional administration mechanisms or alternative governance forms for mitigation. In recent years, organizations such as Google, Amazon and Facebook have experienced significant internal costs arising from political differences between their employees (Paul, 2019; Wakabayashi, 2017). Additionally, conflict between conservative and liberal workers over their organizations’ vaccine mandates, as well as frequent conflict between U.S. workers in manufacturing facilities prior to the 2020 election, increased internal costs, creating a need for additional administrative mechanisms (Hamilton, Hartter, & Saito, 2015). For example, partisan political conflict between employees led Goodyear Tires to ban employees from wearing political clothing (Porterfield, 2020), Meta to ban internal discussions when Roe versus Wade was overturned (Isaac & Mac, 2022), as well as Basecamp and Coinbase to ban all political discussion at work (Hess, 2021). Yet rather than successfully mitigating the partisan political transaction costs, these heavy-handed governance attempts angered both conservative and liberal employees, increasing their conflict and the resulting organizational costs.

Like social comparison costs, political conflict costs are predicated on a specific firm characteristic, the political composition of the organization. However, most firms do not deliberately manage this characteristic, unless they are a politically homogenous organization, with work tied to strong conservative or liberal causes (e.g., Planned Parenthood).¹ As a result, as prior studies illustrate, employees in a political minority experience lower morale and less positive attitudes towards their company than those in the political majority (Henderson & Jeong, 2021). Moreover, they are more likely to leave their organization than those in the majority (Bermiss & McDonald, 2018). Yet, while this line of research examines the consequences of being in a political minority at work, it has not yet delved into why and with whom a worker shares their political beliefs, and how that impacts political partisan conflict in the organization.

To understand these aspects, it is necessary to examine systematic motivational differences arising from the conservative versus liberal political ideology. A political ideology is a set of beliefs about how to preserve or arrange the proper order of society (Swigart, Anantharaman, Williamson, & Grandey, 2020). While one's political beliefs can change over time and possibly be temporarily primed (Bryan, Dweck, Ross, Kay, & Mislavsky, 2009; Domke, 2001), a political ideology is relatively fixed within a short-term or medium-term situation. That is, if two people, or two parties, have drastically different political ideologies from one another, it is likely their vision of a 'proper' order of society or their methods for achieving them are fundamentally different from one another.

DIFFERENT MOTIVATIONS FOR CONSERVATIVES AND LIBERALS

Interestingly, previous research in the U.S. links a person's liberal and conservative political ideologies to specific regulatory orientations, influencing their motivations, emotions,

¹ Political affiliation is not a federally protected class in the United States; however, it is protected to varying extents in certain states or cities.

and behaviors (Higgins, 1997; 1998). Specifically, regulatory focus theory (Higgins, 1998) posits two types of orientations, prevention and promotion, which tend to be associated with conservative and liberal political ideology, respectively. Individuals high in prevention focus see a goal as minimal (one that must be met), so are concerned with avoiding threats to the status quo. In contrast, individuals high in promotion focus view the same goal as an ideal (one that is highly desirable but unlikely to be met) and are motivated to achieve this positive outcome to improve the status quo.²

These two motivational states are associated with different emotions of varying intensity, resulting in specific types of behavior. For promotion-focused individuals, achieving a goal induces high-intensity happiness (Higgins, Shah, & Friedman, 1997). Conversely, failure to meet the goal invokes low-intensity disappointment. The drive to experience high-intensity positive emotions is greater than that to avoid low-intensity negative emotions, prompting promotion-focused individuals to display eager behavior (Higgins, 1997; 1998). Thus, liberals, who tend to be high in promotion focus, are motivated by the prospect of positive progress, resulting in efforts to change the status quo.

In contrast, prevention-focused individuals experience high-intensity agitation when they miss the same goal (Higgins et. al 1997). Conversely, meeting the goal induces low-intensity contentment. The desire to avoid high-intensity negative emotions is this time greater than that of experiencing low-intensity positive emotions, resulting in vigilant behavior (Higgins, 1997; 1998). Thus, conservatives, who are likely to be high in prevention focus, are likely to be galvanized by threats to the status quo, as they remain vigilant against them.

² Although these foci can be temporarily situationally-induced, individuals tend to have a chronic regulatory focus, being high in one type of self-regulation (prevention or promotion), both (ambidextrous) or neither (amotivated) (Johnson et al., 2015).

Moreover, an individual's regulatory orientation influences on whom they focus and with whom they interact. Shah, Brazy and Higgins (2004) find that promotion-focused individuals' attention and behavior is often directed towards like-minded individuals, while prevention-focused individuals' behavior is often geared towards divergent individuals or groups. Moreover, they find evidence that promotion-focused individuals tend to display positive in-group biases (focusing on people like them), while prevention-focused individuals are more likely to display negative out-group biases (focusing on people unlike them). This would indicate that liberals often frame their actions in relation to those perceived as similar, whereas conservatives tend to frame their actions with respect to those perceived as different.

REGULATORY FOCUS AND POLITICAL DISCLOSURE

Given these different dominant views of the world, we argue liberals and conservatives have distinct motivations about how and with whom to disclose their political beliefs, and specific lenses through which they view their position in political majorities and minorities in the workplace. These differences are likely to lead to different types of conflict within organizations with four distinct political compositions: 1) conservative minority and liberal majority, 2) liberal minority and conservative majority, 3) extremists in a homogeneous conservative organization, and 4) extremists in a homogeneous liberal organization.

Before making these theoretical predictions, we want to make one thing clear. Our intention is to predict general tendencies linked to political affiliations, not to imply that every liberal and conservative acts as predicted. There are also likely numerous intrafirm factors that influence if and how individuals share their beliefs with coworkers, such as culture, coworker relationships, and personal professional objectives. However, holding these aspects constant, our propositions posit the most likely course of action for members of each political affiliation in

organizations with particular political compositions. Further, to prevent multiple levels of analysis and confounding factors, we exclude the impact of ideological majorities and minorities in local, state, and national governments from our analysis. While these are all interesting potential moderators for our theory, we want to establish the base predictions in this initial paper.

We also focus our investigation on the employees' immediate workplace context because previous research suggests it influences employee behavior more than organization-wide political climates (Lam, 2022). Finally, we limit our analysis to the liberal conservative political continuum while acknowledging that additional labels and subideologies exist within and outside of these two groups. Setting these as our boundary conditions, we first predict sharing of political ideology at work based on liberalism or conservatism, and the organization's political composition.

Sharing Ideologies in Political Majorities

We start with a comparison of political sharing by moderate liberals versus conservatives in the majority. Specifically, we focus on their motivations for sharing their political ideologies as well as with whom they tend to share. We suggest these predicted patterns result in very distinct sharing styles and begin with the more high-intensity style. See Table 1 for an overview of our predictions for political ideology sharing styles.

