



ONLINE OFFSHORE BUSINESS PROCESS OUTSOURCING (OOBPO): AN ANALYSIS OF THE WORK RELATIONS BETWEEN FILIPINO FREELANCERS AND THEIR OFFSHORE CLIENTS

A thesis submitted by

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Abstract

This study explored the relationships between Filipino freelancers and their overseas clients, small-to-medium enterprises, within the framework of online offshore business process outsourcing (OOBPO). OOBPO refers to the delegation of business processes to external freelancers and differs from traditional offshore outsourcing in that no on-site overseas presence is required. Businesses under this structure use online outsourcing platforms such as 'Upwork' as transactional hubs to hire freelancers. As SMEs face resource constraints, OOBPO provides an attractive option which enables SMEs to access a variety of services. The OOBPO relationship faces additional challenges compared to traditional team structures for two reasons: Firstly, because team members are geographically dispersed, and secondly, because they typically have no physical contact as they work in a virtual team environment.

The context of this study relates to freelancers based in the Philippines. The reasons for choosing the Philippines is that the country is an attractive outsourcing destination due to its inexpensive labour costs, high literacy rate, good English skills and a drive to participate in OOBPO. In addition, the researcher owns a business that outsources freelancers from the Philippines and has established contacts with freelancers for over 10 years.

A qualitative study was undertaken using Hofstede's cultural framework and Herzberg's two-factor/motivation-hygiene theory. The study focused on the perspective of the freelancers and explored their experiences, expectations, attitudes and emotions towards freelancing itself and towards their clients. The study examined the relationships established by the freelancers with clients and the factors that facilitate and hinder their interactions. The sources, consequences and methods of handling conflict were viewed through the lens of Hofstede's cultural framework to explain the culturally influenced conflict. The study also examined the demographics and backgrounds of freelancers in order to gain a comprehensive picture of their environment.

In-depth interviews were carried out with 30 freelancers, each interview lasting approximately 60 minutes. The interview questions were open-ended and

revolved around experiences with OOBPO assignments, including conflicts and general expectations of the hiring business. Participants were encouraged to share their stories and express their expectations and advice in regard to their future work relationships. The interviews were coded according to the elements of the research questions and analysed using functions within NVivo.

The study showed that participants had high levels of job satisfaction despite a lack of certain hygiene factors (home office set-ups); while the presence of other significant hygiene factors caused satisfaction. Both findings contrasted with Herzberg's two-factor theory, which contends that there are fundamental factors that are required to ensure a base level of motivation; additional factors will then lead to job satisfaction. The participants had two major expectations of their clients: good communication and clear instructions, which was explained by their collectivistic culture in line with Hofstede's framework. Hofstede's framework was also used to explain the identified five key factors for successful relationships between the participants and clients.¹ Three main sources of conflict were identified: financial issues, misunderstandings and cultural barriers, all of which are largely explained using Hofstede's framework. The consequences of unresolved conflict ranged from disagreements to premature termination of projects. The participants' preferred method for dealing with conflicts was prevention, which was in line with their collectivistic culture.

The study identified and discussed key challenges in a culturally diverse freelancer–client relationship. It built on and synthesised the emerging international and national literature on the success factors that contribute towards functional and effective OOBPO relationships between freelancers and clients. The findings are of relevance to SMEs and will assist in improving their freelancing undertakings as well as increasing the viability and competitiveness of businesses. The study also contributes to the sustainability of SMEs who rely on OOBPO.

¹ The five key factors were good communication, financial fairness, willingness to succeed, initiative and collaborative view. They were explained using Hofstede's societal values of high-power distance and collectivism.

Certification of the Thesis

This thesis is entirely the work of Maren Dammann except where otherwise acknowledged. The work is original and has not previously been submitted for any other award, except where acknowledged.

To the best of my knowledge and belief, the thesis contains no material previously published or written by another person except where due reference is made in the thesis itself.

Principal Supervisor: Professor John Sands

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Students' and supervisors' signatures of endorsement are held at the University.

Keywords

Online offshore business process outsourcing (OOBPO), Filipino freelancer, freelancer perspectives, culture, cultural barriers, Philippines, Australia, conflict, Hofstede, Herzberg, cross-cultural research, intercultural relationships, job satisfaction, platforms, conflict, Upwork, home offices, virtual teams

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List of Acronyms

OOBPO	Online offshore business process outsourcing
BPO	Business process outsourcing
SMEs	Small and medium-sized enterprises
SHRM	Strategic human resource management
WHS	Workplace Health and Safety
GVT	Global virtual team

Chapter 1 Introduction

1.1 Preamble

Under the Australian Corporations Act 2001 (section 45A), small and medium enterprises (SMEs) are defined as entities with less than 50 employees (Australian Government 2020). The survival rate of businesses is linked to their size: the smaller a business (measured in number of employees), the higher the risk it does not survive over four years (Australian Bureau of Statistics 2019).

The majority of Australian SMEs (97%) are whole Australian owned (Handley, Wright & Evans 2018). A study on online offshore business process outsourcing (OOBPO) with a focus on the Australian SMEs is considered relevant, as 95 per cent of all actively trading businesses in Australia fall into this category (Connolly, Norman & West 2012). With a contribution of 57% to Australia's GDP (Bloom 2017), SMEs are of economic importance in Australia. Worldwide, SMEs also constitute the majority of enterprises in many advanced economies (Ramsey, Ibbotson & McCole 2008).

Due to limited resources, SMEs struggle to employ staff with all the necessary skills that their businesses require, so they rely heavily on outsourcing. This study examines the current developments in outsourcing and considers OOBPO, which is defined as the delegation of business processes from an organisation (client) to an external freelancer who is located in a different country from the client and becomes responsible for achieving a set goal (Chou, Techatassanasoontorn & Hung 2015). [An assessment of OOBPO will be useful for both businesses that use freelancers \(many of whom are businesses located in Australia\) and service providers \(many of whom are freelancers overseas\).](#) Freelancers work online using their own technologies from their home offices, so clients neither have to acquire equipment nor provide office space to new workers. OOBPO is a relatively new approach to outsourcing and as such it has not been extensively researched.

OOBPO comes with its own challenges, one of them being the management of the freelancer–client relationship. A failure of the relationship is equal to a failure of the outsourcing undertaking. Freelancer–client relationships are particularly prone to misunderstandings, often related to one party not comprehending the other party's

perspective. As the name suggests, OOBPO relationships are intercultural² and virtual³, which increases challenges compared to traditional work teams.

By gaining an understanding of the perspective of the freelancers and discussing their views, this project aims to understand freelancer–client relationships with the overall goal of promoting better relationships. This chapter intends to equip the reader with a mental framework to assist in understanding the overall context of the research project. The research for this thesis was permitted under the terms of the University of Southern Queensland ethics approval number H17REA109 ([Appendix A](#)).

1.2 Context of the study

This study aims to understand what factors promote or hinder successful relationships between freelancers and their clients. Since the 1980s, more and more organisations have engaged in outsourcing (Hätönen & Eriksson 2009). While at first, physical premises were created in overseas countries, over time the new category of OOBPO developed whereby processes are outsourced to overseas workers located in their home offices, using the internet as a communication and management medium. Nowadays, freelancing is a well-known concept with benefits for all involved parties. However, it comes with a range of challenges such as developing an understanding between the freelancers and clients within a context of cultural and language barriers and adjustment to each other's expectations while being limited to written communication.

The focus of this study is on freelancers based in the Philippines. The Philippines is known to be an interesting outsourcing location for Australian businesses due to the small time difference (between 0 and 3 hours), being an English-speaking nation (Benitez 2016; Cabigon 2015) with low pay rates (Lavilles & Sison 2016), and having a large pool of skilled workers (Benitez 2016; OECD 2017). Furthermore, the

² Often between Western and Eastern countries due to the differences in wages

³ Virtual refers to the relationship being established without face-to-face communication, as all communication is done via online platforms/channels.

researcher owns a business that outsources freelancers from the Philippines and has well-established contacts with Filipino freelancers for over 10 years.

1.3 Background of the study

In the following sections, the historical background of outsourcing and the reasons businesses choose to undertake outsourcing will be explained. OOBPO will be introduced and the benefits for SMEs as important clients will be discussed.⁴ (For clarification of the term 'client', see [Chapter 1.1.](#)) Next, freelancer–client relationships, a prerequisite of functional OOBPO, will be discussed and, lastly, conflict in such relationships will be examined.

1.3.1 History of OOBPO

The 'outsourcing' revolution originated in the 1950s; however, outsourcing only became an integral element of the economy in the 1980s when organisations were more willing to adopt it (Hätönen & Eriksson 2009). Before outsourcing became a trend, companies traditionally were linked to every step in their value chain, producing their own items and following their own processes. In the 1980s, Australia faced increasingly competitive pressure from Hong Kong and Singapore, which were categorised as low-wage economies (Business Council of Australia 2004). Actions to counteract the threatening developments were required, and outsourcing was one of the solutions.

One of the ways outsourcing is undertaken is through OOBPO, where workers are located overseas and provide online services to companies based in another country. It is defined as the delegation of business processes to an external *worker*, or *freelancer*, who becomes responsible for achieving a set goal for the business (Chou, Techatassanasoontorn & Hung 2015). OOBPO has grown rapidly in the last few years, and the trend towards outsourcing work to freelancers is likely to continue and may even accelerate (Drucker 2002).

⁴ For this thesis, the relationship of the SME and freelancers (client–freelancer) will be viewed from the freelancers' perspective. That is, the SME is the client of the freelancer from the freelancers' perspective and the word 'client' (or 'client group') will mean the SME (or SMEs as a whole) throughout this thesis. It should be noted that larger organisations also use freelancers.

1.3.2 Online offshore business process outsourcing

OOBPO differs from traditional offshore outsourcing in that the employer does not need to establish a physical overseas presence such as an office. Instead, businesses use online platforms as transactional hubs to hire freelancers on a contract or project basis. A business hires a contractor and, commonly, the freelancer–client relationship ends with the completion of the task (Figure 1.1). Each platform has its own regulations, processes, target groups, and industry foci (Rafter 2016).

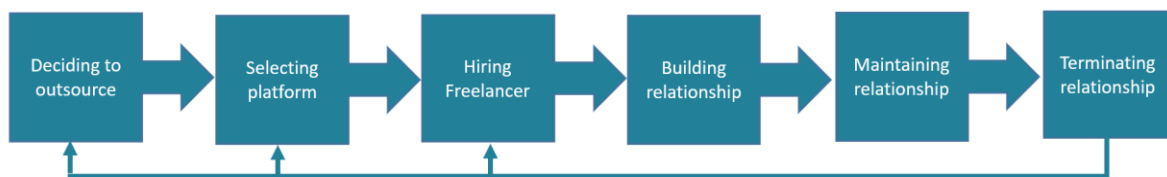


Figure 1.1. The OOBPO process

Source: Created by author

In the past, it was predominantly simple clerical duties that were outsourced; but with platforms increasingly specialising in certain niches, most business processes are now covered (DeMers 2015). Online platforms have made outsourcing very accessible (Ghani, Kerr & Stanton 2014; Wadhwa 2009) and can improve the competitiveness of their users (Chakraborty & Remington 2005). Businesses only need to establish an account on a platform and can then start to search for suitable workers. Research about such platforms only started to appear in the last decade (Maselli et al. 2016). This research contributes to this emerging field of literature and provides a unique view on the subject by considering the freelancer perspective.

1.3.3 OOBPO for small and medium enterprises

While businesses of all sizes can benefit from outsourcing, it is SMEs that can benefit tremendously from this concept. SMEs tend to have flexibly oriented values, which fit the concept of OOBPO well (Kim & Won 2007). They also have less complicated infrastructure and therefore can adapt quicker to trends and new processes. However, SMEs have less access to resources than larger entities (Abdul-Halim, Hazlina Ahmad & Ramayah 2012; Hojnik & Rebernik 2012). Outsourcing can close this resource gap

and enable SMEs to focus on their core competencies (Di Gregorio, Musteen & Thomas 2009; Kumari et al. 2015).

Despite the above, SMEs are still under-represented in the outsourcing world as they have to overcome entry obstacles and, due to their limited resources, SMEs are less able to afford failure. While setbacks may be absorbed in larger corporations, for SMEs it can mean bankruptcy. Welsh and White (1981) describe this as 'resource poverty', and the limited access to resources means that small businesses are less likely to survive mistakes or misjudgements compared to larger corporations.

1.3.4 Freelancer–client relationships

Relationships with overseas freelancers differ from those with local workers due to their remote workplaces, different communication channels and cultural differences. However, they should be treated with equal priority, as good relationships are the foundation for successful project outcomes or, as Barrie (2013⁵) writes referring to SMEs, 'It is crucial that the relationship between businesses and freelancers is as productive as possible'. The reason for this is that freelancers require a solid understanding of their clients' businesses and their project requirements to complete their work. They can, however, only achieve such an understanding through effective collaboration and communication with the client.

The quality of relationships between virtual workers, which for this study relates to freelancers, and their clients has been linked to the levels of commitment, job satisfaction, and performance (Golden & Veiga 2008). This in turn means that freelancers benefit from solid relationships, as do their clients. They are very well advised to invest resources into building such relationships, as the benefits for their business are significant. This, however, requires a contemporary mindset and openness to new approaches, as workers are not on site but work from their overseas home offices, which entails different conditions compared with traditional conditions. The physical distance combined with the workers being located in different time zones causes a natural isolation for the workers that needs to be overcome to integrate

⁵No page number was specified for this quotation as the source is a website. The same applies to all further website quotations in the thesis; all other direct quotations have page numbers.

workers into the business. Otherwise, the isolation and independence of virtual workers threaten to fragment organisations; therefore, they have a higher need for affiliation and work-based social support to ensure they identify with the organisation (Wiesenfeld, Raghuram & Garud 2001).

1.3.5 OOBPO conflict

In a workplace context, conflict is a situation where there is disagreement between individuals as a result of diverging interests, needs and values. Wall and Callister (1995, p. 517) provide a definition of organisational conflict: 'Conflict is a process in which one party perceives that its interests are being opposed or negatively affected by another party'. In general, organisational conflict can take many forms and can arise between different groups of stakeholders and levels of hierarchies. It can be differentiated into three levels: interdepartmental (organisational), intergroup, or interpersonal (Henry 2010; Wall & Callister, 1995).

While conflict can arise in any work team, freelancers working in virtual teams face additional challenges compared to those working in traditional team structures. Virtual team members are geographically dispersed and typically have no physical contact, are hired on a project basis, and are subject to irregular payments and unpredictable cash flow (Block 2015). Communication between freelancers and clients is indirect and often hindered by language barriers that can increase the feeling of isolation and frustration (Tenzer, Pudelko & Harzing 2013). These challenges are a potential source of conflict. Virtual teams can be demographically and culturally diverse. During hiring processes, traditional traits of workers are not as obvious as in real-life job interviews; the selection process is based on electronic reviews, quality of applications and lists of previously completed projects. As a result, gender, age and other demographic factors may not be as relevant as in real-life positions, and teams can be of a very diverse composition. In more general terms, conflict within a professional relationship can have both functional and dysfunctional outcomes, the former pushing and the latter hindering, performance (Robbins et al. 2011).

1.4 Motivation

The motivation for this study arises from two factors: (i) following academic recommendations for further research, and (ii) the researcher's own interest and observations. Both of these are further explained below.

Academic recommendations for further research

Firstly, the study responds to Dijkstra's (2017) call for further research into the intercultural differences in labour ethics between Western and Asian countries. Secondly, the study also responds to Constantinides, Henfridsson and Parker (2018), who found that the new platforms-based work arrangements were not met by current legislation and that more research was required to understand how strong legislation can intervene in meaningful ways. Thirdly, it responds to Goles and Chin (2005), who dealt with outsourcing relationships in the field of information systems, and Hojnik and Rebernik (2012) who investigated outsourcing of research and development for SMEs. These authors suggest that future research in other fields would help expand the knowledge pool.

The researcher's interest and observations

The investigator has been working at Xine, an Australian SME that has used extensive OOBPO since 2009. Her involvement in the field led to the observation of how crucial functional relationships between freelancers and clients are, and at the same time, how fragile these relationships can be. These observations were a motivator for this specifically focused research. The investigator can be considered an insider to the industry and an expert in OOBPO for SMEs.

In view of the above, the research is built on the researcher's extensive knowledge and industry experience, combined with a drive to provide insights into the rather neglected perspective of the freelancers, which makes this research unique. This emerging research area makes it a valuable resource for stakeholders, such as managers wanting to improve their relationships with freelancers.