Insert Table 1 About Here

Liberals in the majority. RFT suggests promotion-focused individuals desire to advance from a current neutral state to a more positive end state (Higgins, 1997; 1998). Further, their promotion-focus (Cornwell & Higgins, 2013) suggests they tend to view a liberal majority as an opportunity to progress towards this ideal state. Specifically, we suggest a liberal is likely to view their political majority as a positive force through which to push for measures perceived to

improve the employees' status, such as diversity and inclusion programs, better working hours, or increased pay. Prior research supports this notion, as it shows that when in key decision-making positions, liberals are more likely than conservatives to push for initiatives that address gender disparity (Swigart et al., 2020). Additionally, studies find that the more liberal the average employee is in an organization, the more likely that organization is to push for corporate social responsibility policies such as domestic partner benefits to gay and lesbian employees (Gupta et al. 2017).

Even if there is no desire to push for such objectives in the organization, or if the liberal majority finds the current working conditions satisfactory, they may still be motivated to share their political ideology. That is, liberal political sharing does not always have to advocate for policy change within the organization. Instead, liberals often espouse the importance of demonstrating allyship or celebrating diversity, which can also be done through individual action (Salter & Migliaccio, 2019). So, sharing their ideology can be seen as a way to improve the status quo by fostering a more welcoming environment for those perceived to be disadvantaged or traditionally silenced.

Liberals' promotion-foci also tend to orient them to act with respect to their in-group members (other liberals) rather than out-group members (conservatives) (Shah et al., 2004). As such, liberals highlight the shared values between in-group members to mobilize actions towards creating positive policies or events. Additionally, they are likely to display eager behavior in pursuit of their goal (seen as an ideal), due to their regulatory focus. This includes cooperating with others to move their cause forward (Higgins et al., 1997). Thus, we predict liberals tend to share their political beliefs with others in the liberal majority to build a coalition to improve the status quo.

We predict this sharing tends to be widespread and enthusiastic, as moving the organization towards a positive end state is much more viable with a liberal majority. This enthusiastic disclosure may also create a positive feedback loop with other liberals in this particular organization composition, as promotion-focused individuals first share their beliefs to build active coalitions within the liberal majority, advance positive initiatives through them, and then become further emboldened to share their beliefs with even more high energy after this success. Thus, when liberals are in the majority in an organization, they are more likely to enthusiastically disclose their affiliation with other liberals to form a coalition to pursue their ideal state. We label this type of sharing *coalitional sharing*.

PIa: In a political majority within an organization, liberals are likely to disseminate their beliefs with other liberals through high-intensity coalitional sharing.

Conservatives in the majority. In contrast, prevention-focused individuals seek to preserve the current state from threats that may lead to its deterioration (Higgins, 1998). Research supports this by showing that conservative CEOs are more likely to value stability over change when compared with liberal CEOs (Swigart et al. 2020). Further, they tend to maintain vigilance against any possible threats to preserve their feeling of contentment (Higgins et al., 1997). As a result, we predict conservatives are motivated to share their ideology to address threats to the status quo.

Prevention-focused individuals also tend to orient their actions towards the out-group (liberals) rather than their in-group (other conservatives) (Shah et al., 2004). Moreover, RFT suggests that unlike liberals, conservatives tend to view their own majority as protection against threats, rather than an opportunity to create positive change. Therefore, the priority for conservatives is to prevent threats to the status quo from coming to fruition rather than banding together with fellow conservatives to promote change. As such, conservatives in a majority are

likely to share their political beliefs with liberals in the minority rather than other conservatives. Thus, the intent of this sharing is not to build coalitions of other conservatives to fight the threat, but to warn liberals in the minority against any attempts to change the status quo.

Additionally, the well-established model of integrated threat theory posits that conservative hostility to the liberal outgroup are predicated on two types of threats (Stephan & Stephan 2000), symbolic and realistic. A symbolic threat occurs when the in-group's worldview is impinged upon by the outgroup's values and beliefs. A realistic threat is when the outgroup can directly harm the power or even the existence of the ingroup. When a conservative majority exists in an organization, a liberal minority constitutes a symbolic threat that may elicit a conservative response but is less likely to pose a realistic threat. Insofar as realistic threats are a greater cause for alarm than symbolic threats, we propose sharing by members of a conservative majority directed towards the liberal minority, is not as particularly fervent. This lack of passion is borne out in prior research, as examples of conservatives in political majorities disclosing their ideologies to liberals was infrequent and most often came up during election season, where there is a greater perceived realistic liberal threat to the status quo (Lam, 2022). Further, this reasoning may explain Miner and coauthors' (2021) finding that liberals report lower levels of perceived political conflict from conservatives in majority conservative workplaces as opposed to the other way around.

As a result, conservatives in an organizational majority are more likely to disclose their affiliation with liberals in the minority to warn them against threatening the status quo. However, due to the lack of realistic threat, this sharing will be less intense than that of liberals sharing with other liberals in the majority. We term this type of political behavior *cautionary sharing*.

P1b: In a political majority within an organization, conservatives are likely to disseminate their beliefs to liberals through low-intensity cautionary sharing.

Sharing Ideology in Political Minorities

We now compare the manner of political sharing between moderate conservatives and liberals in the minority. Here, we start with conservatives to follow the pattern in the prior section of first analyzing the group with greater political ideology sharing intensity.

Conservatives in the minority. Due to their affiliated prevention-focus, we posit a conservative minority tends to view a liberal majority as actively threatening the status quo. This may especially be the case given our predictions for how a liberal majority is likely to act, advancing measures or voicing support for causes that go against the conservatives' status quo (Fahey et al., 2021; Tuholski, 2018). In this case, a liberal majority constitutes both a symbolic and realistic threat (Stephan & Stephan 2000). So, communication of conservative political ideology in this situation is likely motivated by the desire to prevent this significant threat to the status quo from occurring.

As in the majority, the negative outgroup bias prominent in prevention-focused individuals is likely to lead conservatives to voice their views with liberal coworkers. Moreover, their vigilant behavior suggests this threat is a call to action to prevent existentially threatening initiatives from changing the status quo. Thus, we predict conservatives tend to directly confront coworkers in the liberal majority, rather than commiserate or energize like-minded colleagues.

The prospect of preserving the status quo is very difficult when conservatives are in the minority in the organization, as they are defending against the very real threat constituted by the liberal majority. Because their ought state is threatened, they are likely to be significantly agitated (Higgins, 1997; 1998), leading to high intensity sharing with liberals in the organization. Thus, conservatives in the minority are likely to be much more aggressive and even

confrontational in sharing their ideology with liberals in the majority, as they feel compelled to stop the threat to the status quo.

In Lam's (2022) study, several liberal interviewees recount public and highly disruptive outbursts by conservative colleagues in the political minority airing grievances over topics such as the Black Lives Matter movement or perceptions that the 2020 election was stolen. This confrontational political sharing with liberal majority colleagues took place in the face of perceived gains by liberals within the organizations, (e.g., advancement of BLM awareness campaigns in internal memos or announcements). Public examples of this phenomenon exist as well: one of the most extreme is the case of the former Google employee James Damore, a conservative in a political minority, who in 2016 published an internal memo criticizing Google's diversity and inclusion policies (Wakabayashi 2016). As such, we posit when conservatives are in the political minority, they tend to actively express their beliefs to liberal co-workers in a confrontational manner to prevent a perceived threat to their ought state. We term this type of political behavior *confrontational sharing*.

P2a: In a political minority within an organization, conservatives are likely to disseminate their beliefs to liberals through high-intensity confrontational sharing.

Liberals in the minority. Being affiliated with a promotion-focus, liberals in a minority are more likely to view a conservative majority as an impediment to improving the status quo rather than a threat to it. As proposed policies and actions to advance the status quo are likely to be prevented by the conservative majority, liberals are likely to feel disappointment (Higgins, 1998). Yet, this disappointment arises from the conservative majority blocking what they view as positive progress, which may result in a perceived lack of control and lower feelings of responsibility for the organization's forward movement (Zeelenberg, 1998). As a result, liberals are less likely to attempt to share their political affiliation to build coalitions to fight for change

(Seligman, 1975). Instead, they are more likely to focus on their disappointment and blaming the conservative majority for thwarting their perceived positive progress.

Given their promotion focus, liberals still tend to continue to think and act in terms of their fellow in-group members, emphasizing their similarities (Shah et al., 2004). Thus, they are motivated to share their political ideology with other liberals in the minority, seeking solace in knowing they are not alone in their disappointment. So, they are instead focused on sharing their disappointment with their in-group members through commiseration.

Additionally, the disappointment experienced in a liberal minority is much less intense than their happiness when they are in the majority. As such, they are much less likely to mobilize to share their political ideology than when they are in a majority. Further, their negative emotion (disappointment) is also much less intense than the high-intensity agitation conservatives experience in the minority. So, the ideological political sharing of liberals in a minority is also likely to be more subdued in comparison.

Some of this behavior can be seen in prior research on liberals in majority conservative workplaces. First, interview participants did not recollect any outbursts by members of a liberal minority but did recall these incidents when conservatives were in the minority (Lam, 2022). Instead, liberal workers tended to avoid discussion with conservative colleagues, choosing to quietly discuss their disappointment in the organization's political climate with other liberal employees. This reasoning also explains findings from Miner and coauthors (2021) showing that conservatives did not report greater political conflict from liberals in perceived conservative workplaces. As such, we posit when liberals are in the minority in an organization, they most likely turn to one another to express their political affiliation in a low-intensity manner,

empathizing over their shared plight of having what they view as positive progress thwarted by the conservative majority. We term this type of political behavior *consolatory sharing*.

P2b: In a political minority within an organization, liberals are likely to disseminate their beliefs to other liberals through low-intensity consolatory sharing.

Sharing Extreme Ideology in Politically Homogenous Organizations

Not all organizations contain conservative and liberal political minorities and majorities. Instead, some are dominated by one political affiliation. For example, some organizations are composed entirely of liberals (e.g., Planned Parenthood, the ACLU), while others consist of all conservatives (e.g., Focus on the Family, the NRA). Yet even these organizations, which appear politically homogenous from the outside, are unlikely to be. Instead, members differ in the extremity of their conservatism or liberalism. Of particular interest in these politically skewed organizations is how a minority of extreme conservatives and liberals share their views with the majority of their more moderate colleagues³. Thus, we specifically compare political sharing of extreme members in a minority with more moderate members in the majority of conservative and liberal organizations. In this case, however, we propose the sharing intensity is equally fervent, even as the motivation differs drastically.

Extreme conservatives in the minority in conservative organizations. Extreme conservatives espouse views on the far right of the political spectrum. These include members of such groups as white supremacists and election deniers who stormed the U.S. capital on January 6th, 2022. While conservatives tend to be generally more prevention-focused (Cornwell & Higgins, 2013), the focus on preventing threats is much more exaggerated in individuals with

³ We assume extremists are in the minority in these organizations because a 2022 Gallup Poll (<https://news.gallup.com/poll/388988/political-ideology-steady-conservatives-moderates-tie.aspx>) indicates that extremists (both liberals and conservatives) are only 16% of the U.S. population, while more moderate conservatives and liberals make up 54% of the U.S. population with another 35% identifying as moderates.

extreme conservative views. That is, conservative extremists tend to be more strongly fixated on preventing perceived threats (Van den Bos et al. 2009).

Again, this focus arises from negative out-group bias (Shah et al., 2004), however, in this case, the outgroup is outside the organization. Thus, the resulting perceptions of excessive unfairness and anger are directed towards extra-organizational groups perceived as threatening the extreme conservatives' status quo (Van den Bos, 2020), ranging from local activist groups to the Democratic Party in general.

Yet, in a more politically homogenous organization, both extreme and moderate conservatives are only able to share their political views with each other, rather than the external source of perceived threats. More moderate conservative organizational members are likely less motivated to share their ideology with extreme conservatives in the organization, as their more mainstream concerns are already widely known and addressed by the organization.

In contrast, extreme conservatives are highly motivated to share their ideology with moderate conservatives in their organization to convert them to their more extreme views, in an effort to prevent these more radical threats that the extremists likely feel are not being taken more seriously. Thus, the extremists in the minority fervently share their fringe political ideology with the moderate conservative majority because they want them to adopt the view that these radical views are legitimate threats to conservatives that must be integrated into the organization's ideology. Additionally, extremists in the minority see this conversion of moderate conservatives' ideology as necessary for the organization devote more resources to fight against these extreme threats. As such, conservative extremists actively share their radical political ideology to sound the alarm and attempt to convert the moderate conservatives to motivate them to fight against this external threat. We call this type of political behavior *evangelistic sharing*.

P3a: In a conservative organization, extremists in the minority are likely to disseminate their beliefs to moderate conservatives in the majority through high-intensity evangelistic sharing.

Extreme liberals in the minority in liberal organizations. Extreme liberals have ideologies on the far left of the political spectrum. They include members of Antifa and the Animal Liberation Front. Again, while liberals tend to be more promotion-focused (Cornwell & Higgins, 2013), this worldview is likely stronger in individuals with extreme liberal beliefs. Unlike extreme conservatives, however, extreme liberals fixate on making more dramatic change to the status quo to increase perceived positive outcomes. Yet this focus on their “own moral values and extensive reasoning processes on why these values are valid and honorable can lead...[them] to overlook the possible importance of other viewpoints” (Van den Bos, 2020: 572).

Moreover, their rumination on the honorable nature of their values is likely to lead to comparative moral judgements. However, given their focus on in-group members (Shah et al., 2004), the target of this judgement is their more moderate colleagues rather than external conservatives. In this comparison, the differences between the more extreme values and more moderate values are exaggerated to the point that extreme liberals “define themselves as unique in their endorsement of the correct or morally superior position on the issue” (Beauregard & Dunning, 1998: 514). As a result, extreme liberals tend to judge the less extreme viewpoints of their more moderate colleagues as morally inferior to their own. This judgement is associated with the high-intensity negative emotions of anger, contempt, and disgust (Haidt, 2003), driving aggressive sharing with moderate liberals in the organization.