1.5 Aim and objectives of this study

The aim of this research is to explore and identify the intercultural differences in the freelancer–client relationship in the OOBPO virtual platforms. It also seeks to

understand the factors promoting and hindering productive relationships and to identify any patterns of relationship failures, including those that are related to cross-cultural barriers. In so doing, the study will make a contribution to SMEs by establishing efficient OOBPO relationships through functional freelancer–client relationships. The outcomes of the study will also assist the government in the establishment of appropriate policies and regulations for businesses using virtual platforms.

1.6 Research Questions

The aims and objectives of the study are addressed through the following three research questions:

Research Question 1. *To what extent do the personal and professional environments of Filipino freelancers motivate them to commence their job and remain as freelancers?*

The purpose of this question is to gain a comprehensive overview of the freelancers' demographics, perspective and situation. This question investigates the past, present and future of the freelancers by learning about their original reasons for joining the freelancing world; their current motivations, situations and problems; and their future expectations. It also explores the freelancers' physical work environment.

Research Question 2. *What are the expectations of Filipino freelancers in building a successful freelancer–client relationship?*

This question seeks to explore the freelancer's perspective on OOBPO. It aims to identify the key factors that lead to success or failure in freelancer–client relationships.

Research Question 3. *How are sources of conflict identified and managed by Filipino freelancers in the freelancer–client relationship?*

This question seeks to understand the sources of conflict with clients and how freelancers manage the conflicts. It also aims to explore the role of intercultural differences within these conflicts and their impact on the freelancer–client relationship.

1.7 Research aim

This research explores freelancer–client relationships in OOBPO situations. It investigates the perspective of the freelancer and gains a detailed picture of their views, feelings, experiences and desires. To understand their perspective, not only does their role in the relationship need to be examined, their backgrounds, cultural views and demographics need to be understood as well. The study sought to learn about the factors promoting and hindering productive relationships to reveal any patterns of relationships failures.

The research is designed to be functional and the findings can be used by businesses of all sizes to improve their freelance undertakings; but it is particularly relevant for SMEs who plan to establish efficient OOBPO processes. The study analyses information collected from Filipino freelancers using interviews and questionnaires and can be particularly informative for Western clients who establish business relationships with Filipino freelancers.

The study highlights common pitfalls as well as discussing approaches and solutions and aims to provide information leading to functional freelancer–client relationships.

1.8 Theoretical framework

Hofstede's (1980) cross-cultural framework is the primary theory used in this study, as elements of culture are seen in all three of the research questions. In addition, the two-factor theory (Herzberg, Mausner & Snyderman 1959) sheds further light on Research Question 1, as this question focuses on the motivation of the freelancers.

1.8.1 *Hofstede's cross-cultural framework*

Cross-cultural research has received substantial attention in recent decades, with Hofstede being one of the most notable contributors (Shi & Wang 2011; Soares, Farhangmehr & Shoham 2007; Sondergaard 1994). Hofstede's cross-cultural framework was introduced in 1980 and since then has been expanded and refined (Hofstede & Pedersen 1999). It assumes that culture is a learned complex of properties (shared values, beliefs and behaviours) and that each culture has its own unique properties (Hofstede 1980; Hofstede & Minkov 2010). The framework found six

dimensions (Power Distance, Individualism, Masculinity, Uncertainty, Avoidance, Long-Term Orientation, and Indulgence) in which cultures can differ, and countless countries have been tested to rank them applying these dimensions (Hofstede 1980; Hofstede & Minkov 2010). This testing resulted in an allocation of countries on point scales to see where they are located on each dimension. The current rankings can be found on www.hofstede-insights.com.

The culture-specific findings of this research are compared to Hofstede's framework to ascertain to what extent Filipino freelancers display cultural characteristics and how their culture influences their relationships with Western clients.

1.8.2 Herzberg's two-factor theory

Herzberg's two-factor theory, also known as the 'motivation-hygiene theory', was introduced in 1959 by Herzberg, Mausner and Snyderman (1959) and was influenced by Maslow's hierarchy of needs (Alshmemri, Shahwan-Akl & Maude 2017).

It states that some factors cause job satisfaction (motivational factors), while others merely prevent job dissatisfaction (hygiene factors); however, these factors are not polar opposites (Dartey-Baah & Amoako 2011; Herzberg, Mausner & Snyderman 1959). Furthermore, motivational factors cannot prevent job dissatisfaction, and hygiene factors cannot cause job satisfaction (Herzberg, Mausner & Snyderman 1959). While hygiene factors include more basic features such as pay, organisation policy, supervision, job security and working conditions, motivational factors refer to more complex workplace aspects such as recognition, responsibility, promotion and growth (Alfayad & Arif 2017).

The findings of this study in relation to factors causing job satisfaction or dissatisfaction in Filipino freelancers are compared with Herzberg's theory to find out to what extent they are similar or different.

1.9 Methodology

A research approach cannot be selected by mere preference; it needs to be aligned with the research questions (Broadbent 2012). The researcher was interested in learning about the perceptions of Filipinos towards their work situations and the

relationships that they build with their clients. With this in mind, a qualitative approach was adopted for this research as this was found to be most suitable for providing insights into the perspective of the Filipino participants who were the subjects of this study. A qualitative approach was deemed suitable for investigating subjective experiences, meanings, and beliefs (Creswell 2018; Dahwa 2010; Wisker 2008). It also does justice to the complexity of the participants' perceptions (Fisher 2009). The qualitative research approach allowed access to unquantifiable knowledge about the freelancers and to uncover patterns among their perceptions (Lune & Berg 2017).

Thirty interviews with Filipino freelancers were conducted and analysed. Each participant engaged in a Skype phone interview, which was recorded and transcribed afterwards. In accordance with the ethics approval of this research, the interviewees received a Sodexo gift card as compensation. Interview questions were aligned with the research questions and were developed in two steps, with the first round used to refine and adjust any unclear items.

After the transcription of interviews was complete, three rounds of coding were conducted and stored using the program NVivo. This led to the creation of themes and provided a range of insights and findings. Every participant also completed a questionnaire that contained demographic data as well as questions that could be analysed with quantitative measures. The findings were analysed and related to two theories: Hofstede's framework and Herzberg's two-factor theory.

1.10 Structure of the thesis

This thesis consists of nine chapters. The first four chapters cover the theoretical aspects of the research, and the remaining chapters present the results and findings as well as conclusions arising from the results and findings of the project.

[Chapter 1](#) provides an introduction to the research, the context of the study, the background to the project, the research questions, and the methodology, and outlines the contribution of the study. [Chapter 2](#) covers the literature review in the fields associated with the research. It aims to uncover gaps in the literature as well as connecting the relevant research. [Chapter 3](#) introduces the theoretical framework on which the research is based. [Chapter 4](#) covers the methodology used for the research; the scope of the study is presented, the research design is explained and justified, and

the data collection and analysis methods presented. Chapters [5](#), [6](#) and [7](#) present the findings in relation to the respective research questions. These chapters describe the significance of the findings and explain how they lead to a new understanding of the research problem. This leads to [Chapter 8](#), which brings together the discussions of the findings from the three previous chapters. Finally, [Chapter 9](#) provides conclusions and recommendations. It is a reflection of the research and a synthesis of the key topics. [Chapter 9](#) contains the research limitations of the study and provides suggestions for future research.

1.11 Chapter summary

This chapter has introduced OOBPO as a rising business concept that can create a competitive edge for businesses including SMEs (in their role as clients). Freelancers, in turn, can benefit from the flexibility of the new work model. However, OOBPO comes with its own challenges due to workers being scattered in numerous offshore locations. The virtual nature of work relationships can lead to misunderstandings and conflict, and clients can easily fall into a problem situation if they are not familiar with the freelancers' expectations, backgrounds and actions.

The author has discussed the important role of the freelancer–client relationship and highlighted that it is a fragile construct. If relationships are dysfunctional, conflicts can arise and OOBPO undertakings can fail. Potential sources of conflict were identified as physical separation between freelancers and clients, country-related aspects (such as unreliable internet in the Philippines), and cultural reasons, as described by Hofstede.

Two main factors motivating the research were presented, namely the prior studies that have made recommendations for further research and the researcher's own interest and observations in this matter. The researchers' experiences with freelancers have led to a desire to understand the perspectives of the freelancers towards their work and the freelancer–client relationship, with its potential sources of both cultural-related and non-cultural-related conflict.

A qualitative approach was selected to answer the three research questions. The contribution of this study at the economic, theoretical and social levels was outlined. With its focus on Filipino freelancers, the study has particular relevance for businesses

wanting to outsource their work to the Philippines. In addition, those businesses outsourcing to other countries can gain insights into cultural and non-cultural factors that promote or hinder freelancer–client relationships.

This research is of a contemporary nature and is an emerging area of research on the phenomenon of OOBPO. Following on from this, [Chapter 2](#) reviews the related literature and uncovers the gaps in the field. Three main areas of literature examined are clients/freelancers, the freelancer–client relationship and conflict.

Chapter 2 Literature review

2.1 Introduction to the literature review

This research is concerned with the relationship between freelancers (workers) and clients (businesses) involved in OOBPO. This chapter presents a review of the literature relevant to this research project. Figure 2.1 presents the structure and flow of this chapter.

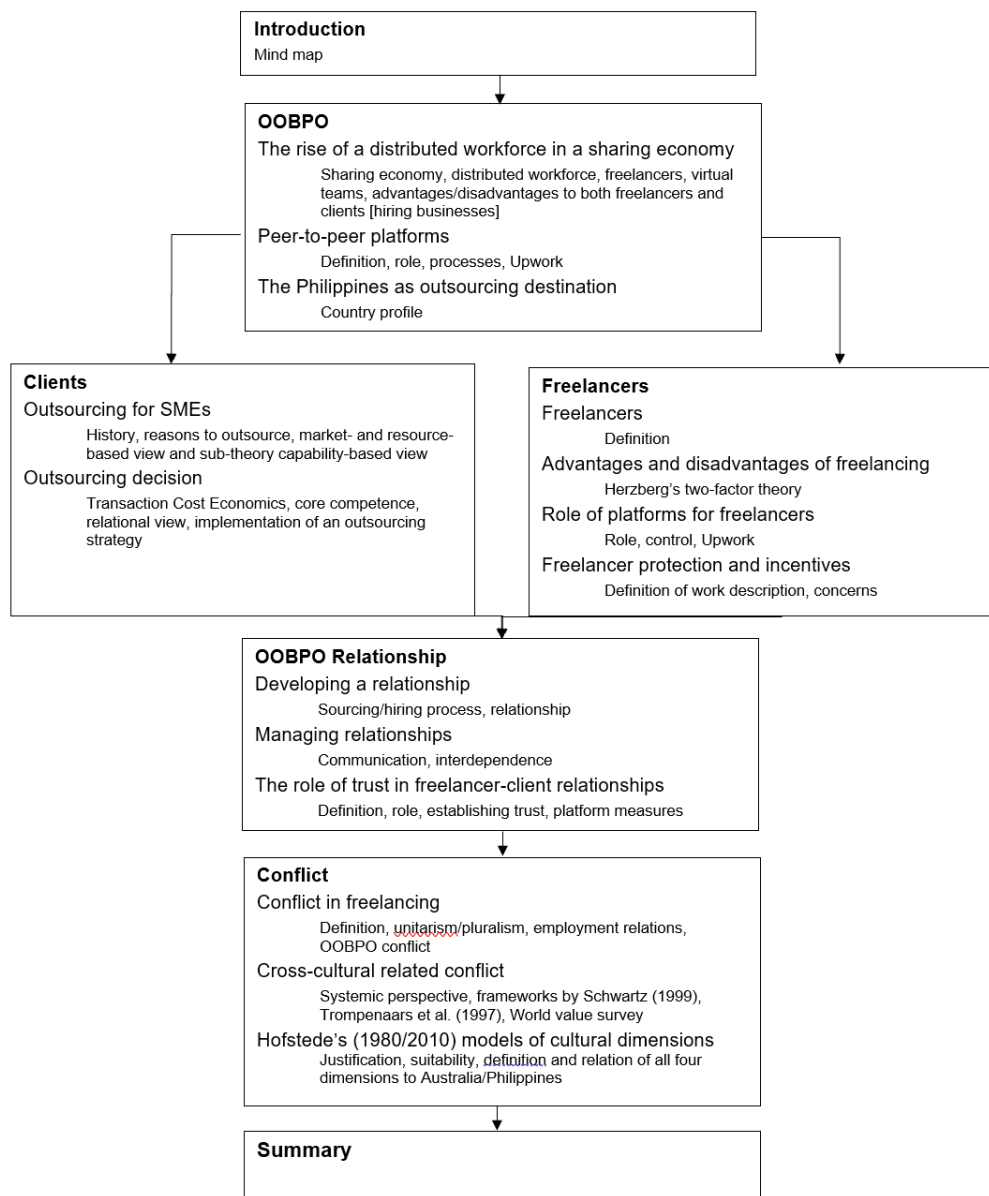


Figure 2.1 Mind map presenting the flow of this chapter

Source: Created by the author

The purpose of the literature review is to not only identify and discuss related existing literature on the project, but also to identify the gaps where either there is no research on the subject or there is limited scope for research. The latter aims to underline the originality of this project by showing how results and findings can address these limitations and contribute to the body of literature. The literature review is aligned with the main aims of the project and so provides explanations and creates context where needed; introduces and compares relevant theories; and deepens the insights into the subject. It situates the research problem within the literature field and aims to facilitate the reader's understanding of the whole freelancing concept.

[Appendix B](#) supports the discussion in this chapter related to the development of a background explanation for the demand for freelancing in the literature review. The key theories used in this study are Hofstede's cultural dimensions theory in combination with the supplementary theory, Herzberg's two-factor motivational theory. These two theories are the basis for the development of the three research questions within the theoretical framework (as developed in [Chapter 3](#)).

This literature review discusses the phenomenon of OOBPO and then narrows its view from OOBPO down to the clients⁶, including SMEs as a significant client group, who are the counterpart to freelancers. Their role needs to be understood to gain a comprehensive picture of relationships established in OOBPO. In turn, the concept of freelancing is explained for freelancers situated within OOBPO. The discussion culminates in the freelancer–client relationship. This provides a basis to discuss Hofstede's and Herzberg's theories, which motivate the development of Research Question 1 in [Chapter 3](#). The literature then deepens the discussion on the subject with the relationship between the two parties being brought into focus. This part of the review is referring to Hofstede's theory, which inspired the development of Research Question 2 in [Chapter 3](#). This eventually leads to Research Question 3, regarding Hofstede's theory, which in [Chapter 3](#) provides a focus for the source of conflict and an explanation on how to manage this conflict. This third research question includes a review of conflict in a cultural context. The chapter concludes with a summary containing the main points of the discussion.

⁶ A client in this context is a business engaging in OOBPO. Alternative terms for client are 'customer' and 'consumer' and can be considered the same thing (Haq et al. 2018).

2.2 Online offshore business process outsourcing (OOBPO)

The following review of the literature focuses, initially in [Chapter 2.2](#), on discussion related to the new business concept of OOBPO. The discussion then narrows its view from OOBPO down to the clients in [Chapter 2.3](#), including SMEs as a significant client group, which is the counterpart to freelancers. In [Chapter 2.4](#), the concept of freelancing is explained, and how freelancers are situated within OOBPO. These explanations of clients and freelancers then allow for further discussion of the relationship between these two parties in [Chapter 2.5](#). Conflicts that occur in freelancing as well as the potential implications of the cultural impact within cross-country freelancer–client relationships are discussed in [Chapter 2.6](#).

2.2.1 *The distributed workforce in a sharing economy*

The increasing number of businesses hiring workers who work from their home offices has been described as a mega-trend (Hartmann 2004; Sanders et al. 2007; St. Amant 2009; Terjesen & Bhalla 2009). Mega-trends have been defined as follows:

- Mega Trends are transformative, global forces that define the future world with their far-reaching impacts on businesses, societies, economies, cultures, and personal lives (Jawad 2016, p. 2).
- [An] important shift in the progress of a society or of any other particular field or activity; any major movement. (Oxford University Press 2019⁷).