An analysis of conservative-liberal values by the moral foundations theory (Haidt 2012) may also explain this behavior. This theory posits that conservative values are spread across reducing harm, ensuring fairness, respecting authority, sanctity, and loyalty. Conversely, liberal

values are concentrated only on the first two. The relative lack of emphasis on loyalty may explain why extreme liberals are more willing to confront moderate liberals, whereas conservative employees are more willing to stand by their colleagues. Therefore, extreme liberals are likely to combatively share their radical political ideologies in a self-righteous way, judging their more moderate liberal colleagues as morally inferior. We term this type of political behavior *moralistic sharing*.

P3b: In a liberal organization, extreme liberals in the minority are likely to disseminate their beliefs to moderate liberals in the majority through high-intensity moralistic sharing.

As before, we emphasize these predictions are likely behaviors of extreme conservatives and extreme liberals in the minority in homogenous organizations with a majority of moderate employees on the same side of the political spectrum. While examples abound of extreme conservatives practicing moralistic sharing with moderate conservatives, (e.g., conflicts between pro-Trump and anti-Trump Republicans), as well as of extreme liberals practicing evangelistic sharing to rally moderate liberals, they are not within the specific organizational context we examine.

CONFLICT IN ORGANIZATIONS FROM SHARING POLITICAL IDEOLOGY

As seen in the examples and statistics at the beginning of the paper, sharing political ideologies in organizations often leads to significant conflict within organizations. Yet, given that the type of sharing is distinct, we suggest that the type and intensity of the conflict is likely to differ depending on the political composition of the organization. The predictions are summarized in Table 2 below.

Insert Table 2 About Here

Organizational Conflict from Opposing Majorities and Minorities

Given the two-party system of conservatives and liberals, we can generally assume that a minority of one ideology implies a majority of the other ideology in U.S. organizations.

Therefore, there are two common scenarios, an organization with a liberal majority and a conservative minority, and one with a conservative majority and a liberal minority. Based on the prior propositions, we now theorize the type of conflict likely to manifest in each.

Liberal Majority-Conservative Minority. From Proposition 1a, we predict liberal majorities are motivated towards high-intensity coalitional sharing. This often means sharing their beliefs to form active coalitions and advance their agenda within the organization. This behavior poses a direct and realistic threat to the conservative minority, who wants to maintain a status quo often upset by a liberal agenda. Additionally, from Proposition 2a we know that in the face of these threats, conservatives are highly motivated to actively confront members of the liberal majority to prevent these changes to the status quo. Thus, we expect that conservatives tend to directly confront their out-group, liberal coworkers, while liberal coworkers are likely to focus on even more coalitional sharing with other liberals, which in turn fans the flames of conservative confrontational sharing.

As we mentioned before, the case of James Damore at Google is a prime example of this type of conflict (Wakabayashi 2017). When the organization's dominant liberal political environment coalesced to support enhanced diversity and inclusion policies, Damore directly confronted members of Google's liberal majority by criticizing these policies through an internally published memo entitled, "Google's Ideological Echo Chamber." In response, other fellow conservatives in the organizational minority vehemently complained to members of the liberal majority that they would face retaliation for their minority views. Members of the liberal

majority, in contrast, held townhalls to further discuss diversity and inclusion, which further antagonized conservatives in the organization's minority. This cycle continued until Damore resorted to sharing his beliefs with conservatives outside the organization, which further raised alarm about the threat of this internal policy, prompting externally conservative-sponsored ads attacking Google and its CEO. As in this example, with the actions of each side further ramping up the high-intensity behavior of the other, with it even spilling over to outside of the organization, we predict a continuous cycle of escalation is likely to occur with a liberal majority and a conservative minority, leading to openly aggressive and antagonistic *combustible conflict*.

P4a: Openly aggressive, combustible conflict is likely in an organization with a liberal majority and a conservative minority.

It is important to note the conservative minority's confrontational sharing is not the sole source of this combustible conflict. Although liberal coalitional sharing is primarily geared towards in-group members, it and subsequent enactment of liberal policies are highly visible to conservatives, further antagonizing the conservative majority. Thus, the conflict and its escalation are also attributed to coalitional sharing on the liberal side. While it was not directed at conservative colleagues, it still poses a realistic threat to conservatives in the minority. Thus, both sides fan the flames of political conflict that quickly threatens to become intractable (Coleman, 2003).

Conservative Majority-Liberal Minority. Proposition 1b posits conservatives are still vigilant in the majority but with much lower intensity than when in the minority. They still likely respond to the perceived symbolic threat to their ought state from the liberal out-group, but in a less fervent manner than if liberals were in the political majority, as it would constitute a realistic threat. Thus, in this scenario conservatives are predicted to embody a low and persistent tension, as they caution the liberal minority not to attempt to change the status quo.

This tension is similarly present among the liberal minority, who under Proposition 2b tend to congregate to lament both their lack of progress and complain about the conservatives blocking it. As their behavior is more likely to be oriented towards other liberals, they do not tend to lash out at their conservative coworkers in the majority. Yet, the obstacle that conservatives pose is a sore point, so absence of direct action should not be interpreted as a lack of resentment. Instead, given the brooding nature of both sides in this scenario, conflict is more likely to instead be simmering just below the surface, rather than combustible, in firms with a conservative majority and a liberal minority. We label this type of conflict *smoldering*.

P4b: Passively aggressive, smoldering conflict is likely in a firm with a conservative majority and a liberal minority.

These propositions do not imply an organization with a conservative majority and a liberal minority has less conflict than its counterpart. Passive aggressive tension can be quite taxing on workers in the office (Lam, 2022) and still have consequences for employee engagement and turnover. This is consistent with prior studies, which found that liberal minority workers experience lower job satisfaction and commitment at majority conservative organizations (Henderson & Jeong, 2021). Instead, the aim of these propositions is to explore how conflict manifests differently between the two workplaces based on how individuals with different political ideologies, and resulting regulatory foci, perceive and react to the same situations of majority and minority.

Organizational Conflict from Extremists Ideologies

However, political conflict also occurs in organizations that appear to be politically homogenous. One source of such disagreement arises from variations in the extremity of political views within such an organization. In this section, we examine the type of conflict that occurs in liberal and conservative organizations with a minority of extremists.

Extremists in the Minority in Conservative Organizations. Proposition 3a suggests conservative extremists openly share their views with more moderate conservative employees in an evangelical manner to recruit them to combat these radical external threats. As such, they aggressively inundate their comparatively moderate colleagues with their radical beliefs, driven by feelings of injustice and anger due to their perceptions that all conservatives are treated unfairly by external groups (Van den Bos, 2020). However, these extremists are also upset with moderate conservatives in their organization, who do not give these radical threats the same weight. This inattention results in a lack of organizational resources and moderate coworker attention towards addressing these issues (i.e., lobbying against gun control rather than organizing militias to overturn the 2020 election), allowing the perceived unjust behavior against conservatives to go unchecked. This situation suggests extreme conservatives experience distributive injustice in their organization (Greenberg, 1987; Skarlicki & Folger, 1997). These feelings lead extremists to display norm violating or destructive behavior in the organization (Modde & Vermunt, 2007), annoying moderate conservatives in the majority. We call this type of disturbance *irksome conflict*.

Surprisingly, moderate conservatives tend to tolerate their extremist co-workers' evangelical behavior. This occurs because extremists' significant fear and anger can be highly effective at whipping up external stakeholder support for mainstream conservative causes (i.e., gun rights). Further, the conservative emphasis on loyalty that makes extreme conservatives less likely to confront moderate conservatives is likely to be reciprocated (Haidt, 2012). In fact, the moderate majority is likely to tolerate this irksome conflict indefinitely unless an external source exposes the extremists' radical views or actions, resulting in negative external consequences for the organization. When this occurs, the extreme members exposed along with other extremists

with similar radical affiliations or behaviors, are likely to be expelled to spare the organization from negative external consequences. Thus, the moderate majority is likely to sacrifice the extremists for the sake of the more moderate conservative majority and their organization's fight against external mainstream liberal threats.

This situation is depicted in an example from law enforcement, a traditionally conservative work environment. In 2009, an Alabama chief of police shielded an officer from dismissal after city officials learned he was a member of a white supremacist group, advocating secession from the U.S. He was only terminated by the department 4 years later, after the Southern Poverty Law Center publicized the officer's speech about his recruiting efforts among law enforcement colleagues at a conference organized by the supremacist group (German, 2020). Another example arose from the January 6th riots. Lawrence Stackhouse, an employee at a sheet metal company (an industry typically dominated by blue collar conservatives) was disciplined but remained employed after expressing support for a hate group and displaying Trump paraphernalia in violation of his company's policy. However, he was only fired after the FBI began pursuing insurrectionists, and Stackhouse showed more moderate co-workers' videos of his participation. His co-workers then turned him into the FBI (Roebuck, 2022) and his company fired him. Both examples show a tolerance for more radical ideology until a negative external consequence arises from the organization's association with the extremist.

To summarize, moderate conservatives tolerate irksome organizational conflict with extremists because they are useful in fighting against the larger external liberal threat to the moderate conservative agenda. However, if these extreme affiliations are exposed publicly, resulting in negative external ramification for the organization, the conservative extremist is likely to be expelled to protect the more moderate organization.

P5a: Irksome conflict is likely in a conservative organization with an extremist minority, increasing the likelihood of the expulsion of extremists from the organization.

Extremists in the Minority in Liberal Organizations. According to proposition 3b, liberal extremists openly share their views with more moderate colleagues in a moralistic manner. That is, they openly judge them as morally inferior, leading to feelings of disgust towards them. The extremists' perceptions that moderates deviate from important liberal values lead to a reversal of the positive ingroup bias for these members, instead creating the black sheep effect (Marques, Yzerbyt & Leyens, 1988). The black sheep effect is an extreme dislike of ingroup members (even more than outgroup members) when they deviate from in-group norms or values. This extreme dislike and disgust, in turn, leads the extremist to reject the liberal moderates.

This situation often leads to calls by liberal extremists for their moderate colleagues to be fired or to resign after displaying behavior inconsistent with the more radical liberal ideology, which may even prompt the departure of other moderates. In contrast to a conservative organization, extreme liberals attempt to expel moderate colleagues, who are reviled by the extremists, which often leads the organizations to become less effective. Extreme liberals may also call in outside influences (e.g., activists) to further pressure these organizations to call out moderates they view as transgressors as morally repulsive. Research indicates that such tactics are more likely to be effective in liberal organizations than conservative organizations: leaders with more liberal political ideologies are more likely to see their organizations as embedded within the broader community and thus are more likely to recognize activist claims (Swigart et al. 2020).

This situation is depicted in a free speech-based conflict within the ACLU. Moderate liberals stood up for free speech of a group that went against other liberal values. This move was

perceived by more extreme liberals as institutionalized racism, which is an obstacle to advancing positive changes to the status quo. As a result, extreme liberals attempted to push out the more moderate liberals to advance their more extreme agenda. This move in turn led other more moderate organizational leaders to leave, leaving the ACLU with less seasoned staff than prior to the internal conflict.

As a result, given the volatile nature of extreme liberal sharing based on moral superiority, conflict is more likely to instead be openly hostile and based on disgust, with the explicit intent to expel the moderate “offenders. We call this type of disagreement *revulsive conflict*.

P5b: Revulsive conflict is likely in a liberal organization with an extremist minority, increasing the likelihood of the expulsion of moderates from the organization.

GOVERNANCE FRAMING TO MITIGATE POLITICAL CONFLICT EX ANTE

Now that we explored how differences in regulatory foci between liberals and conservatives in organizational majorities and minorities are likely to lead to different types of political conflict in the workplace, we formulate differently framed administrative mechanisms to successfully mitigate them. In his theory, Williamson (1991) suggests that organizations (hierarchy in TCE) rely on administrative mechanisms to mitigate internal conflict arising from unexpected disturbances. While Williamson (1985) focuses primarily on fiat, or management’s authority, administrative mechanisms may be in the form of an organizational rule, policy, process, mission, etc. that reduces internal conflict.

One mechanism that managers have adopted to address partisan political conflict in heterogeneous organizations is to ban all political discussion or at least those around particularly divisive political topics. For example, Coinbase (Kelly, 2020) and Basecamp (Hatmaker, 2021) have banned all political discussion at work, while Meta banned discussion of abortion, gun

control and vaccine efficacy on its internal system (Robison, 2022). However, these bans led 33% of employees to quit Basecamp (Kessler, 2021), including key managers such as the heads of design, marketing, and customer support, as well as the entire iOS team (Hatmaker, 2021). Additionally, 5% of the workforce left Coinbase (Russell & DeFrancesco, 2020) when this policy was implemented. Further, Meta employees expressed anger and frustration both internally and publicly at the ban (Isaac & Mac, 2022). These reactions are not surprising, as a ban is likely to be interpreted by conservatives (with a prevention focus) as a threat to confronting liberals to stop critical policies from being enacted, while liberals (with a promotion focus) tend to perceive it as an impediment to coalition building with other liberals. Thus, adopting a policy to ban political discussion en masse or even around politically volatile topics (like Meta) is not an effective administrative mechanism, as it increases rather than reduces both partisan conflict as well as conflict between workers and the c-suite. Instead, there is a need for greater nuance in developing effective administrative mechanisms to address this novel source of hierarchical failure.

A prior study suggested that administrative mechanisms designed to achieve the same outcome can be framed in different ways, impacting their effectiveness at addressing intraorganizational conflict. For example, in Weber et al., 2023, a song is used as an administrative mechanism with the goal of increasing productivity in farming cooperatives in Eastern Ghana. However, the same song was framed in a prevention and promotion manner (avoiding negative actions versus displaying positives ones), leading to differential effectiveness in the backdrop of enduring intractable tribal conflict. But given that the bans discussed above are prevention focused, even this is not nuanced enough. Instead understanding the regulatory focus and sharing styles (including in-group or out-group affiliation) of the conservative and

liberal employee groups, as well as the resulting type of conflict, is necessary to predict specific characteristics of effective administrative mechanisms to influence sharing by or attention to a particular party.