Limited research is available on OOBPO for SMEs and the ensuing freelancer–client relationships. This research can thus contribute to the emerging literature and provide a unique view of the subject by considering the freelancer perspective. In the context of this research, several other key concepts were explored, namely, the sharing economy, the distributed workforce, freelancers and global virtual teams. These are terms that are frequently cited in related research. It is necessary to understand the meaning of these terms in order to grasp the overall concept of OOBPO, as they all refer to the situation and framework of the current workforce. While discussing these

⁷ No page number can be given for this reference as this is from an online version of the Oxford dictionary.

terms, they will be related to OOBPO, and hence their relevance for this research will be evident.

Firstly, the sharing economy refers to a marketplace where the capacities and services of workers are shared between different hiring entities, rather than just one employer. The term can be misleading as 'sharing' in this context is not altruistic, because workers receive compensation. There are numerous alternative terms such as 'trust economy', 'collaborative consumption', 'on-demand economy' and 'peer-to-peer economy' (PWC 2015) or 'gig economy'⁸ (de Ruyter & Brown 2018).

The modern sharing economy is based on the presence of online platforms that connect demand and services (PWC 2015; Cheng 2015). Workers act as 'microentrepreneurs' as they are responsible for finding their own jobs and defining their rates (Cheng 2015). Workers in the sharing economy can be located in the same country as their clients; however, in OOBPO, the workers are always located overseas. OOBPO is still a prime example of the sharing economy: Firstly, the relationship is between a freelancer and a client (as opposed to an employee and an employer). Secondly, the freelancer shares their capacities between more than one client or project, with each of those income-generating opportunities often being insufficient as a sole source of income, whereas in aggregate they create an adequate income base. Thirdly, the relationship between the two parties is transient and strictly needs-based: It commences and ends with the associated project. Finally, the entire collaboration is digitally empowered and only becomes feasible through electronic means and a central platform as a middleman.

In the sharing economy, which refers to workers being hired on an as-needed basis and not located on the physical premises of a company, leads to the next key concept: the distributed workforce. The distributed workforce denotes a workforce with the following characteristics: Firstly, the workforce is geographically dispersed, thereby eliminating the collaboration limits of a physical office set-up. Secondly, workers choose their own workplace, typically a home office. Consequently, a networking

⁸ The term 'gig economy' originated from the music industry to describe employment situations in which workers are self-employed and can be hired temporarily (de Ruyter & Brown 2018; de Stefano 2016; Kathuria et al. 2017).

infrastructure is used to connect the workers to each other and/or the business (Katherman 2016). The term 'distributed workforce' can refer to not only different settings, such as off-site workers in physical outsourcing situations (Novitski 2008), but also the context of temporary contract staff, such as freelancers.

Freelancers are present in all major industry groups such as the professional, scientific, and technical industries (Kitching 2016). New technologies allow businesses to be connected and act globally, while modern technology opportunities and a flexible economic environment have changed the composition and structure of workforces. Cronin (2012) relates these changes to an attitude wherein traditional and/or long-term positions are no longer desirable; he specifies that the US workforce is made up of about 20% independent, free-agent contractors and consultants. Block (2015) suggests that it is about a third of the US workforce, while de Ruyter and Brown (2018) specify 22% of the UK workforce as being represented by non-traditional work arrangements. Numbers vary greatly in the literature, are subject to constant change, and vary between countries.

It is difficult to estimate the number of freelance workers, as businesses can be reluctant to disclose these data. Even when figures are available, it is hard to draw a reliable estimate, since workers work for several companies at the same time (de Stefano 2016). Novitski (2008) emphasises that with increasing globalisation, the meaning of geographically dispersed teams will become stronger. Freelancing is part of the distributed workforce, as freelancers are not necessarily bound to be geographically close to the hiring business. However, freelancing also refers to labour markets such as Craigslist, where people are hired locally to complete smaller jobs, often for private individuals.

One form of the distributed workforce is global virtual teams (GVTs), in which team members work from different geographic locations either as freelancers or permanent employees. GVTs rely heavily on information technology and workers have limited, or no, face-to-face interaction. Liu (2007, p. 21) provides a definition of virtual teams as 'a small group of people who work through computer communication technology for a specific purpose without face-to-face meetings'. Geographical barriers, different time zones, cultural differences, and misunderstandings in interpersonal relationships can lead to problems and conflicts (Pinjani & Palvia 2013).

The key concepts, 'distributed workforce' and 'global virtual teams', also describe the situation of the workforce in OOBPO. By definition, OOBPO team members work overseas and therefore are geographically separated from the client's operational base. A team can be composed of workers who originate from the same or from several countries. There is usually zero physical contact between team members, with all communication being achieved electronically.

The distributed workforce and its implications for businesses have been widely discussed in the literature (Abdul-Halim, Hazlina Ahmad & Ramayah 2012; Agrawal, Goswami & Chatterjee 2010; Baden-Fuller, Targett & Hunt 2000). Johnson (2015) writes that a distributed workforce is particularly successful in situations where there is a shortage of and a need for talent, a need to save salary costs, and a preference for diversity. The online blog 'CloudPeeps blog' (CloudPeeps Team 2015) tells the story of Automattic⁹, one of the first companies to engage in remote and distributed team structures. Automattic has a successful systematic staff selection process, which is reflected in a retention rate of 100% in some of its departments (CloudPeeps Team 2015). Their secret lies in a very employee-oriented philosophy: Team members receive cutting-edge equipment plus a stipend for their home offices, work and vacation times are flexible, and face-to-face meetings are organised once a year in a tranquil setting. This information is valuable for this research project as it is interested in identifying factors that are important for freelancers and create job satisfaction.

The new distributed workforce in a sharing economy requires a platform as a framework to source and complete work, and such platforms will be described in more detail in the next section.

2.2.2 Peer-to-peer platforms

The sharing economy is based on the usage of peer-to-peer-platforms, and the literature in this field is limited as research only started to appear recently (Maselli, Lenaerts & Beblavý 2016; Popiel 2017). The literature review revealed that at this

⁹ Automattic in 2015 operated successfully across 40 countries with a total of 400 team members (CloudPeeps Team 2015)

stage a main recurrent theme is the benefits and disadvantages of peer-to-peer platforms for workers, businesses and the economy in general.

The definition of a peer-to-peer platform varies in the literature because there are countless platforms offering different services and processes and some of them are quite complex. Kenney and Zysman (2015) define platforms as frameworks for value creation that often form entire ecosystems; Marr (2017) describes them as networks able to create value for participants by facilitating connections; and Constantinides, Henfridsson and Parker (2018, p. 381) define platforms as ‘a set of digital resources – including services and content – that enable value-creating interactions between external producers and consumers’. In all three definitions, the term ‘value’ takes centre stage.

In general, a peer-to-peer platform is an online marketplace that connects individuals and businesses with each other, thereby facilitating trade in easy and convenient ways (Einav, Farronato & Levin 2015). A party can post a project and the other party applies for it; then when the service is fulfilled, the arrangement ends. Examples of peer-to-peer markets include eBay, Elance, Uber, Airbnb, Craigslist, Etsy, 99Designs and Upwork. For every major platform type, there are countless smaller platforms aiming to provide similar services, but most of them never reach a stage where they can provide full-time income to workers, and some cease to exist after a period of time (Maselli, Lenaerts & Beblavý 2016).

Peer-to-peer platforms generally share some common features: Users are not anonymous but require verified accounts, vendors and workers interact directly with each other, and trust is a central issue, requiring platforms to establish rating systems for more transparency (Cheng 2015; Dijkstra 2017). When businesses hire freelancers via a platform, they enter into a finite work relationship due to the temporary nature of projects. Once a project is completed, remuneration is paid and mutual feedback is given (Agrawal et al. 2013). A project can be as short as a few hours, but it can also last for many months, and in some cases years.

Platforms have revolutionised the concept of freelancing and shaped it in whole new ways (Kathuria et al. 2017). In fact, platforms have experienced a rapid growth in recent years. oDesk was founded in 2003, merged with Elance in 2013, and was

rebranded as Upwork in 2015 (Haq et al. 2018). Upwork has over 10+ million freelancers and 4+ million clients (Upwork Global Inc. 2018). It is the world's largest online freelancer marketplace and an industry leader in the freelance area providing well-defined, specific services (Green et al. 2018).

The growth of platforms came with a lot of challenges and disruptions to the economy and society: Uber disrupted taxi company services, Airbnb disrupted hotel services, and Zenefit disrupted local insurance brokers (Kenney & Zysman 2015). Disruption can be perceived as highly negative. The public transport game-changer Uber caused significant grievance among taxi drivers, leading to several years of protests in the mid-2010s and frequent incidents; (Bandic 2017; Toor 2015; O'Rourke 2015; Whitnall 2014). Uber accepted heavy fines in many countries, yet it seems to be unstoppable in its triumphant march. Adequate policy development is needed to meet current trends that cannot yet be met by legislation. Constantinides, Henfridsson and Parker (2018) recommend further research to look into an appropriate role for government intervention.

The freelancers in this research project used the platform 'Upwork', the world's largest online labour market (Ghani, Kerr & Stanton 2014). In 2014, Upwork had more than 3.7 million registered clients worldwide and served more than 180 countries, of which, as said before, Australia was listed as a top client country, ranking second by money spend (Elance oDesk 2014). Upwork provides communication channels, performance-monitoring tools, review systems and a payment gateway. Its algorithms aim to bring freelancer and clients together while taking into account their reviews; a freelancer with a repeatedly low review score is unlikely to be suggested to a client (Pennington 2016). Upwork acts as a comprehensive service provider and facilitator for freelancers and businesses, and significantly streamlines their collaboration. Despite its size and its influence on the economy, research about Upwork is lacking and the platform remains under-explored (Popiel 2017). The interface of Upwork is easy to comprehend and intuitive to navigate, and its design resembles a mixture of social media platforms (Dijkstra 2017).

Upwork acts globally and can be accessed from most countries worldwide. In some countries, the federal law restricts Upwork from conducting business. In 2019, these countries were Iran, North Korea, Syria, Crimea and Cuba (Upwork Global inc. 2019).

Naturally, in some countries, more freelancers utilise the platform, while in other countries, more clients post job opportunities. The Philippines, within the context of this research, is an example of a popular freelancing country.

2.2.3 *The Philippines as an outsourcing destination*

More information on Australia (as a typical client country) and the Philippines can be found in [Appendix D](#). Based on this mix, the focus of this study is on Australian SMEs and their interaction with freelancers based in the Philippines. The Philippines is a preferred destination as research indicates that many of the freelancing jobs are between Australian SMEs and freelancers in the Philippines (Tholons 2013; 2014). Within OOBPO, freelancers working in virtual teams are geographically dispersed and typically have no physical contact. They are hired on a project basis and are subject to irregular payments and unpredictable cash flow (Block 2015). These challenges are a potential source of conflict. The geographical location of the Philippines also comes with the challenge of freelancers being located in other times than their Western clients. However, while the time difference from the United States, where a vast majority of their clients are located, is substantial, the time difference from Australia is only minor. This makes Australia an interesting client base for Filipino freelancers.

Outsourcing first came into the Philippines in the 1980s and since then has provided a considerable impact on its economy, with a significant growth spurt after the year 2000 led by call centres (Lee et al. 2014). According to Tholons (2013; 2014), the Philippines is one of the most promising destinations for OOBPO. On the world's largest freelancing platform, Upwork, about one in eight workers are located in the Philippines (Ferraz 2014).

Tholons is a global consulting firm that publishes an annual report outlining the top 100 outsourcing destinations since 2006. Their ranking is based on their Location Assessment Framework and is acknowledged by industry stakeholders and frequently cited by others (Borodako, Berbeka & Rudnicki 2015; Gaspareniene & Vasauskaite 2014; Ikerionwu et al. 2014). Cities in India and the Philippines filled all ranks from 1 to 8 in their 2014 report, with Manila shifting from rank 4 in 2012 to rank 2 in 2014 (Tholons 2013; Tholons 2014). Tholons recognises Southeast Asia, South America

and Eastern Europe as the three big players in OOBPO. In Southeast Asia, the Philippines, Malaysia and Indonesia are named as the most promising destinations. In fact, the Philippines is often described as one of the most competitive OOBPO destinations (Figure 2.2). For this reason and the ones described below, this research will focus on the Philippines as an OOBPO destination. However, due to the countless trends in outsourcing and the ever-shifting preferences of clients, it is likely that over time other countries will also become preferred outsourcing destinations (Palugod & Palugod 2011).

Firstly, Southeast Asia is relatively close to Australia, which makes daily operation in inter-country collaboration easier due to only minor time differences¹⁰. Small time differences are preferable for OOBPO as it facilitates smooth and fast communication and avoids daily gaps where one side is unavailable.

Secondly, Southeast Asian countries are known to have all the benefits of suitable OOBPO countries such as inexpensive and skilled labour, a high literacy rate, good English skills and a drive to participate in OOBPO. With English being one of the official languages of the Philippines, and with more than 14 million Filipinos speaking English, the Philippines is globally recognised as an English-speaking nation (Cabigon 2015). However, the Philippines also has a wealth of diverse indigenous languages that differ extensively (McFarland 2008).

The Philippines is a relatively expensive freelancing country for clients, ranking third among the freelancing countries with highest earnings for freelancers (after India and the United States) (Elance oDesk 2014); however, the usual rates are still much lower than in most clients' 'home' countries.

The Philippines was colonised by the Spanish in 1565 and their power lasted for more than 300 years before Emilio Aguinaldo declared the independence of the Philippines (Lee et al. 2014; Schirmer & Rosskamm Shalom 1987). This colonisation may account for cultural similarities due to the Western influence. Although the Philippines are still considered a developing country (Worldbank 2017), a quality talent pool can be found

¹⁰ For example, Sydney is UTC +11 and Manila UTC +8, which is a time difference of 3 hours (2 hours during DST). Time differences from Eastern Europe are much larger; for example, Poland is UTC +2, a difference of 9 hours.

here; with a literacy rate of 95.4% and a rate of 28% of tertiary-educated residents, (Lee et al. 2014). South American countries, such as Colombia and Peru, although having low labour costs, may be less attractive for Australian businesses due to their limited English skills (Overby 2013). According to the last census of the Indian government in 2001, the literacy rate in India is a mere 64.8% (Government of India 2001).

Thirdly, the governments in some Southeast Asian countries provide incentives to attract OOBPO companies. Looking at the Philippines, there is a 4-year income tax holiday (an exemption from corporate income tax), simplification of import and export procedures, and also personal incentives such as permanent residence for foreign investors and their immediate family members (Lee et al. 2014; Perera, Begley & MacGillivray 2009).

Fourthly, Southeast Asia and the Philippines in particular have an overall high competitiveness profile compared to other countries ([Appendix D](#)). Although India is ranked higher in this assessment, the Philippines is considered a safer choice based on a 2012 survey by O2P-BPAP (IT & Business Process Association Philippines 2015).

To summarise, due to their inexpensive labour, excellent English skills, small time difference and a drive to participate in OOBPO, the Philippines is a very attractive outsourcing destination for Australian businesses and, as such, will be the focal point of this research.

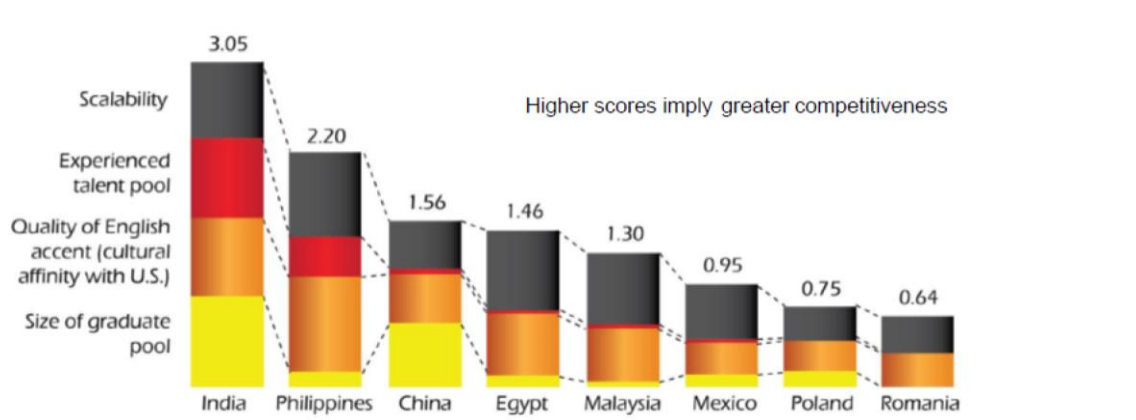


Figure 2.2 Comparison of competitiveness of typical outsourcing countries

Source: IT & Business Process Association Philippines (2015)

2.3 Clients

The literature review has discussed attractive outsourcing destinations, and how the rise of OOBPO shaped the economic landscape. Now it focuses on the clients who engage in OOBPO. Upwork found that 8 out of 10 clients were business owners and 50% of these were start-ups (Elance oDesk 2014)¹¹. In the same report, the following demographics were reported:

- Nearly half of all clients (48%) were between 18 and 35 years¹² and 28% were 36–45 years.
- 90% of clients considered hiring online to be a successful long-term strategy.
- 60% of clients are early adopters of technology.