Like TCE's original analysis of market versus hierarchy governance modes, the administrative mechanism characteristics we consider for minority-majority organizations (prevention versus promotion frames) and homogenous organizations with extremist minorities (ingroup versus outgroup) are the ends of two separate continuums, so we present two separate comparative analyses. We summarize these predictions in Table 3 below.

Insert Table 3 About Here

Specifically, in majority-minority organizations, we draw on RFT and the closely related regulatory fit theory (Higgins, 2000) to predict whether prevention or promotion-framed administrative mechanisms⁴ more effectively impact liberal or conservative to address combustible versus smoldering conflict. Moreover, we bring in intergroup biases (Tajfel & Turner, 1979) as well as theories of justice (Rawls, 1971; Thibaut & Walker, 1975) and moral judgment (Beauregard & Dunning, 1998) to propose whether in-group or out-group framing more effectively addresses irksome and revulsive conflict from extremists in seemingly homogenous organizations by influencing the extremists' focus. Like prior sections, we start with the most intense conflict in each organizational category (majority-minority versus extremists in homogenous organizations).

⁴ It is critical to note that in arguing for prevention-framed interventions in a firm with a liberal majority and conservative minority, we are not conflating prevention-framed interventions with conservative interventions, and vice versa. The interventions themselves should not be politically charged, and indeed should be able to preserve the spirit of both sides.

Liberal Majority-Conservative Minority

Prior studies predict that governance framed around achieving positives lowers incidence of conflict (e.g., Weber & Bauman, 2019) by situationally inducing a promotion focus (Roney, Higgins, & Shah, 1995). This temporary promotion focus increases cooperation between the parties (Galinsky, Ku, & Wang, 2005), and promotes positive behaviors such as constructive dialogue between the two sides. As most of the individuals already have a promotion focus in a conservative minority-liberal majority organization, it seems natural to consider promotion-framed governance as a solution. Thus, inducing this focus in the conservative minority appears to be an easy solution to reduce conflict.

However, the key to success for this governance mechanism is the situational induction of a promotion focus (Roney, et al., 1995). While most studies of situational regulatory focus induction have been done in a laboratory, a recent field study attempted to induce a situational promotion focus in a strong environment of intractable conflict (Weber et al., 2023). Interestingly, in this study, prevention-framed governance was more successful at reducing incidents of conflict than promotion-framed governance. The researchers hypothesized this occurred for two reasons. First, the context of intractable conflict itself invoked a strong prevention focus that prevented a situational induction of a promotion focus. That is, the prevention focus induced by this context is too strong to be temporarily overcome by the administrative mechanism's framing. Qualitative interviews supported this idea, as individuals retained their prevention focus, even following extensive interaction with the promotion-framed governance mechanism. Second, the prevention-framed governance induced regulatory fit, a match between the governance mechanism and the existing regulatory focus (Lount, Pettit, & Doyle, 2017). According to regulatory fit theory (Higgins, 2000), this match creates greater

motivation and effort to accomplish the goals outlined in the governance mechanism, because the actor feels right about pursuing or avoiding it (Cesario, Higgins & Scholer, 2008). This feeling of “rightness” also increases the persuasiveness of the administrative mechanism (Aaker & Lee, 2006).

While a promotion focus is already present in the liberal majority, a promotion-framed administrative mechanism is much less likely to successfully situationally-induce this positive view in the members of the conservative minority (Weber, et al., 2024). Based on the prior study, we suggest that it will be difficult to overcome the strong prevention focus supported by the context of an internal threat from the liberal majority and their coalitional behavior to change the status quo, as it creates high-intensity feelings of agitation. Thus, the conservatives in the minority are likely to have a strong prevention focus that is difficult to temporarily override through situational-induction. See Figure 1 for a comparative analysis of prevention and promotion-framed administrative mechanisms.

Insert Figure 1 About Here

Yet, a prevention-based administrative mechanism is also unlikely to situationally-induce a prevention focus in members of the liberal majority (Weber, et al., 2024). In this case, the context of the liberal majority focuses their attention sharply on making positive changes to the status quo, creating high-intensity happiness. Thus, it is unlikely that employing a governance solution framed to induce a common regulatory focus across the organization will successfully mitigate political conflict.

However, it is not necessary for everyone in a politically heterogeneous organization to share the same regulatory focus to reduce political conflict. Instead, it is only important that one group change their behavior to break the cycle of combustible conflict (Pondy, 1967). Given that

it is easier to invoke a behavioral change in fewer individuals, we propose that the administrative mechanism should focus on changing the behavior of the minority in this type of organization. As in the prior paper, we predict a prevention-based administrative mechanism instituted in a liberal majority-conservative minority organization, creates a regulatory fit to motivate conservatives in the minority to avoid the undesired behavior deterred by the governance mechanism. However, as previously discussed, this prevention-framed governance cannot be in the form of a ban of all political discussion. Instead, this prevention-based administrative mechanism must be designed to specifically reduce conservatives from engaging in confrontational sharing with liberals.

So, what does such an administrative mechanism look like in practice? It may include preventing employees from wearing political clothing or posting political signage in the workplace, as these are two ways in which conservatives aggressively share their views with liberals in the workplace. These governance mechanisms are unlikely viewed by the promotion-focused liberals as infringing on their ability to share their ideologies with fellow liberals, as this is not the way they tend to express it. So, they will likely be unaffected by the restriction itself. However, they may be impacted by the change in conservatives' behavior. First, conservatives in the minority are more likely to be motivated by these more narrowly prevention-framed administrative mechanisms, which serves to limit their undesired political ideology sharing with liberals in the majority. Additionally, this reduction in the conservatives' confrontational sharing is likely to lower liberals' perceived need to improve the status quo, which may reduce coalitional sharing among liberals as well. That is, even though liberals are unlikely to be motivated by the administrative mechanism itself, they tend to feel less need to build a coalition with other liberals if there is less impediment to their progress. Together, this reduction in

conservative confrontation sharing with liberals, and liberal coalition sharing with other liberals, is likely to reduce partisan political conflict in the organization. Thus, a prevention-framed administrative mechanism focused on limiting conservative sharing through public displays of political ideology is likely to lower incidents of combustible conflict in a liberal majority-conservative minority organization.

P6a: Prevention-framed administrative mechanisms focused on limiting public displays of political ideology are likely to reduce incidents of combustible conflict in a liberal majority and a conservative minority organization as compared to promotion-framed mechanisms.

Conservative Majority- Liberal Minority

While an organization with a conservative majority and a liberal minority is not free of conflict and negative emotion, Proposition 4b predicts it is much less intense than in a liberal majority-conservative minority workplace. Conservatives in the majority are mostly content, a low-intensity positive emotion (Higgins, 1998). In contrast, liberals in the minority are disappointed at the impediment to change by the conservative majority, a low-intensity negative emotion. In this case, the low emotional intensity in both groups allows a situational promotion focus to be induced across the organization using a promotion-framed administrative mechanism (Roney, et al., 1995). As previously discussed, a situationally-induced promotion focus is likely to increase cooperation, leading to more positive interactions between the groups (Galinsky et al., 2005). Specifically, promotion-framed governance may include policies that encourage politically neutral activities that create common ground between individuals on both sides of the political spectrum (such as the creation of an organization garden).