Popiel (2017, p. 228) considered these clients as ‘inherently risky enterprises’ as they have limited business experience and are of relatively young age. Over time, Upwork’s demographic age group may change and the median age may increase, similar to Facebook, which also experienced an ageing in its user groups (Dey, Jelveh & Ross 2012). Clients can source freelancers globally, but previous research found that clients tend to stick to freelancers from certain countries after past good experiences, and they prefer to rehire from the same regions (Mill 2011).

OOBPO is open to businesses of all sizes as there are no major investments required to participate, but there are some major benefits for SMEs, as the following section will demonstrate.

2.3.1 Outsourcing for SMEs

OOBPO can be particularly useful for SMEs ([Chapter 1.3.3](#)). Due to global changes in the competitive landscape and increased market volatility over the last few decades, businesses are under more pressure to improve their competitiveness, leading to a

¹¹ The survey had a total of 5,910 responders. At that time, Upwork was called Elance oDesk, but ‘Upwork’ will be used throughout this thesis for consistency

¹² It should be noted that 18 is the minimum age to be allowed as a client on Upwork according to the Upwork regulations on their website.

need to restructure their workforce (Boswell et al. 2012; Gottfredson, Puryear & Philipps 2005).

In particular, the Global Financial Crisis caused an economic turmoil that put intense pressure on some businesses, as a result of which countless businesses had to close down or reinvent themselves (Hausman & Johnston 2014). Both the Global Financial Crisis and long-term changes in the global economic environment facilitated the use of outsourcing by businesses of all sizes. Outsourcing has been one of the biggest game changers for SMEs in recent decades (Fulmizi 2012) and is likely to continue so (Drucker 2002).

It can be argued that the trend towards outsourcing is a necessity for SMEs to keep up with the ever-changing workplace environment. Numerous authors have found that outsourcing increases the viability and competitiveness of SMEs. Di Gregorio, Musteen and Thomas (2009) found evidence that SMEs can reduce costs, enhance customer service and free up scarce resources by outsourcing work offshore. OOBPO is a powerful concept that can empower SMEs, as it allows them to focus on strategic roles and those activities that directly add value to a business compared to those that do not necessarily need to be completed in-house (Abdul-Halim, Hazlina Ahmad & Ramayah 2012). These activities that are preferably done by the businesses themselves are the 'core competencies' (Hojnik & Rebernik 2012, p. 4). Through a concentration on their core competencies, SMEs can gain superior specialisation and capability (Mohiuddin 2014)¹³. Furthermore, SMEs often have limited resources compared with larger organisations; (Abdul-Halim, Hazlina Ahmad & Ramayah 2012; Hojnik & Rebernik 2012) however, through a focus on their core competencies, SMEs can utilise their capabilities more efficiently (Di Gregorio, Musteen & Thomas 2009; Kumari et al. 2015). Businesses are well advised to focus on their unique set of activities that sets them apart from their rivals, as this is the foundation on which competitive advantage is built (Gottfredson, Puryear & Phillips 2005; Wang 2014).

Despite all the benefits of outsourcing for SMEs, it is still a difficult task with many obstacles to overcome and risks to face. Businesses need to plan the OOBPO undertaking and standardise their business processes to facilitate the outsourcing

¹³ The author examined the role of offshore outsourcing in creating long-term viability for Canadian SMEs.

undertaking (Wuellenweber et al. 2008). Shortcuts in this preparation can lead to the failure of OOBPO. An SME may not be able to cope well with failure compared to a larger company with more resources. Millet (2001) stated that according to chaos theory, systems are neither open or closed, but complex and non-linear. This proposition leads to a view of systems as being unpredictable and prone to change in unexpected ways, and where small errors in predictions may have a snowball effect and thereby greatly impact on the accuracy of predictions. Due to their smaller size, SMEs are even more prone to changes and impacts and their outcomes are less predictable. OOBPO can thus lead to a competitive advantage for SMEs.

2.3.2 Outsourcing decisions

The capability-based view¹⁴ adopted by this research raises the question of where the capabilities that act as a source competitive advantage (Arend & Bromiley 2009) will originate from, and how they are sourced. Organisations that adopt a capability viewpoint need to decide whether the capabilities will come from internal or external sources. In the first case, they can reassign tasks and, in the second case, they can add capabilities from an outside environment. If the capabilities are sourced from another country and are based on an online exchange of work, this provides an opportunity to have a discussion about OOBPO (online offshore business process outsourcing).

An understanding of outsourcing decisions can be found in the following three theories: transaction-cost economics (TCE), core competency, and relational view theory (Wang 2014). Again, these theories promote an understanding of why organisations choose OOBPO for their outsourcing. However, none of the three theories is related to the three research questions developed within the scope of this study.

Firstly, according to transaction-cost economics, the advantages and disadvantages of outsourcing can be weighed and compared to provide a base for decision making.

¹⁴ The opposite of the capability-based view is the resource-based view, which states that access to resources gives organisations a competitive advantage (Grant 1991). Six types of resources have been suggested: financial, physical, human, technological, reputation and organisational (Grant 1991).

In this view, the decision makers in a business aim to balance transaction and production costs as a foundation to decide whether they keep work internal or externalise it (Miranda & Kim 2006). A transaction in this respect is a unit of economic activity (Commons 1990). The term 'asset specificity' plays a central role in this view, as it indicates the extent to which the items/assets involved in a transaction have a higher value for that particular transaction than for any other transaction (Miranda & Kim 2006; Williamson 1996). Some assets may be so specific that they only have value for a very limited number of transactions, or even a singular one. The consequence of dealing with a very specific asset is that a business needs either to make the decision as to whether they shall invest in such an asset or to employ a third party with that specialisation. Although there have been early proponents of this theory, such as Coase (1937), the major author on this theory is Williamson (1979; 1991). Transaction-cost economics has received extensive attention and has been amply applied in the context of outsourcing (Arnold 2000; Aubert, Rivard & Patry 1996, 2004; Barthélemy & Quélin 2006; Lacity & Willcocks 1995; Miranda & Kim 2006; Ulset 1996; Vining & Globerman 1999; Whitten & Wakefield 2006). Brandes, Lilliecreutz and Brege (1997) find that an outsourcing decision based on cost efficiency as well as core competency increases the chance of success.

This leads to the second theory, the core competency theory, which states that depending on the situation, certain resources can be purchased from outside in the form of outsourcing, while core competencies should remain in-house. This theory was developed by Prahalad and Hamel (1990), who define core competencies as measures that allow potential access to a wide variety of markets, have significant benefits for the customer, and are difficult for competitors to imitate. In the context of OOBPO, this theory stresses the importance of the clear definition of an organisation's core competencies. Oezbag (2013, p. 10) describes capabilities as the 'building blocks' of core competencies, and points out the human factor in this relationship. The author states that organisations may have many competencies, but only a few of them can be considered as core competencies as most are neither combined nor integrated well enough to fit this description.

Lastly, the relational view, as introduced by Dyer and Singh (1998), explains how firms gain and sustain competitive advantage through inter-organisational relationships

(Perunovic & Pedersen 2007). Its key premise is the concept of relational rents, which refers to an increase in profit for both collaborating partners, a profit that neither party could have achieved on its own (Dyer & Singh 1998). McIvor (2008) finds that this relationship is more than a formal contract, because it also includes social mechanisms, information exchange and joint problem solving. The relational view is not only relevant for the outsourcing decision but also once a business–freelancer relationship is established. The theoretical motivation for an actual outsourcing decision is based on a maximisation of profit for both the clients and the freelancers, with the assumption that such outcomes could not be achieved by a single party on its own, resulting in the interdependence of all parties. While this view is an interesting topic in itself, such a decision is outside of the scope of this research project, which is outlined in [Chapter 1.5](#). This study will focus on (i) the personal and professional environment of the freelancer, (ii) freelancers’ expectations of their clients to be able to build good relationships, and (iii) the role of conflict in freelancer–client relationships.

2.4 Freelancers

Following on from the discussion in [Chapter 2.2](#) related to the concept of OOBPO, the discussion then moves from OOBPO on to the clients in [Chapter 2.3](#). In this section, the discussion focuses on the freelancers so that their role is understood, which helps readers to gain a comprehensive picture of relationships established in OOBPO ([Chapter 2.5](#)).

2.4.1 Introduction to freelancing

Freelancing is on the rise, with more and more workers deciding to join this profession, and it is forecast that this trend will continue (Blanchflower 2000; Hussenot 2017; Jang 2017; Kitching & Smallbone 2012). Popiel (2017, p. 223) describes freelancing as ‘a manifestation of the wider phenomenon of digital labor’ and the author links it to the growth of online platforms that act as intermediary agents between businesses and workers. Improved technology is also specified by Haq et al. (2018), who link the freelancing trend to the improved internet technologies that are available nowadays.

Haq et al. (2018) refer to freelancers as self-employed workers who are not bound to a company. Freelancers work independently and are responsible for their own

marketing and the sourcing of jobs. The latter they find on online freelance websites such as e-marketplaces/platforms (Haq et al. 2018). They can freely select their workplace and work from libraries, cafés or from home. Although working from home may seem risky to clients as they have less control over their freelancers compared to workers in an office, previous research has shown that working in a home office can increase the performance of workers (Bloom et al. 2013; O'Hara 2017). Yet, home offices are not designed by health and safety experts but by individual people who may make bad choices in regard to suitable set-ups. Furthermore, home offices come with a range of problems, one being that they are often located in the bedrooms of workers. A survey carried out by PR Unlocked found that 80% of their respondents, all freelancers or business owners working from home, found it difficult to relax after work and recommended having a separate dedicated work area (Gamble 2019). Going to bed quickly after working on a screen also reduces the melatonin levels in the body. Melatonin is a hormone that controls sleep, a higher level of it is necessary for a healthy sleep rhythm (Griffis 2017). Home offices may lack essential furniture or ergonomic measures to support the health of workers. An in-house workplace study conducted by Xine (2018) with their Filipino freelancers provided evidence that the home offices of their freelancers required substantial updates.

Some freelancers cluster on social media and establish networks. Jang (2017) examines the emerging freelancer cooperatives in South Korea that serve the purpose of reducing the freelancers' job uncertainty as well as their time in between jobs. Haq et al. (2018) describe freelancers as a hybrid between employees and entrepreneurs, as they may get hired by clients to work for them but at the same time they work without any organisational assistance.

Research Question 1, stated in [Chapter 1.6](#), deals with individual freelancers to understand their working conditions and their original and ongoing reasons for working as freelancers. The literature review revealed many advantages and disadvantages of freelancing, as outlined next.

One of the most obvious advantages and incentives of freelancing is the high degree of freedom and flexibility (Haq et al. 2018; Kazi et al. 2014; Llamas 2018; Popiel 2017). In some freelance areas such as Uber, the workplace is predefined but there is still a high level of flexibility in scheduling (Cowen 2015), whereas in OOBPO freelancers

have the option to work from anywhere, including from home (Cronin 2012; Burke (2012). Freelancers can create their own schedules, allocate their time, and negotiate their rates (Blanchflower 2000; Jang 2017). They can work from anywhere and have control over their home office. Most Elance-oDesk freelancers work from home and therefore have no commute (Elance oDesk 2014). Furthermore, freelancers can freely select their clients and enter multiple contracts simultaneously instead of relying on one client as is the case in traditional offline workplaces, where only one employment contract is made (Kitching & Smallbone 2012). This flexibility can help to distribute the risk of being out of work when a project is finished or cancelled.

Working from home also allows freelancers to spend more time with their families and attend to the needs of their family members. Filipino families are very close (IES 2019; Tarroja 2010), and the reason for these tight bonds can be explained by the historical Filipino traditions (Filipino Life Magazine 2015). The high cohesion and dependency of family members can also be explained by societal and economic trends. While the Philippines is undergoing recent economic development, the demographic transition resembles that of a developing country with high population growth due to a high birth rate and a low average population age (Alipio 2013). As a result, Filipino families are still overburdened by simultaneous support for children and the elderly (Alipio 2013), leading to tight family bonds. Children are often a reason why Filipino mothers believe they cannot pursue a career. Monster (2018) found that more than 50% of the mothers in the Philippines believed that their career had been affected or hindered by their decision to have children.

Australian clients who hire Filipino freelancers should be aware of the central role of family. On the website of the Department of Industries, Innovation and Science (2016) it is stated that 'The Fair Work Ombudsman has found that [Australian] businesses that support employees as they start or grow their families are more likely to hold onto skilled and dedicated staff' (parenthesis added). This statement, although it includes all employee and is not Filipino-specific, shows how clients can benefit from acknowledging the role of family to their workers.

Furthermore, working from home saves the daily commute. The traffic in Manila, the capital of the Philippines, is often described as bad. A study by Boston Consulting Group showed high levels of peak-hour congestion in Manila, declaring it to have the

third-worst traffic levels in Southeast Asia (Chin et al. 2018). A typical commute in Manila can easily take up to two hours each way (Eclipse 2017).

Working from home also means that some set-ups are sub-optimal, as will be shown in [Chapter 5.4](#). The layout, design, and functionality of a home office has a great impact upon the freelancer and their performance: poor lighting, unfavourable chairs and desks, and other ergonomic shortcomings are likely to cause physical discomfort and health issues in the long-term (Grandjean 1987). Suitable office equipment such as adjustable chairs, as well as proper ergonomic training, can make a health difference to workers (Robertson et al. 2009). The features of the home office environment are hygiene factors, as will be explained using Herzberg's two-factor theory in [Chapter 8.2.4](#).

A frequently cited advantage of freelancing is the high monetary compensation (Lopez 2018; Benitez 2016). About 63% of freelancers in a global study noted that freelancing provides at least half of their household's income: 18% all, 25% most, and 20% half (Elance oDesk 2014). Furthermore, those freelancers believed that they earned more than other workers in their communities. Kazi et al. (2014, p. 3) note that freelancers can make a good living if they possess the right skills: 'Freelancers with the right skills can earn a great living from the comfort of their homes'. Several authors mention the opportunity to access several salaries (Block 2015; Cronin 2012). Freelancing can thus be more than just an add-on job; it can be a full-time job.

Another advantage of freelancing is the broad bandwidth of workers that it can attract. While traditionally, outsourcing has been associated with unskilled workers or simple work, this has changed, and clients nowadays can hire freelancers with all levels of skillsets in all industry areas. Smeaton (2003) differentiates between two types of freelancers: The 'portfolio' model refers to freelancers who possess higher skills and receive higher rates, while the 'marginalisation' model refers to freelancers with fewer skills and lower rates. Freelancing is not only an option for a small target group but can be attractive for a large range of workers. This large range includes workers from rural areas, physically challenged people, and unemployed people (Thabassum 2013). It can reintegrate people into the economy who have been excluded from the traditional workplace (Block 2015). These people may be victims of the Great Recession who were forced to leave the workforce (Cheng 2015), home-bound people

with health issues or disabilities (de Stefano 2016), or minorities such as people with Asperger's syndrome who face numerous challenges in a traditional workforce setting (Hansen 2015). Another example of Filipinos struggling to obtain employment in the local workforce is given by Muehlmann (2015), who notes that divorce is illegal in the Philippines¹⁵ and that those Filipinos who still decide to live separately can face severe obstacles in the local workforce. However, for an overseas employer, it is a subject that usually does not influence a freelancer's hiring decision.

Despite the above-listed incentives for freelancing and the crowd of workers it may attract, it is not for everyone. To be a successful freelancer, self-branding or personal branding is an essential skill to secure work (Popiel 2017). In contrast to the offline world where skillsets and social networks may be sufficient, freelancers need to extend their self-marketing to a successful track record of quality work, high ratings and knowledge of the platform they use to gain work. Self-branding can be described as an 'investment in social relationships with expected return for the acquisition of a reputation' (Gandini 2016). In an article about freelance journalists, Brems et al. (2017) suggest that personal branding using Twitter can increase their market values as they can become hubs for news and opinions. The role of self-branding shows how important it is for freelancers to be driven and proactive, as a worker without any active involvement in their branding would be likely to receive less attention, and hence less work.

Numerous disadvantages for workers are described in the literature. Under the wrong conditions, freelancing can be physically exhausting, burdened with hurdles, and financially disastrous (Stone 2012). The author raises concerns about the lack of face-to-face interaction and communication, factors that in her opinion lead to lower levels of camaraderie and motivation. Another disadvantage is the virtuality, as freelancers work from their premises of choice and are not attached to a physical office. However, as Handy (1995) points out, a fixed office provides a sense of security and also a sense of place and belonging. Isolation is a challenge that all freelancers who do virtual work face (Conlin 2009; de la Haye 2018; Graham, Hjorth & Lehdonvirta 2017). A survey of 1,000 UK freelancers by New Epson EcoTank research found that

¹⁵ According to Muehlmann (2015) they are only legal when a person is married to a foreigner or if both spouses are of Muslim denomination.

about half of all their participants felt isolated. However, social interaction in the workplace is not only in the interest of the freelancer; clients would be interested to know that high social interaction in offices is linked to higher levels of productivity (Bowler 2016; Robison 2008). Go (2016) furthermore criticises the difficulties in time management, payment, and accountability, and makes practical suggestions for businesses to support their workers in these areas. That unreliable payment is a real issue for freelancers was also found by Bearne (2016), Hamilton (2011), Muhammed (2018) and PayPal (2018). Besides clients who fail to pay properly, freelancers may also struggle to find new projects (Graham, Hjorth & Lehdonvirta 2017). This results in job insecurity that can be defined as 'perceived powerlessness to maintain the desired continuity in a threatened job situation' (Greenhalgh & Rosenblatt, 1984, p. 438). Job insecurity is a concern particular in collectivistic cultures where the desire to secure jobs is generally higher compared to individualistic cultures (Meindl et al. 1989; Roll et al. 2015). Earlier work by Inglehart (1990, p.56) contradicts this finding, however. The author describes, in terms of working behaviour, that people 'place less emphasis on high salary and job security than on working with people they like, or doing interesting work'.

Freelancers can also face clients who do not provide clear instructions or are difficult to deal with. They can also face administrative problems. For a lot of online projects, adequate technology is required. Furthermore, freelancing comes with a range of obligations and responsibilities for freelancers, such as paying self-employment taxes, taking personal responsibility for health insurance, and retirement coverage (Kazi et al. 2014). Traditional employers in the Philippines commonly include such benefits in their salary packages as benefits because the public systems are generally considered inadequate and hindered by corruption (Lopez 2019; Reyes 2020).

Despite these disadvantages, previous research has reported that freelancers overall display high levels of job satisfaction and, in fact, are generally more satisfied with their careers compared to traditional office workers (Schneck 2014; Bianchi 2012; Blanchflower 2000). Prior research found the following three sources of job satisfaction: Firstly, working from home can lead to greater job satisfaction (Wheatley 2012); secondly, self-employed workers are more satisfied than employees (Schneck 2014); and thirdly, freelancers display higher levels of job satisfaction compared to

other workers (Shevchuk & Strebkov 2012). It is not only a great benefit for the freelancers but can also, as previous research reports, provide incentives for clients, as higher job satisfaction is linked to better-performing workers: 'Satisfaction creates confidence, loyalty and ultimately improved quality in the output of the employed' (Tietjen & Myers 1998, p. 226). Tietjen and Myers' finding relates to their research in light of Herzberg's two-factor theory, hygiene and motivational factors, which links with job satisfaction as described in (Chapter 3.2). It states that satisfaction and dissatisfaction are caused by two different and independent sets of factors (Herzberg, Mausner & Snyderman 1959). While satisfaction depends on motivators intrinsic to the job such as challenging or stimulating work, dissatisfaction is caused by 'hygiene factors' extrinsic to their work, such as monetary matters, status, or company policy (Holmberg, Caro & Sobis 2018). Intrinsic factors not only refer to the work itself but also to flexibility and autonomy in the workplace (de Klerk 2014; Shields 2016).

2.4.2 *The role of platforms for freelancers*

Platforms act as intermediaries between users (freelancers) and businesses (clients) (Constantinides, Henfridsson & Parker 2018). They are more than agents; they are the virtual environment in which freelancers work and act. Due to their virtual nature, they enable clients and freelancers to work together independently of time and space (Kathuria et al. 2017).

When a project is small, clients and freelancers only spend a small amount of time together; but in cases where a project is of longer duration, freelancers and clients have the opportunity to build professional relationships. Furthermore, clients sometimes return to the same freelancer for further projects or project extensions. Freelancers who may at first feel like distant service providers may become an essential part of an organisation over time. Working with freelancers over a longer time span means that clients may benefit from getting to know their freelancers better and understand their expectations, preferences, skills and limitations. The relationship is supervised by the platform, and all involved parties adhere to the rules provided by the platform (Agrawal et al. 2013). While most systems on these platforms are automated, there are options to contact the platform team and talk to 'real humans'. In cases where

freelancers and clients have a disagreement and cannot settle it themselves, they can lodge complaints and the platform employees will then intervene.

Using platforms such as Upwork can be very attractive for clients, as they can hire freelancers from around the world and access professional services that they would not be able to access in their own local markets (Green et al 2018). In some countries there is an oversupply of workers, leading to high competition between freelancers. Graham and Anwar (2018) criticise the fact that platforms nurture such competition instead of focusing on collaboration between freelancers. The major goal of platform owners is to generate income from attracting as many freelancers as possible and connecting them with as many clients as possible, thereby maximising the volume of jobs completed through the platform. Income can be generated by charging fees to clients and freelancers at several stages of the projects. Here the platform operators usually have unprecedented control over compensation systems (i.e., how much they charge to clients and freelancers) (Kenney & Zysman 2016). Upwork is highly automated and based on algorithms and code interfaces, and in situations when clients and freelancers have disagreements, the issues are sorted out within the infrastructure of Upwork (Dijkstra 2017). The platforms not only control the fees they charge to freelancers and clients, but they also constantly monitor freelancers with automated systems. This approach is different to traditional contract workers who work without substantial supervision (Scholz 2017). All larger platforms have numerous systems in place to ensure that the freelancers' performance and project progress is as transparent as possible. On Upwork, electronic monitoring of freelancers includes periodic screenshots of their desktop to monitor their activities (Kuhn & Malecki 2017). Measures like this are likely to influence the perceived autonomy of the freelancers (Kuhn & Malecki 2017).

Nowadays, clients can access a range of tools to monitor freelancers in addition to the tools provided by the platforms. To name one, SurveilStar captures and records screenshots of the workers' computers and can also provide real-time monitoring (<http://www.surveilstar.com>). This allows clients to review what workers have done during the time they were charged.

Performance control is a subject that is of interest to the client and hence, platforms provide systems and measures for freelancers. For example, Upwork has a system in

place for the reward of performance that is linked to the achievement of a freelancer's targeted job success. The more jobs a freelancer successfully completes, the more Upwork advertises that freelancer (Upwork Global Inc. 2018). Rewarding a freelancer's success can be easily done by Upwork, for example, by ranking freelancers higher or displaying them first when clients search for workers. Upwork also rewards quantity of work, their website displays the following: 'The more business a freelancer has done with a client, the more they'll earn' (Upwork Global Inc. 2019).

This statement refers to the commission they charge to the freelancers: For the first \$500 billed with a client, Upwork charges 20% commission; between \$500 and \$10,000 they only charge 10%; and for any billings against a client that exceed \$10,000, the fee drops to 5% (current as of February 2020)¹⁶. The measures give the impression that Upwork's intent is to support long-term relationships between (successful) freelancers and the same clients.

Hsieh and Hsieh (2013, p. 315) found¹⁷ that besides monetary rewards, the relationship to specific platforms is also important to freelancers. As they write about the role of such a platform, 'Its business strategy, corporate culture, behavior, and history create a general image for freelance developers and then influence their intentions to stay'.

2.4.3 Freelancer protection and incentives

Freelancers who use the platform, Upwork, are subject to its rules which have been developing constantly since it was first established. Upwork established numerous measures and systems to protect freelancers and clients and has a transparent review system that allows both parties to make informed decisions to work with each other, an opportunity that Cook (2019) highly recommends.

There is an ongoing debate as to whether freelancers are contractors or employees, as they are subject to different entitlements. According to the Australian Taxation Office (2016), the differences are manifested in their commercial risks, payment, independence, level of work control, ability to delegate and responsibility for

¹⁶ There is no time limit to the client billings. Overall life-time client-billings are considered.

¹⁷ Their research dealt with smartphone applications in marketplaces.

equipment. While employees either receive all equipment, tools and assets required to complete the work or alternatively are entitled to a reimbursement for the said materials, a contractor has to provide those as part of their own expenses. Kitching (2016) defines freelancers as independent professionals who are supplying labour services to clients on a temporary basis or on a contract basis. Instead of allocating freelancers into an existing category, Maselli, Lenaerts and Beblavý (2016) suggest either the creation of a special status for freelancers to ensure they do not miss out on benefits that traditionally employed workers have, or the avoidance of any categorisation and the decoupling of rights and benefits from traditional employment.

Employment relations are a means by which workers can obtain rights and benefits with respect to labour law and social security (Kalleberg 2009). However, the landscape of employment relations has changed substantially in recent decades, and in particular, the memberships of trade unions have sharply decreased (Marginson 2015). Employment relations have become more complex and diverse as there are regulations, and the workforce is heterogeneous and intricate (Meardi 2014). Younger cohorts of employees who have recently entered the workforce have demands and work ethics that traditional players such as unions have little inclination to respond to (Sridhar & Nayak, 2013). While employment relations are seen as economic relations, they come with their own challenges, because social problems arising from the sale of labour power (e.g., inequalities between employers and employees) are unavoidable (Meardi 2014).

Several authors have raised concerns about worker protection, pointing out that existing legal frameworks are outdated and that there is a need for more protection for freelancers, who commonly miss out on the traditional benefits of long-term employment, especially financial security and stability (Berg 2016; Block 2015; Cheng 2015; de Stefano 2016; Einav, Farronato & Levin 2015; Hussenot 2017; Maselli et al. 2016; Kenney and Zysman 2015; PWC 2015). Hussenot (2017) writes that freelancers do not have job security and do not receive benefits. For freelancers to enjoy financial security and social protection coverage, they need to have a second job in which they are employed (Berg 2016). De Stefano (2016, p. 5) writes that sometimes freelancer work is not even recognised as work but rather as ‘tasks’, ‘service’, or ‘favours’, and

therefore, one of the first steps in freelancer protection is to recognise their jobs fully as work.

In Australia, strict workplace health and safety laws ensure that businesses create a safe work environment (Department of Industry, Innovation and Science 2018; Office of Industrial Relations, Workplace Health and Safety Queensland 2011). However, Filipino freelancers working from their home offices are not covered by such laws, and it is up to themselves to set up a safe and healthy workplace. The Code of Practice 2011 of the (Australian) Office of Industrial Relations (Reg 40) requires employers to provide adequate ventilation for workers, and it states that the optimum temperature for city workers is between 20 and 26 degrees Celsius (Office of Industrial Relations, Workplace Health and Safety Queensland 2011). Other issues included inadequate lighting and distracting background noises, and both could be relatively easily solved by adding light bulbs or better light sources or noise-cancelling devices. In the Philippines, the regulations for occupational health and safety were long lagging, and only in 2018, the World Health Organisation congratulated the Philippine government for passing the Occupational Safety and Health Standards Act, which aims to decrease workplace-related diseases and injuries (World Health Organisation 2018).

The CBHS Health Fund (2014) writes that caring about healthy and safe office set-ups can help employers to 'strengthen relationships with their employees and keep staff motivated, loyal and alert'. The same report also notes that sick leave and absenteeism is strongly related to healthy office environments. There are many diseases related to bad ergonomics, such as musculoskeletal conditions including repetitive strain injuries or cumulative trauma disorders, and unsuitable equipment and office set-ups can also lead to a range of other health issues. Other health problems may be vision-related, such as eyestrain, headaches, and blurred vision (Office of Human Resource Services/Health Safety and Environment 2012). Furthermore, unsafe and unhealthy set-ups can lead to staff turnover and accidents, both of which are associated with costs for the client (Reh 2018; Smallman & John 2001).

This research can provide information for policy makers to establish frameworks and for clients to gain a deeper understanding of their freelancers' work situations.

The preceding sub-section, [Chapter 2.4](#), provides a discussion around the potential research problem regarding aspects of the personal and professional environment of freelancers.

This research problem will be developed into Research Question 1 for Filipino freelancers in [Chapter 3](#), based on Herzberg's two-factor/motivational theory and Hofstede's cultural dimensional (diversity) theory.

2.5 Freelancer–client OOBPO relationships

This section will explain the concept of freelancing, and how freelancers are situated within OOBPO.

2.5.1 *Developing a relationship*

Once a business (client) has made the decision to outsource business processes, the next step is to source and hire freelancers ([Figure 2.3](#)).

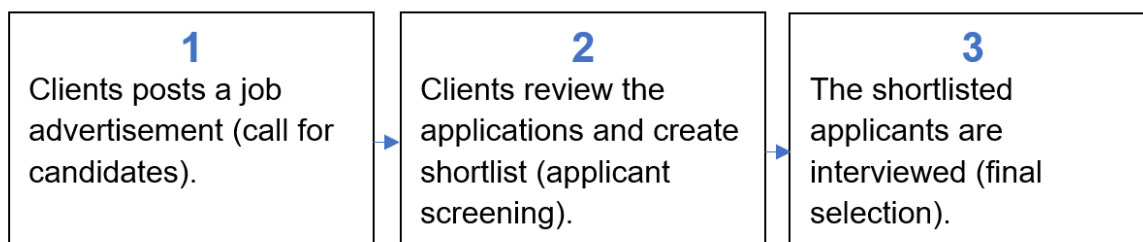


Figure 2.3 Three-step hiring process using a platform

Source: Created by the author in line with Abhinav et al. (2017)

While clients usually focus on minimising costs, they may not select the cheapest freelancers, as the quality among providers differs a great deal (Mill 2011). Hiring the right candidate can be a daunting task with hurdles to overcome (Abhinav et al. 2017).¹⁸ Once a freelancer is hired, the project starts and the relationship needs to be managed, but due to the physical separation of workers and clients, the relationship in the virtual mode comes with its own challenges (Cascio 2000). Virtual relationships are naturally subject to barriers that can cause grievance or hinder performance, such

¹⁸ Abhinav et al. (2017), in their paper on hiring freelancers, propose a multidimensional assessment framework that evaluates freelancers on several dimensions.

as multiple time zones, language differences, perceptions towards conflict, trust and leadership, communication issues, and technology failure (Bergiel, Bergiel & Balsmeier 2008). If clients for example fail to provide clear instructions, freelancers may not understand what is expected of them (Brem 2018; Johansson 2017; Zalewski 2017).

All of these challenges can create difficulties and may lead to conflict. Building successful relationships with freelancers is a challenging task (Lavilles and Sison 2016). Boswell et al. (2012) note that contractors tend to develop emotional attachments to and identify with their clients in long-term relationships. It is a natural process for humans to develop bonds and commitment to the setting in which they act. If the relationship fails, the project fails, and it is therefore in the interest of clients to establish functional relationships and manage any conflict. In accordance with common business performance-management cycles, such relationships need to be managed, nurtured, monitored, reviewed, and adjusted (US Office of Personnel Management 2018). Any knowledge of factors contributing to healthy freelancer–client relationships is quite useful for clients, as functional relationships are important for overall productivity (Huang, Kahai & Jestice 2010).

2.5.2 *Managing relationships*

To prevent or manage conflict, clients need to be prepared, but information on relationships with freelancers is scarce. Research on traditional relationships between workers and employers is readily available and has established a positive link between workers' and employers' (or 'leader-member exchange') quality and organisational commitment (Kinicki & Vecchio 1994; Wayne, Shore & Liden 1997). However, little work has been done on virtual workers, although a few authors have attempted to fill the gap, such as Golden and Veiga (2008). Their research established a link between the quality of relationships between virtual workers and clients and their levels of commitment, job satisfaction and performance. The authors found both a positive correlation between high-quality relationships and job satisfaction, and a negative correlation for low-quality relationships. This correlation in turn means that businesses can promote higher job satisfaction through the establishment of good relationships.