Thus, under a promotion focus (either situationally-induced or dispositional), individuals in both the liberal minority and the conservative majority tend to be motivated to participate in

desired activities such as having constructive dialogue, which is likely to lower incidents of smoldering organizational conflict.

P6b: Promotion-framed administrative mechanisms focused on engaging both conservatives and liberals in non-political community-building activities are likely to reduce incidents of smoldering conflict in a conservative majority/liberal minority organization.

Extremists in Liberal Organizations

The emphasis of governance shifts away from prevention versus promotion framing in the case of extremists inside of an organization, as all parties are likely to share the same regulatory focus already. Instead, the governance mechanism must address the issues that arise in refocusing the extremist liberals on the out-group (by drawing attention to the significant impediment to mainstream liberal issues from external conservatives) and addressing perceived unfairness in the conservative in-group (by creating procedural justice in the conservative in-group). See Figure 2 for an overview of the characteristics of in-group versus out-group-framed administrative mechanisms.

Insert Figure 2 About Here

According to proposition 5b, extremists in a liberal organization cause revulsive conflict, due to their feelings of moral superiority over their moderate colleagues. Revulsive conflict is openly hostile, threatening the expulsion of the offending moderate liberals from the organization. It causes significant damage to the organization in one of two ways. First, it tends to dislodge moderate liberals who are committed to working towards mainstream causes, often leaving the organization without senior leaders and potentially redirecting resources away from mainstream liberal causes. Additionally, when a moderate liberal is forced from the organization, others see this as a sign of intolerance for their own views. This often prompts additional

moderates to exit, leading to significant organizational turnover, which is also highly disruptive to the organization. Second, if the call to expel the perceived morally inferior moderate is unsuccessful, it likely creates divisive conflict that paralyzes the organization, preventing it from being functional. As such, there is a significant need for governance to address revulsive conflict in heterogeneous liberal organizations containing extremists.

The issue that needs to be addressed by an effective administrative mechanism is refocusing extremist liberals on the differences from their outgroup, external conservatives, as they have temporarily shifted their focus to differences within their liberal in-group, instead due to the black sheep effect (Marques, 1988). That is, their identity as a liberal is potentially diminished by the less extreme stance held by the moderates. This temporary shift to focus on differences between extremist and moderate liberals is likely due to the focus on the in-group induced by liberal's chronic promotion focus (Shah et al., 2004). Thus, it is necessary to prime them to focus on their differences with external conservatives through an out-group-framed administrative mechanism (Horwitz & Rabbie, 1982), as this conservative external impediment overrides any potential internal identity issues arising from moderate in-group members. Specifically, the administrative mechanism must highlight the significant impediment of external conservatives to the progress of mainstream liberal issues outside of the organization (e.g., the restriction of voter rights). For example, implementation of an organization-wide program to work together to register underrepresented voter groups refocuses all liberals in the organization on the differences between external conservatives and liberals, and away from differences within the liberal in-group.

This type of governance shifts the liberal extremists' focus away from differences with their more moderate liberal colleagues and instead towards their differences with the external

conservatives (Horwitz & Rabbie, 1982). With the conservative outgroup as the contrast, extremists tend to view the more moderate ideology or behaviors of moderate liberals as more tolerable, as they are still overcoming conservative roadblocks to perceived progress. As a result, the liberal extremists' negative outgroup bias is likely to dominate their Black Sheep effect, leading to extreme dislike and feelings of moral superiority for external conservatives instead of moderate liberals in the organization. Thus, mitigating in-group division through an out-group-framed administrative mechanism focused on the impediment of external conservatives lowers revulsive conflict within the organization, allowing it to remain functional, rather than become paralyzed.

P6c: Out-group-framed administrative mechanisms focused on overcoming external conservative impediments to progress of mainstream liberal issues are likely to reduce incidents of revulsive conflict in a liberal organization with extremist members.

Extremists in Conservative Organizations. In the case of extremists in a conservative organization, proposition 5a suggests they cause actively irksome conflict with moderate conservatives. Although conservatives tolerate this behavior, it still creates internal transaction costs, as well as puts the organization at risk for significant conflict with stakeholders such as advertisers and alliance partners. Thus, an administrative governance mechanism to address the irksome conflict is desirable in a conservative organization with extremists.

In this case, the conflict arises from feelings of unfairness in the conservative in-group at the extremists' perceived inequitable distribution of organizational resources for mainstream versus radical conservative causes. Thus, an effective administrative mechanism must remind extremist conservatives of their in-group commonalities and address this perceived in-group inequity. First, the administrative mechanism should be in-group-framed. Focusing extremist conservatives on their commonalities with moderates. Yet, the conservative organization is still unlikely to redistribute resources more equitably, as they are primarily fighting against

mainstream liberal threats and do not want to waste resources on conspiracy theories or broadly socially unacceptable causes. Thus, the in-group-framed administrative mechanism must also focus on establishing procedural justice (Rawls, 1971; Thibaut & Walker, 1975) around organizational resource sharing is likely to reduce extremists' deviant behavior resulting from unfair outcomes (Modde & Vermunt, 2007). That is, an administrative mechanism that establishes procedural justice about how the resources are distributed will reduce the negative extremist behavior even in the face of perceived inequitable distribution. Additionally, the establishment of procedural justice around in-group resource distribution is also likely to increase cooperation between the extremists and moderates, leading to lower incidents of irksome conflict.

A procedural justice-focused governance mechanism for resource allocation must: 1) be consistent (across people and time), 2) be in the organization's—not a particular person's—best interest, 3) be based on valid, accurate information, 4) be open to appeals, 5) give voice to all important groups, and 6) meet the group's ethical standards (Leventhal, 1980). Thus, a policy for resource distribution would allow all in-group (moderates and extremists) to submit proposals for resources for their causes, giving a voice to the extremists. These proposals would be scored by a group of organizational leaders based on clear, consistent criteria including importance for the advancement of the organization, validity and accuracy of the source material, and ethicality. In this case, the proposals by the moderate conservatives are still most likely to be prioritized, but the extremists may also appeal the decision. A resource allocation policy with these characteristics is likely to induce feelings of procedural justice for the extremists, tempering their disruptive behavior, while increasing their cooperation with moderate conservatives.

Note that this governance mechanism does not mitigate expulsion of the extremists, arising when the radical ideology or actions of an extremist is exposed, and the organization faces negative external ramifications. In this case, expulsion of the extremists allows the organization to remain functional, as the removal of the offending extremist prevents the organization from realizing these negative outcomes. Further, their removal also mitigates the potential for irksome conflict in the future, as there are fewer extremists in the organization. As such, creating a governance mechanism to address this type of expulsion is not desirable for the organization. Thus, a governance mechanism that increases feelings of procedural justice within the conservative in-group lowers irksome conflict.

P6d: In-group-framed administrative mechanisms focused on procedural justice regarding resource allocation are likely to reduce incidents of irksome conflict in a conservative organization with extremist members.