However, motivation of workers is not easily achieved. Handy (1995, p.48) writes that it is a challenge for organisations to motivate virtual workers whom they never see or meet and suggests that one solution to this is to give virtual workers membership rights: 'Membership can replace a sense of belonging to a place with a sense of belonging to a community'. The author also mentions that trust is key to a relationship and discusses the dimensions of trust. The key role of trust is also pointed out by Bergiel, Bergiel and Balsmeier (2008). Liu and Burn (2009) noted that cohesion and communication are essential for virtual teams to thrive. Liu (2007) found that communication, relationship-building and collaboration all impact the performance and satisfaction of virtual teams. The author also concluded that virtual teams are both social-oriented and task-oriented, as opposed to face-to-face teams, who are more social-oriented.

The relationship needs to be managed by both parties, freelancers and clients. The latter need to be equipped with knowledge and information on their workers to have a foundation for their strategies. Cascio (2000) writes that managers of virtual workers require better supervisory skills and communication skills compared to traditional office managers and notes that there are fewer suitable managers available. Managers require cultural skills and need to understand the values, behaviours and expectations of their freelancers overseas. Now turning towards freelancers, Conlin (2009, p. 1) states that not every worker is suitable for the virtual model:

Some of us are simply not – by temperament, psychology or personality type – wired for the life of the digital nomad. Indeed, what is to some a broadband Nirvana is to others a Sartre-esque exercise in alienation.

The author particularly mentions isolation and lack of human interaction as reasons why some people cannot cope with virtual work. This aspect was interesting for this research, as it explored how participants perceived isolation and how they coped with their physically distant situation.

Another subject that is crucial when it comes to relationship management is that of communication: Creating trust and good communication systems are among the key considerations named in other research (Isthebaron 2015). Communication in the virtual world is linked to technology, as people do not talk directly to each other but

through multiple technology-based channels. A prerequisite for good communication is suitable communication technology that shapes the interactions between clients and freelancers (Anderson & Shane 2002; Smith 2014)

A company culture needs to be fostered to engage all workers and have a united team (Anderson & Shane 2002). This very employee-centred perspective assumes that good communication cannot be forced upon workers, but their engagement and initiative play a central role in communication networks. Novitski (2008) also finds that clear communications and an atmosphere of connectedness with remote workers go hand in hand. Corresponding with Cascio (2000), the author also notes that team leaders require specific skills to navigate their teams through the virtual world. Daily communication between team leaders and team members helps to overcome such obstacles and to hold a virtual team together (Bergiel, Bergiel and Balsmeier 2008). Without communication, there is no project; or as Daim et al. (2012, p. 199) note, 'Communication breakdown can wreak havoc on a project as [global virtual] team members struggle to effectively communicate and work with one another' (parentheses added). Good communication is also required to increase team performance (Patrashkova-Volzdoska et al. 2003) and to build successful relationships (Riley 2008). Communication plays an important role in intercultural relations (Ling et al. 2009) and is a particularly big challenge for virtual teams, which naturally do not use face-to-face communication (Riley 2008). Clients cannot expect communication to simply happen; they need to have a communication strategy in place for their intercultural teams (Bakken 2019), e.g., by using effective technologies (Hill & Bartol 2018). Good communication is particularly important when it comes to giving workers clear work instructions, as freelancers need to understand their tasks (Grenny & Maxfield 2017; Marlow, Lacerenza & Salas 2017).

Both parties in a freelancer–client relationship have the common goal to complete a project. The relational view, as introduced by Dyer and Singh (1998) can be applied here. This view explains how firms gain competitive advantage through inter-organisational relationships (Perunovic & Pedersen 2007). Its key premise is the concept of relational rents: Both parties experience a profit that they could not have achieved on their own (Dyer & Singh 1998). McIvor (2008) finds that inter-organisational relationships are more than a formal contract, because they also

include social mechanisms, information exchange and joint problem solving. Although this view focuses on the relationship between organisations, it is interesting for this study because the business–freelancer relationship is based on a similar assumption, namely the maximisation of profit for all involved parties through collaboration. The relational view stresses the importance of the interdependence of the involved parties.

This interdependence leads to the conclusion that in OOBPO, human resources are a key resource for creating a competitive advantage. HR-related OOBPO processes therefore need to be aligned with the organisation’s goals and mission. One approach to ensure that freelancer–client relationships are functional is the implementation of strategic human resource management (SHRM). SHRM is concerned with the alignment of strategic management and human resources (Millmore et al. 2007). Although this is traditionally associated with larger firms, elements of SHRM can be borrowed to support SMEs in creating more stable and systematic approaches. One sub-approach to SHRM is the systemic perspective (Millmore et al. 2007). It recognises that human resource strategies and decisions will be affected by the social and cultural systems in which a firm is based. In the context of this research, it means that clients need to be aware of the social and cultural systems of their overseas freelancers.

2.5.3 *The role of trust in freelancer–client relationships*

In the previous section, the role of relationships was discussed, and one of the key words in the literature is trust. Trust has been cited as a major item in other research (Clases, Bachmann & Theo 2003; Daim et al. 2012; Handy 1995; Jarvenpaa & Leidner 1999; Kuntz & Roberts 2014; Mayer, Davis & Schoorman 1995; Pinjani and Palvia 2013). Daim et al. (2012, p. 203) write, ‘research has indicated that one of the major reasons for the failure of GVTs [global virtual teams] is related to building trust’; similarly, Stasi (2013) finds that trust is key to virtual team success. Isthebaron (2015) agrees that the secret in healthy work relationships in distributed teams is having trust, empathy and good communication.

To understand the role of trust, the term first needs to be understood. Kee and Knox (1970) define trust as is the willingness of a party to be vulnerable to the actions of

another party; Mayer, Davis & Schoorman (1995)¹⁹ conclude that trust is a willingness to take a risk, but not risk taking *per se*. By reviewing definitions of trust in the literature, they come to the conclusion that trust is often confused with similar constructs such as cooperation, confidence and predictability. However, trust requires interdependence (Warkentin & Beranek 1999). Trust and communication are also specified as two of Tanriseven's (2014) seven key considerations for a successful remote workforce²⁰. Pinjani and Palvia (2013, p. 145) define trust from a more positive perspective: They believe that trust is a 'positive and confident expectation of the behaviour of another party', highlighting the interdependence of both involved parties. The present research project also sees trust from an idealistic perspective as being the factor of a relationship in a distributed team that refers to one party having faith in the actions of the other party. In this definition, the dependence of one party on the other, the role of expectation in this context, and the willingness of one party to accept (or embrace) the unknown factors (such as not knowing whether the trust given is deserved) are acknowledged.

The dependence of the two parties highlights that trust in the distributed workforce can also be specified as the antagonist to control. Trust refers to the expectation that the other party will behave in a certain manner, while control forces (or at least reinforces) it. The importance of trust cannot be underestimated, and numerous authors such as PWC (2015) describe trust as the ultimate feature that keeps the new economy spinning and growing (Handy 1995²¹; PWC 2015). This research project will investigate the freelancers' perspectives on trust to gain a detailed image of their perceptions.

Factors that facilitate trust have been suggested in the literature. Clases, Bachmann and Theo (2003) point out that personal bonds and shared experiences are the key to trust-based relationships in virtual teams. Daim et al. (2012) similarly specify social norms, regular social interactions and shared experiences. They do, however, point

¹⁹ Mayer, Davis & Schoorman (1995) build their definition on that given by Kee and Knox (1970).

²⁰ Among digital emotional intelligence, experience, responsibility, circumstance and tools.

²¹ Handy (1995, p.44) writes that 'Trust is the heart of the matter', and describes his seven principles of trust in regard to workers in the virtual world: Trust is not blind, trust needs boundaries, trust demands learning, trust is tough, trust needs bonding, trust needs touch, and trust requires leaders. These seven principles highlight that trust is not merely an emotional orientation but a more complex subject with multiple dimensions.

out that these are traditional methods that cannot be accessed by distributed workforce members. Furthermore, they found that trust is linked to the anticipation of a party to continue the collaboration in the future. Mayer et al. (1995) completed a literature review of factors in trustworthiness and found that while research findings differed significantly in this area, three factors are repeatedly named: ability, benevolence, and integrity²². Factors that impact trust in a negative way are unwilling clients (Muhammed 2017a) and unresponsive clients (Holtzclaw 2018).

Trust plays a slightly different role in on-site teams compared to distributed teams. Handy (1995) argues that virtual teams have limited to no opportunities to engage in face-to-face communication and are 'out of touch'.²³ The author questions whether trust is possible at all within virtual teams. This is in line with Jarvenpaa and Leidner (1999), who find that trust in virtual teams is rather fragile and temporal, and that facilitation of trust is particularly challenging. Team members who have never met may have difficulties in assessing their colleagues' trustworthiness and therefore have a harder time trusting each other (Pinjani & Palvia 2013).

Despite the problems noted above, according to O'Hara-Devereaux and Johansen (1994), trust can prevent the geographical distances of global teams from becoming psychological distance. Clases, Bachmann and Theo (2003) find that trust in virtual teams can be promoted by having a culture of proactive collaboration. The authors note that sharing frequent experiences plays an important role in this. Warkentin and Beranek (1999) find that virtual teams require some support to develop healthy interactions and to develop trust, and they suggest team communication training to improve information exchange. The authors argue that team members need to learn how to word social cues and how to share socio-emotional information to support trusting relationships with others. In most distributed teams, organising face-to-face communication is simply beyond the capacities of a company. It is time-consuming and expensive to send workers overseas so they can meet in person. However, where this is possible, it can have substantial benefits for the outcome of a project. Daim et al. (2012) describe how Intel engage in regular exchanges of workers between

²² In this context, ability refers to the skillset of a party; benevolence to the party's desire to do good; and integrity to the adherence to a set of principles both parties can accept.

²³ Handy (1995) writes that 'Trust needs touch', and refers to personal contact between team members.

countries, and they concluded that this leads to higher levels of trust and better relationships. Kuntz and Roberts (2014) note that it can offset performance monitoring systems and other control measures. They believe that a sense of empowerment leads to higher intrinsic motivation among staff.

Looking at how platforms reinforce trust, one can find numerous measures for both parties: freelancers, and clients. Whether it be advanced reviews or rating systems, platforms provide systems that go both ways: Workers can rate their hirers, and vice versa. Having good reviews can be essential for freelancers, as it increases their chances of getting hired (Mill 2011). Nielsen's 2012 Global Trust Advertising Survey (Grimes 2012) found that 92% of consumers (in 56 different countries) said that they trust word-of-mouth-recommendations more than any other form of advertising.

While trust is key to the growth of the sharing economy, the policy frameworks seem to fail to keep up: PWC (2015) find in a survey that 59% of their respondents say that they will not trust the sharing economy until there is more regulation (and therefore protection). This finding is in line with Cheng (2015), who points out that regulations around safety are outdated and that vendors are inconsistently inspected for quality; the author recommends implementing more legal rights for workers. Maselli et al. (2016) find that there is a lack of data and academic research in the sharing economy, in particular with regard to policy making, which makes it difficult for policy makers to make decisions. From this perspective, this project can provide a valuable contribution to the current literature on this subject.

The preceding sub-section of [Chapter 2.5](#) provides a discussion around the potential research problem about aspects of the freelancer–client relationship. As the scope of this study is the client-Filipino freelancer relationship, this research problem will be developed into Research Question 2 for the client-Filipino freelancer relationship in [Chapter 3](#), based on Hofstede's cultural framework for dealing with the creation of intercultural relationships.

2.6 Conflict

While the previous section discusses freelancer–client relationships, the following section now focuses on conflicts occurring within those. The subject of conflict is introduced and the impact of culture on conflicts is discussed.

2.6.1 Conflict in freelancing

In the previous section, the fragile relationship between freelancers and clients was discussed, and it was pointed out that conflict can easily arise. In the next section, the meaning and role of conflict will be discussed. This section is linked to Research Question 3 dealing with general and culturally inspired conflict in freelancer–client relationships (from the freelancer perspective).

Countless definitions of organisational conflict can be found in the literature, and one that fits this research project is by Rahim (2011, p. 26): ‘Conflict is defined as an interactive process manifested in incompatibility, disagreement, or dissonance within or between social entities’. In this definition, conflict is not a static situation but an interactive process concerning all involved parties. A similar definition was given by Roloff (1987), who also referred to incompatibilities between social entities linked through an organisation. The majority of people associate conflict with negative terms such as ‘destructive’ (Tjosvold 2006). One of the reasons for such a perception could be that conflict behaviour can include yelling, verbal abuse, interference, and expressing disagreement with the opponent in numerous ways (Rahim 2011).

The meaning and role of conflict have been discussed for decades, and there is endless research on this subject, reaching as far back as the work of Pondy (1967), who presented and discussed definitions of conflict. According to Rahim (2011), conflict is a natural consequence of human interaction and is based on the different objectives of each party.²⁴ In this definition by Rahim (2011), it is presumed that conflict does not arise by chance but that there is a trigger. In the historic paper by Pondy (1967), as mentioned above, we already find a similar assumption: that for conflict to arise, first there must be a potential for that conflict. Pondy continues that the involved parties in the relationship may not even be aware of such a basis of conflict. Rahim’s definition is relevant to the context of this research: Clients and freelancers share a common objective, but their strategies and behaviour may not be compatible. The same objective for both parties is to successfully complete a job, but it should be noted that both parties differ in their ideas on how to achieve this. While a client may wish to

²⁴ According to the author, there are three main reasons why conflict arises: (i) when there is a limited resource that is desired by different parties; (ii) when in a joint action the parties have different ideas of how to achieve a goal; and (iii) when different attitudes, values, beliefs and skills clash.

get a job done in the least time for the least cost, freelancers may prefer to take more time, work under minimal pressure and/or be more focused on a reward for their work. While Pondy (1992) finds that conflict can be desirable in a workplace, De Dreu (2008) believes that under most circumstances it leads to negative outcomes.

While the unitarism and pluralism theory promoted by Abbott (2006), the three dimensions of the 'cultural priorities in 40 nations' model by Schwartz (1999), and the general agency theory may provide some contribution to a discussion about conflict, Hofstede's theory is relevant for this research's examination of workplace conflict. These other theories and models provide background information and are presented in [Appendix C](#).

Non-traditional forms of employment such as freelancing, service contracts, labour hire, temporary work, and especially OOBPO challenge the tenets of employment relations. Even established players such as unions or employer associations struggle to govern and direct these new types of collaboration. In the case of OOBPO, the overseeing authority is the operator of the online platforms used for a project. Berg (2016) suggests that it is not the government but the platform that regulates the market. Platforms manage the hiring process, payroll administration, and performance review as well as conflict resolution in cases where the parties cannot work out compromises between themselves. Even assuming that one or both partners to the relationship are covered by the national collective bargaining legislation of their respective countries, compliance or enforcement of the same is utterly unrealistic and does not play a role in business practice.

This researcher was interested to find out what sources of conflict freelancers identify. While the literature provides a vast range of conflict sources, as discussed in the following section, no research was found that specifically looked into that area.

Firstly, the geographic location of Filipinos comes with the challenge of working in different time zones from their Western clients. Some clients are particularly looking for freelancers who can work beyond the working hours in their own region and use the time zones to their advantage (Thabassum 2013). Working night shifts can be challenging for freelancers, as there may be no point of contact to answer their questions, and from a client's perspective, the lack of a supervisor at night means the

freelancers can be limited in their work. While night shifts are generally unpopular, some freelancers arrange themselves with working nightshifts; while one parent works, the other one is present to care for the children and the household (Garey & Hansen 2011). In any case, working in a different time zone to an employer is a deviation from the standard, and therefore, a potential source of conflict.

Secondly, the Philippines is known for its unsteady weather and heavy storms, causing power and internet outages (Brown 2013). The internet in the Philippines is perceived as mediocre compared with other Asian countries. Part of the reason is that the Philippines is made up of over 7,000 islands, making fixed networks hard to build (Jennings 2016).

Thirdly, virtual teams can be demographically and culturally diverse. While diversity can be associated with open-mindedness in teams and innovation in business (Ostergaard, Timmermans & Kristinsson 2011), it comes with its own challenges that need to be managed (Dike 2013). Examples of such challenges are discrimination, communication issues, and incorporation issues, as well as 'myriad accommodation', which refers to accommodating specific cultural needs such as religious holidays (Dike 2013). Some authors agree that diversity in work teams can have a negative influence: Lazear (1999) argues that cultural diversity is costly and should be avoided in most cases, with some exceptions such as high levels of skill complementarities between team members.

Thirdly, although Filipinos tend to have excellent English skills, this should not be confused with cultural similarities to Western countries. There are traits of the Filipino culture that clients may not know about, or that may not be obvious to clients overseas and which can cause substantial conflicts if they are not respected.

These obstacles can threaten an operation, and even smaller obstacles may have larger repercussions. Despite some pieces of information here and there, there seems to be a lack of research dealing with sources of conflict in global virtual teams. This gap is where this research can add more insights, as it aims to find out when and why conflict usually occurs.

2.6.2 Conflict related to cross-cultural issues

The current research addresses Lavilles and Sison's (2016) observation in a study on the experiences of Filipino freelancers that there is limited previous research on individual online workers, their work organisation, culture and collaboration strategies²⁵. There is an overall consensus in the literature that cultural differences can threaten a work team. While every individual is shaped by their unique personal experience, culture also influences conflict. Cross-cultural researcher Hofstede says that 'Culture is more often a source of conflict than of synergy' (Vance & Paik 2014, p. 57). In more general terms, conflict within a professional relationship can have both functional and dysfunctional outcomes, the latter hindering, the former pushing, performance (Robbins et al. 2011). Daim et al. (2012, p. 203) write, 'Dispersed work groups in which members are located in different countries face unique cultural differences that can affect the overall success of the group's performance'. The detrimental potential of cultural differences has also been described by Cascio (2000), who believes that conflict in virtual teams can arise due to cultural differences, potentially leading to a loss of the competitive advantage of an organisation. Some authors acknowledge, however, that intercultural diversity has perceived benefits such as learning about other values and norms (Lavilles & Sison 2016), can aid the achievement of set goals (Krawczyk-Bryłka 2016), and is a source of innovation (Chua, Morris & Mor 2012).

The systemic perspective, a sub-approach to strategic human resource management (SHRM), recognises the influence of culture on human resource management. This perspective is one of four suggested approaches to SHRM. The other three are the classical approach (planned), the evolutionary perspective (environmental), and the processual approach (learning). The systemic perspective recognises that HR strategies and decisions will be affected by the social and cultural systems in which a firm is based and is therefore particularly relevant for this research. For example, downsizing has a higher prevalence in Western, individualistic countries compared with some Asian (collectivistic) countries that prefer work-sharing strategies. In the

²⁵ The authors identified six themes that were of relevance for Filipino freelancers engaging in OOBPO: Building reputation, establishing relationships with clients, work-life balance, work schedule and practices, coordination, and infrastructure.

context of this research, an explanation is sought for what impact cultural differences have on the OOBPO work teams, and what conflict arises due to these differences. It is a prerequisite to understanding what SHRM strategies are appropriate and will lead to greater success. Cultural differences, therefore, cannot be ignored but need to be acknowledged, understood and managed.

To reach a solid cultural understanding, one can turn towards the literature, as numerous theories and approaches have contributed to cross-cultural psychology and management. Some of the more influential ones are discussed in the following section: Hofstede's cultural dimensions, Schwartz, Trompenaars (and its reinterpretation by Smith), the World Value Survey (Inglehart & Baker 2000), Bond's Chinese value surveys and GLOBE.

According to Jackson (2011), cross-national studies can be divided into two categories; namely, those that refer to wider societal values such as Inglehart and Schwartz, in contrast to those that focus on organisations and/or management, such as House et al. (2004). There are numerous alternative and/or complementary cross-cultural theories that aim to explain cultural differences. These natural differences are not inherited values but refer to a cultural framework in which one may grow up. They can lead to misunderstandings and conflict and therefore form a potential for crises that needs to be considered and managed in any cross-cultural organisation.

Geert Hofstede's framework (1980) has long been recognised as dominating the field despite substantial criticism. It will be explained in [Chapter 3](#), as it is part of the theoretical framework for this study. Hofstede's theory of cultural dimensions is based on the premise that there are differences between cultures in certain aspects of human nature that are not inherited. Cultural differences, however, can be a source of conflict due to misunderstandings and ignorance. The theory is relevant for this research project as understanding cultural differences is the first step in managing relationships with freelancers, including conflicts. In OOBPO, freelancers are located overseas (as the term OOBPO implies), and this research focuses solely on Southeast Asia as a source of freelancers, and Australia as a base of outsourcing organisations. Because of this, an Eastern–Western gradient with significant cultural differences is expected to create potential barriers and needs to be taken into account and overcome to ensure

that the relationship is functional and efficient. As a large part of the research for this study is based on this theory, a full section is devoted to elaborating the theory and its implications.

Hofstede's results reflect the Western values of those who designed the measures (Smith & Dugan 1996). To account for this, Bond (1988) assembled a group of researchers called the 'Chinese Culture Connection' (CCC) and sampled a range of values that were derived from Chinese culture. The results of this research were compared with Hofstede's Western-oriented work, and high correlations with three of the four Hofstede dimensions were found (Chinese Culture Connection 1987). The measured values included some Confucian values such as respect for tradition, humility, filial piety and protecting one's face, which are considered to be of greater importance in Eastern culture compared to Western culture (Marshall Matthews 2000).

Other cross-cultural approaches more or less show similarities to Hofstede's ideas. The GLOBE²⁶ project by Robert House and a team of researchers (House et al. 2004) builds on Hofstede's framework and shows major similarities in the dimensions. On one side, this generally supports and promotes Hofstede's dimensions, while on the other it has been criticised by Jackson (2011) for not breaking out of the framework. GLOBE involved extensive research efforts that led to the inclusion of data from middle managers in 62 different cultures worldwide.

All cross-cultural research shares two common findings: that there are cultural differences, and that cultures undergo certain changes that are linked to economic developments and trends. Organisations have to consider the practical implication these differences have for management, or as Jackson (2011, p. 123) points out, '(...) is not so much that nations or cultural groups are different, and have different world views, but what we do with this information when looking at the consequences in the interface between two of those "entities"'. For this research, it is important to note how cultural differences are linked to conflict and behaviour in order to understand how they can be managed in OOBPO situations.

²⁶ GLOBE is the acronym for 'Global Leadership and Organizational Behaviour Effectiveness'.

The preceding sub-section of [Chapter 2.6](#) provides a discussion around the research problem about aspects of the role of conflict in the freelancer–client relationship. In particular, for this study, the Filipino freelancer–client relationship research problem will be developed into Research Question 3 for the role of management of conflict in Filipino freelancer–client relationships in [Chapter 3](#), based on Hofstede’s cultural framework for dealing with conflict of intercultural relationships.

2.7 Summary

In this chapter, the literature related to this research was reviewed and it was found that OOBPO has the potential to create a competitive advantage for SMEs. The capability-based view was used to explain the development and maintenance of such competitive advantage, which assumes that human resources are the key factor. The phenomenon of OOBPO was discussed, and it was determined that businesses using this approach to hire freelancers are often early adopters of technology. Both parties involved in OOBPO, the hiring business and the freelancers, were introduced and their reasons to engage in the OOBPO were elucidated. It was determined that OOBPO can also have disadvantages for both parties. As freelancers based in the Philippines are at the focal point of this research, the Philippines as an OOBPO destination was also described in some detail.

Success in OOBPO requires a functional freelancer–client relationship; however, its virtual and remote nature creates unique challenges, most notably a proneness to relationship conflict, whereby we differentiate between culture-related and non-culture-related conflict. This research takes on the pluralist view that conflict is inevitable but needs to be managed (Abbott 2006; Alexander, Lewer & Gahan 2008). To understand how conflict and culture could be related in our research, it is noted that Hofstede’s framework of cultural dimensions is suitable to discuss and compare Australia and the Philippines ([Chapter 3](#)). Although some sources of conflict such as geographical distance, non-direct communication and cultural differences have been discussed in the literature, there are research gaps, which this research intends to address. The next chapter discusses the methods used for this project and hence ties together the theoretical body of knowledge and its practical implementation.

Chapter 3 Theoretical framework

3.1 Introduction to the theoretical framework

This chapter discusses the two theories that were used to guide the current study and its research questions. Herzberg's two-factor theory and Hofstede's framework of cultural dimensions provide, not only insights for Research Question 1, in that both of the two factors in the theory deal with job satisfaction, but also cultural dimensions relevant to the Philippines. The primary theory used for this study was Hofstede's framework of cultural dimensions because it underpins all three research questions, as cultural elements were expected to impact various elements of freelancers' work.

The chapter will address the two theories by outlining each theory and providing examples of studies where the theory has been used. Furthermore, it will be discussed why each theory is appropriate for the current study and how it relates to freelancers' work. The chapter concludes with a summary.

3.2 Herzberg's two-factor theory

The 'two-factor theory', as explained in [Chapter 1.8.2](#), states that some factors cause job satisfaction and others job dissatisfaction.

Hygiene factors refer to environmental factors, such as the level of working conditions, lighting, ventilation or salaries (Dartey-Baah & Amoako 2011). The improvement of hygiene factors is a necessary, but not sufficient, precursor to motivation (Herzberg, Mausner & Snyderman 1959; Herzberg 1987). Herzberg's motivational factors need to be present to motivate people engaged by the organisation. These motivational factors should be challenging but achievable and rewarding types of tasks, as well as providing environments in which workers can advance, grow and thrive (Dartey-Baah & Amoako 2011). These motivational factors have been found to yield positive satisfaction for workers and motivate them to increase their performance (Herzberg, Mausner & Snyderman 1959; Herzberg 1987)²⁷.

²⁷ In simpler words, Herzberg found that people who liked their jobs gave very different answers about those things that motivated them compared to those people who did not like their jobs.

The theory states that hygiene factors that lead to work satisfaction are not polar opposites of those hygiene factors that influence work dissatisfaction (Dartey-Baah & Amoako 2011). Furthermore, motivational factors can engender job satisfaction, but their absence does not lead to job dissatisfaction. The relationship between these two factors and job satisfaction is illustrated in Figure 3.1.

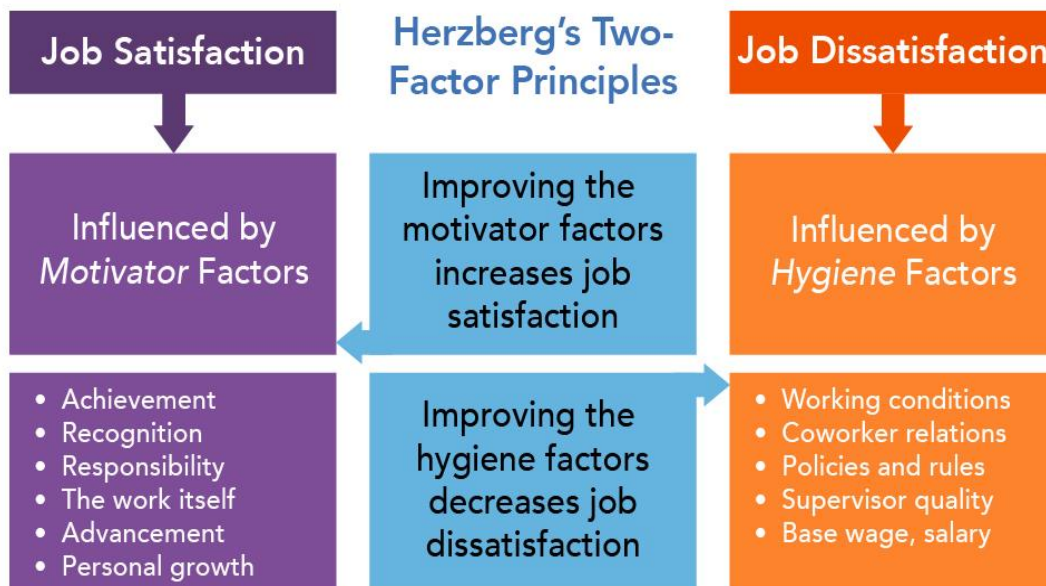


Figure 3.1 Herzberg's two-factor theory

Source: <https://courses.lumenlearning.com/wm-introductiontobusiness/chapter/intrinsic-and-extrinsic-motivators/> (accessed 8/11/2019)

Herzberg's theory has been used by many other researchers who applied it to diverse areas²⁸: Dartey-Baah and Amoako (2011) applied the theory successfully to Ghanaian workers. Lundberg, Gudmundson and Andersson (2009) used the two-factor theory to examine work motivation in seasonal workers at a tourism destination. Utley, Westbrook and Turner (1997) found a relationship between Herzberg's motivators and

²⁸ Lundberg, Gudmundson and Andersson (2009) used Herzberg's theory in their research on seasonal workers in hospitality and tourism, and their findings supported the theory; Hur (2018) found that Herzberg's theory can be applied to public managers with some exceptions; Sanjeev and Surya (2016) in their study among pharmaceutical sales and marketing professionals, confirmed the existence of two-factor structure of motivation and satisfaction but found that the factors differed slightly from those suggested by Herzberg and, moreover, they were not fully independent as suggested by Herzberg. While the model is widely accepted, some authors find that it does not apply to every context: Matei and Abrudan (2016) tested Herzberg's theory in Romania and concluded that cultural values influence how an individual perceives and interprets a situation, and thus have an influence on behaviour and, respectively, on individual motivation.

the successful implementation of quality improvement management. Herzberg's theory was very influential and still forms the foundation for modern motivational practices (Dartey-Baah & Amoako 2011).

Herzberg's two-factor theory can be used for this research project for two reasons, both related to Research Question 1:

First, Research Question 1 deals with the original and ongoing motivation of Filipino freelancers as well as the attributes of the freelancing work environment. Here, the two-factor theory can be applied to find out whether the factors that motivate the participants to work as freelancers and those that they consider negative are polar opposites or, as Herzberg suggests, are different subjects related to motivational and hygiene factors. In addition, motivational factors can be determined.

Secondly, Research Question 1 also aims to learn about the home office settings of the Filipino participants. Here, the two-factor theory can be used to find out whether hygiene factors are fulfilled. Furthermore, the research can then relate this to the satisfaction or dissatisfaction of workers and find out to what extent Herzberg's theory is applicable here; e.g., if hygiene factors in the home office are not fulfilled, according to Herzberg, the participants should display dissatisfaction.

3.3 Hofstede's models of cultural dimensions

3.3.1 *Description of Hofstede's model*

Hofstede's original model was introduced in 1980. His work defined four dimensions of national culture and was based on surveys of IBM employees (Hofstede 1980). In 2010, a new (third) edition of *Cultures and Organisations: Software of the Mind* was published that recognised six cultural dimensions in which countries may differ, namely power distance, individualism, masculinity, uncertainty avoidance, long-term orientation, and indulgence (Hofstede, Hofstede & Minkov 2010). Furthermore, the topic of organisational cultures as a separate phenomenon was introduced here. The Hofstede website is constantly updated (<http://www.hofstede-insights.com>), and contains online tools that allow a quick comparison between different cultures.

Hofstede, Hofstede and Minkov (2010, p. 6) define culture as 'collective programming of the mind that distinguishes the members of one group or category of people from others'. This definition assumes that culture is learned and not part of biological nature and is in line with the definitions of culture given by other cross-cultural researchers (Geertz 1993; Kuper 1999).²⁹ Culture refers to humans' shared values, beliefs and behaviours and influences our activities (Herbig 1994; Hofstede 1980; Monaghan & Just 2000).

3.3.2 Hofstede's cultural dimensions

The country scores in Table 3.1 for Australia and the Philippines have been taken from Geert Hofstede's website (Hofstede 2018) and the definitions of dimensions, unless otherwise referenced, are based on Hofstede, Hofstede & Minkov (2010). Australia shows clear differences from the Southeast Asian countries in all dimensions, with the Philippines tending to have the most similar score to Australia. It is therefore possible that conflict may be anchored in all dimensions and should be considered in any cross-cultural business relationship. In the following, the dimensions are explained and linked to all three research questions, which deal to varying degrees with relationships between freelancers and clients and the conflict in such relationships. The discussion also contains examples of other researchers referring to the framework and dimensions.

²⁹ This is in line with Kuper (1999, p. 227), who described 'a matter of ideas and values, a collective cast of mind' and Geertz (1993, p. 89) who stated that culture is 'a historically transmitted pattern of meanings embodied in symbols, a system of inherited conceptions expressed in symbolic forms by means of which men communicate, perpetuate, and develop their knowledge about and attitudes toward life'.