CONCLUSION AND DISCUSSION

We examine how differences in the composition of employees' political ideologies create specific types of conflict in the workplace. Using regulatory focus theory, we explore the implications that liberals tend to be promotion-focused, while conservatives are more likely to be prevention-focused, which affects both groups' behavior in an organizational political majority or minority. Specifically, we posit liberals tend to exhibit more open, coalitional sharing of political beliefs when in the majority and more reserved, consolatory sharing when in the minority. Conversely, we expect conservatives are more likely to exhibit more reserved, cautionary sharing when in the majority and more open, confrontational disclosure when in the minority. This corresponds to two different scenarios, a liberal majority/conservative minority and a conservative majority/liberal minority, with the former being more likely to have higher-intensity emotional conflict than the latter.

Further, we examine how extremists in both parties tend to react when surrounded by moderate colleagues of the same party, arguing extremists' sharing on both sides is likely to be more active, leading to organizational conflict that expels members of distinct groups (extremists or moderates) from the organization. Moreover, we prescribe characteristics of administrative mechanisms to address the different conflict likely in each scenario. Specifically, we propose prevention-framed governance for liberal majority-conservative minority scenarios, and promotion-framed governance for conservative majority-liberal minority scenarios. Additionally, we predict out-group-framed governance mechanisms for liberal organizations with extremists and in-group-framed ones focused on procedural justice for conservative organizations with extremists. Thus, we argue that the one-size-fits-all approach many organizations attempt to use today, particularly banning political discussion, is unlikely to work.

We make three important contributions to the broader literature in this paper. First, we contribute to the governance literature by illustrating that political conflict inside organizations is a novel source of hierarchical failure. This conflict is varied, as it is rooted in the psychological tendencies of liberal and conservatives, as well as the organization's political composition. Given that TCE does not examine internal costs as thoroughly as costs in the market or hybrid governance forms, this paper represents a much-needed exploration of internal transaction costs that can be predicted and addressed with specific administrative mechanisms *ex ante*. Thus, it directly addresses the critique of hierarchical failure in the governance literature.

Second, we show that there are many different types of political conflict within organizations, and they tend to systematically vary depending on the organization's political composition. This approach differs from that taken by organizational behavior, in which incidences of political conflict are dealt with after the conflict incident (Rahim, 2000). Yet, our

organizational approach to mitigating political conflict by reducing the motivation to share affiliations with others only represents a first step. Further theorizing could attempt to apply this framework to political tensions at the local, state, and federal level to address one of the major societal challenges in the U.S., deepening political conflict. Specifically, our propositions may prove useful for understanding how a Republican minority in a majority Democrat city council may behave, or perhaps how a small liberal caucus in a state senate where conservatives hold sway may act. Our propositions dealing with extremists can also allow insight into political conflict in areas dominated by one party, such as a city on the West Coast or a state legislature in the deep South.

Finally, we offer managers a theory for crafting effective governance to address this previously overlooked, but significantly consequential governance issue. While managers are often faced with this type of conflict in their organizations, the many examples of heavy-handed policies revoking the mention of politics at work suggest they are not equipped to successfully address it. We offer guidance for assessing the type of conflict most likely in their organization and creating specific administrative mechanisms to address it *ex ante*.

Future Research

Empirical testing of our propositions, examination of moderating factors, and a further parsing of our constructs compared with others incorporating regulatory focus theory are all necessary to advance our understanding of partisan political conflict in the workplace. On an empirical level, we are eager to test these predictions in real organizations to see if these dynamics occur and the proposed interventions successfully address the predicted conflict. Translating these propositions into actionable hypotheses brings up several interesting challenges. While surveys can measure regulatory focus behavior and political ideology,

determining the perceived political majority and minority in an organization may prove more difficult to operationalize. Although a workplace may quantitatively have a conservative minority, a conservative who feels surrounded by liberals may act differently than what is suggested by an absolute measure of the workplace's political climate. As such it may help to embark upon qualitative studies using participant observation or interview data to understand how individuals form beliefs about political majorities and minorities in their organization.

Further, this framework only scratches the surface of a complex and multilayered phenomenon, demonstrating the need for further study on how additional factors may influence our understanding of how political conflict occurs in the workplace. First, while we have examined how interactions with others within the hierarchy induces feelings of political majority/minority status, we cannot discount perceptions induced by broader contexts, from the state level to the national level. For example, the dynamics of a majority liberal-minority conservative organization in a red state are likely to differ from a similar organization in a blue state. Additionally, conservative workers in the majority of their workplace may practice some degree of confrontational sharing if the current President is liberal or a recent midterm election pivoted congress to a liberal majority. More study is needed to examine how much influence these broader contexts have on disclosure behaviors in the workplace. Parsing out the effects of different levels of politics may be important to get the full picture of intraorganizational political tensions.

Further, Chattopadhyay, George, & Ng (2016) mounted a similar study looking at regulatory focus theory's impact in dichotomies of high/low status rather than political majority/minority status. Thus, the potential synthesis of Chattopadhyay et al.'s research with ours raises interesting questions about intersectionality. For example, would white liberal

workers feel differently than liberal workers of color under these propositions? Research would need to examine how a dimension of high/low status alters the contribution regulatory focus provides to political dissimilarity scenarios. Additionally, we only examine employees, and have not investigated the potentially important influence of the power differential between managers and employees and how that may influence impressions of political majorities and minorities. Lastly, our assumptions are rooted in the traditional liberal-conservative continuum of the U.S. political spectrum. Political dynamics in other countries may also not completely conform to the propositions established here and more theorizing may be needed to accommodate those contexts.

In an age of political uncertainty, it can be hard for managers to determine how to address partisan political conflict under hierarchy. As employees grapple with constant exposure to individuals with different ideologies in the workplace, there is increasing anxiety about the potential for confrontations between them at work. Additionally, managers have had little guidance around mitigating incidences of political conflict in their organizations. Understanding how differences between individuals' ideologies impact their political sharing, the conflict that is likely to arise and potential governance mechanisms to address it *ex-ante* is an important first step in helping them navigate this increasingly uncertain domain of harmful internal conflict, representing a novel form of hierarchical failure.

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TABLES

Figure 1. Sharing Styles of Conservatives & Liberals in Organizations with Varying Political

	Majority	Minority	Extremist
Conservative	Cautionary	Confrontational	Evangelist
Liberal	Coalitional	Consolatory	Moralistic

Compositions

Figure 2. Conflict in Organizations with Varying Political Compositions

Organizational Majority	Majority-Minority	Extremist
Conservative	Smoldering	Irksome
Liberal	Combustible	Revulsive

Figure 3. Governance Frames for Organizations with Varying Political Compositions

Organizational Majority	Majority-Minority	Extremist
Conservative	Promotion	In-group
Liberal	Prevention	Out-group

FIGURES

Figure 1. Comparative analysis of prevention and promotion-framed administrative mechanisms.

	Vigilance	Cooperation	Induction in Strong Context
Prevention	++	0	++
Promotion	0	++	0

Figure 2. Comparative analysis of outgroup and ingroup-framed administrative mechanisms.

	Difference Focus	Commonality Focus
Outgroup	++	0
Ingroup	0	++