Table 3.1 Hofstede's country scores for Australia and Southeast Asian countries, including the Philippines

Country	Power Distance	Individualism	Masculinity	Uncertainty Avoidance	Long-Term Orientation	Indulgence
Indonesia	78	14	46	48	62	38
Malaysia	100	26	50	36	41	57
Thailand	64	20	34	64	32	45
Singapore	74	20	48	8	72	46
Vietnam	70	20	40	30	57	35
The Philippines	94	32	64	44	27	42
Australia	36	90	61	51	21	71

Source: Created by the author using findings by Hofstede (2015)

A. Power Distance

Power distance refers to the distribution of power in a country and the willingness of the less powerful members to accept uneven distribution. This dimension has its roots in the family setting. In large power distance situations, children are raised to obey, show respect and recognise authority. In countries scoring high on power distance, the optimal workplace situation is the benevolent autocrat overlooking his subordinates and giving them instructions. In countries with high power-distance, centralisation and steep hierarchies are prevalent, and many more supervisory personnel are employed to enforce a strict set of rules.

The dimension has been widely accepted and applied by other researchers. Matusitz & Musambira (2013) measured the correlation between high power distance and the usage of communication technologies in cultures³⁰; Naumov and Puffer (2000) applied Hofstede's dimensions to Russia³¹ and found that their results for power distance (40 points) were much lower than the results of Hofstede (90 points); Ryan et al. (1999) found that uncertainty avoidance and power distance could explain staffing differences in different cultures; Armstrong (1996) found no significant relationship between the

³⁰ They found negative correlations between (i) high power distance and communication technology, (ii) power distance and human development, and (iii) uncertainty avoidance and two cell phone subscriptions as well as internet use.

³¹ At a time where there was no large-scale study for Russia yet done for Hofstede's dataset.

power-distance score of a culture and ethical perceptions³²; and Rinne, Steel and Fairweather (2012) found a strong negative relationship between power distance and GII innovations scores³³.

In high power-distance societies, employees are less independent but are more used to conforming (Matusitz & Musambira 2013), which for Australian employers from a low power-distance culture can be confused with a lack of commitment, initiative or common sense. High power distance is also associated with paternalism (Armstrong 1996), which refers to superiors guarding the less privileged subordinates. In the context of an organisation, that means that employers located in a high-power distance country have the role of guarding their employees (and are expected to do so) (Armstrong 1996; Matusitz & Musambira 2013).

Hofstede points out that the power-distance dimension is often better reflected by subordinates rather than by their superiors, as people tend to be better observers of their leaders than able to reflect about themselves. This is accounted for in this research project, as interviews are conducted with freelancers who are subordinate to their clients.

Power Distance in Australia and Southeast Asia

With a low score of 36, Australia has a small power distance. Communication is direct, informal, and participative (Hofstede 2018). All Southeast Asian countries for which there is a power distance score available rank between 36 and 100, with Malaysia having the highest score of 100 followed by the Philippines with 94. This means that in most Asian countries, a hierarchical order with clear ranks is desired and expected, in contrast to Australia, where hierarchies are usually flat and established for convenience rather than necessity.

³² The study showed, however, that there is a correlation between the ethical perception of a culture and the dimensions of uncertainty avoidance and individualism

³³ They also found a strong positive relationship between individualistic cultures and GII innovation scores.

Relevance of the Power Distance dimension to this research

This dimension helps in the understanding of how Filipino freelancers perceive their own role as workers and the role of their clients. The understanding of Filipinos of a good relationship, according to this dimension, may be one where the clients are powerful superiors with the responsibility of looking after their subordinate freelancers.

Due to the large differences between Western and Eastern scores, there is a great potential that in a workplace situation between an Australian vendor and a Southeast Asian freelancer, conflict may arise on this dimension. In high power-distance societies, employees are less independent and more likely to conform (Matusitz & Musambira 2013). For an Australian employer who is used to independent employees, these values may create prejudices, as conforming can be confused with a lack of commitment, initiative or common sense. A high score in this dimension is associated with paternalism (Armstrong 1996), which in the context of organisations means that employers have the role of guarding their employees (Matusitz & Musambira 2013). This means that if an Australian employer does not fulfil this role, workers from Southeast Asian countries may feel insecure.

B. Uncertainty avoidance

Uncertainty avoidance refers to the extent to which people in a culture can deal with uncertainty in the form of unknown or ambiguous situations. Uncertainty causes different levels of nervous stress and anxiety in cultures. Cultures with high scores in uncertainty avoidance try to avoid equivocal situations (Matusitz & Musambira 2013). People from high-uncertainty cultures prefer clear instructions, defined expectations and predictability (Ryan et al. 1999). With this in mind, clients considering hiring staff from a high-uncertainty culture need to provide structured environments and a comprehensive set of rules and regulations to make their staff feel comfortable.

This dimension was used by Shane (1995) to examine whether uncertainty avoidance is associated with preferences for one of four championing roles and showed that cultures with lower scores are more innovative compared to those that avoid uncertainty. It was also used by Zhang and Zhou (2014), who found that an empowering leadership positively influences the creativity of employees with high levels of uncertainty avoidance. The study already noted under power distance by

Matusitz and Musambira (2013) found a positive correlation between uncertainty avoidance and the usage of communication technologies, while Schumann et al. (2007) found that the uncertainty dimension can explain the differing cross-cultural behaviour of customers and their approaches to developing trust in their service providers.

Uncertainty Avoidance in Australia and Southeast Asia

Australia has intermediate ranking on the Uncertainty Avoidance dimension with a score of 51. However, of the South Asian countries viewed, all have an even lower score of between 8 to 48, except for Thailand with a score of 64 and the Philippines with 44, both ranking very similar to Australia.

Relevance of the Uncertainty Avoidance dimension for the research

Due to the close scores between the Philippines and Australia, no significant cultural differences can be expected in this dimension. Furthermore, both countries have an intermediate score in this dimension, meaning that there is a low overall anxiety and stress potential on both sides, which lowers the probability of conflict in this dimension. Due to the nature of freelancing, freelancers are in a special situation with a work arrangement that entails higher than average uncertainty, and this dimension can be used to see how freelancers cope with such uncertainties.

C. Individualism versus Collectivism

This dimension refers to the social ties between people. In a life cycle, these ties are first developed through the family and are later projected into the social and work environment. In individualistic societies, people have loose ties, independence and initiative are valued (Hofstede 2019e), and the family is reduced to a nuclear family. By contrast, in collectivistic cultures, people belong to groups with strong cohesion and uncontested loyalty. Hofstede also notes that there is a correlation between rich countries and individualism, and poor countries and collectivism. According to Hartung et al. (2010), this dimension influences a wide variety of aspects in individuals, including career planning and decision making.

Wagner and Moch (1986) have used this dimension in studying workplace cooperation and suggest that it is useful as an indicator of adaptive workforce characteristics.

Goncalo and Staw (2006) linked individualistic cultures to higher levels of creativity in the workplace.

Individualism versus Collectivism in Australia and Southeast Asia

Australia has a very high score of 90, which is significantly different from the scores of the Southeast Asian countries that exclusively rank low between 14 and 32. The Philippines also has a lower score of 32. In the individualistic Australian culture, people are expected to look after themselves, while in the collectivistic Philippine culture, people belong to groups in which people look after each other (Hofstede 2019c). In recent times, the trend observed is for Filipino parents to raise their children with more individualistic values (such as independence) (Medina 2011).

Relevance of the Individualism/Collectivism dimension to this research

Several researchers have found that collectivistic groups demonstrate less creativity compared to individualistic groups but may perform better on planning tasks (Beersma & De Dreu 2005; Goncalo & Staw 2006).³⁴ Creativity, however, is often linked to emerging and innovative Australian business concepts and may therefore be a desired trait in employees. The lower creativity in collectivistic freelancers is thus a potential source of conflict, and Australian clients may face some challenges in this dimension. Furthermore, individualistic Australian clients may expect their freelancers to be self-reliant and to display initiative, two traits that are typical for individualistic cultures (Hofstede 2019c). These different expectations are barriers to conflict-free relationships as they hinder a mutual understanding of the other party's behaviour. This dimension can be used to explain how collectivistic freelancers experience their dealings with independent, creative and active clients from individualistic cultures. In addition, it would be expected that in the Philippines a greater priority would be given to the extended family. Furthermore, collectivistic cultures are known to seek harmony and avoid conflicts (Alampay & Jocson 2011; Hofstede 2019a; Hofstede, Hofstede & Minkov 2010) while in individualistic cultures people are not group-oriented but fend for themselves (Soeters 1996). However, some individualistic cultures such as Australia have also been described as conflict avoiders (The Age 2002) and hence the

³⁴ Bechtoldt, Choi and Njstad (2012) provide evidence that integrating elements from both individualistic and collectivistic groups can result in even higher creativity.

dimension of collectivism alone may not be enough to explain conflict-avoidance behaviour.

D. Femininity versus Masculinity

Masculinity in this context refers to competitive societies with preferences for achievement, heroism, assertiveness and rewarding of performance; while femininity refers to more consensus-oriented societies with a preference for cooperation, modesty and quality of life.

An and Kim (2007) find that this dimension is even reflected in the way societies prepare and react to advertisements and note that knowledge of gender roles can improve cross-cultural activities, specifically in the marketing and advertising sectors. Hirokawa et al. (2001) published a paper on Hofstede's model focusing on individualism and masculinity and found that the dimension is also applicable for subjects beyond work matters by extending their questions to workplace, culture, education and family.

Femininity versus Masculinity in Australia and Southeast Asia

Australia, with a score of 61, and the Philippines, with a score of 64, rank similarly and are both in the lower spectrum of masculinity. Both cultures prefer to resolve conflicts at the individual level with the goal to win (Hofstede 2019c). This is in contrast to all other Southeast Asian countries, which rank lower (34 to 50) and are therefore on the feminine spectrum. These cultures are less assertive and competitive.

Relevance of the Femininity/Masculinity dimension for the research

Although Australia and the Philippines score similarly in this dimension, there is still potential for conflict. With both cultures being more on the masculine side, relationships and caring for each other are not valued very highly (Hofstede 2019c) and this may lead to a neglect of those relationships. However, this dimension also holds the potential for successful collaborations, as both cultures typically strive for successful project outcomes (Hofstede 2019c). This dimension can shed light on the freelancers' perception of common goals in collaborations with clients and their preferred strategies to achieve those.

E. Long-term orientation (LTO)

In 1991, a fifth dimension was added to account for differences between Eastern and Western cultures, as this could not be deduced from the original dimensions. This dimension was based on a collaborative effort between Hofstede and Bond by developing the Chinese Value Survey that was applied in 23 countries (Hofstede & Minkov 2010)³⁵. Long-term orientation refers to cultures which honour traditions and are suspicious about change; while short-term-oriented societies encourage change. This dimension builds on the Eastern concept of Confucianism and covers a range of aspects that are at first difficult to comprehend from a Western perspective.

Donthu and Yoo (1998) found that short-term orientation was positively related to high customer service quality expectations; while Lumpkin, Brigham and Moss (2010) found that long-term orientation was associated with the entrepreneurial orientation of family businesses³⁶.

Long-term orientation in Australia and Southeast Asia

Australia scores very low in this dimension (21), and lower than any of the Southeast Asian countries (27 to 72), with the Philippines having the closest score (27). This shows that Australia has a normative culture that exhibits great respect for traditions but a small propensity to save for the future, as they are focused on quick results. This is the opposite of Singapore (72) who scored highest in Southeast Asia, where culture is adjusted to long-term orientation in the form of perseverance, sustained efforts and slow results.

Relevance of the Long-Term Orientation dimension to this research

This dimension has the potential for conflict, as an Australian employer may rush processes in ways that may make some Southeast Asian employees (such as those from Singapore) feel uncomfortable and does not fit their ideas of slow long-term results. However, this does not apply to the Philippines, as it is also a short-term-

³⁵ This dimension has been adapted by a few researchers (Aðalsteinsson, Guðmundsdóttir & Guðlaugsson 2011; Ralston et al 1992) but has also been criticised: Fang (2003) rejects this dimension as flawed and confusing, and Yeh and Lawrence (1995) question the validity of LTO due to its high correlation with the individualism/collectivism dimension.

³⁶ They found that long-term orientation was positively associated with innovativeness, proactiveness, and autonomy, and negatively associated with risk taking and competitive energy.

oriented culture. This orientation could explain why freelancing is growing so fast in the Philippines, as freelancing requires a short-term orientation; constantly changing jobs, clients, and conditions make it difficult to have a long-term perspective in place.

While in cultures with long-term orientation, perseverance is a dominant value (Bultjens & Noorderhaven 1996), Australians and Filipinos may both not be interested in enduring situations that are characterised by dissatisfaction. Furthermore, a short-term orientation may lead to the neglect of collaborative relationships, as both parties do not plan to maintain a relationship in the long term. This dimension can be used to find out the extent to which freelancers are interested in functional relationships and how far they believe their clients are interested in the same.

F. Indulgence versus Restraint

This dimension is the newest addition to the Hofstede model, having been added in 2010 based on Michael Minkov's analysis of the World Values Survey (Hofstede, Hofstede & Minkov 2010). Being the newest dimension, it has not been widely adopted in the field. This dimension differs from others in that it focuses on an ambiguous topic, namely happiness. Indulgent societies tend to allow enjoyment of life, having fun and valuing leisure time, individual happiness and wellbeing. On the other hand, restrained societies tend to suppress such gratifications and prefer to have them strictly regulated by social norms (Hofstede 2019d).

Guo et al. (2018) found that this dimension has not received sufficient interest from other researchers. Both Luria, Cnaan and Boehm (2015) and Guo et al. (2018) found that long-term orientation is negatively related to pro-social behaviour.

Indulgence versus Restraint in Australia and Southeast Asia

Australia is an indulgent country (71) and has a higher score than any of the Southeast Asian countries (35–57) who all rank as low or intermediate. The Philippines has a score of 42 and is therefore in the lower half. The Australian indulgence score indicates that Australians have a desire to enjoy life and their leisure time, are generally optimistic and spend money easily. This is in strong contrast to Vietnam, Indonesia and the Philippines, with restraint cultures in which indulgence is seen as wrong and gratification of desires is controlled.

Relevance of the Indulgence/Restraint dimension to this research

The contrast between indulgence and restraint can lead to conflict in numerous ways. To give an example, an Australian employer may need to incorporate this dimension into their performance/reward systems to ensure rewards are received well. It also needs to be considered in matters of communication and negotiation to avoid being seen as immoderate or decadent by Southeast Asian employees.

3.3.3 *The relevance of Hofstede's theory to this research project*

Hofstede's framework has been widely accepted and applied in the past. Sondergaard (1994) reviewed 61 replications of Hofstede's model and concluded that the model can be largely confirmed. Hawking and Hawking (1992) write that a good theory satisfies two requirements, namely an accurate description of observations that are based on a model, and the ability to extrapolate the theory to make predictions on future observations. Hofstede's theory of cross-cultural differences fulfils both requirements, which could be one of the reasons for its overwhelming success.³⁷

The model is very suitable for this research project because it provides a generally accepted base from which to compare cultural perceptions that can act as a source of conflict in business life. It has been a substantial foundation for further research in recent decades, and the model is simple yet comprehensive. It can assist in understanding the findings of Research Questions 2 and 3, where the focus is on the intercultural relationship between freelancers and clients and the conflict that happens in this relationship. While conflict can happen for many reasons, the cultural factor can

³⁷ Nonetheless, the model has also received criticism: Blodgett, Bakir and Rose (2008) tested it on MBA students and concluded that the model was unreliable; Fang (2010) found that the model was outdated and does not apply to modern management; McSweeney (2002) found the whole model to be profoundly problematic, his critique being the most cited one. However, Hofstede's model has not only been widely accepted, but in some research has served as paradigm, meaning that the dimensions have been taken for granted (Sondergaard 1994). Examples of this are Johnson et al. (2005), who investigated the relationship between culture and response styles, and Cronjé (2011), in which Hofstede's dimensions are used to interpret cross-cultural blended teaching and learning. Other studies not using Hofstede's model found similar dimensions emerging. (See Lytle et al. 1995 for a summary of research in this area.)

result in wrong expectations and misunderstandings or create cultural barriers that need to be overcome to build a successful relationship.

3.4 Research questions' development

Based on this discussion around Herzberg's framework in [Chapter 3.2](#), as well as the subsequent research findings discussed in [Chapter 3.3.1](#) and [3.3.2](#), Research Question 1 has been developed as follows:

Research Question 1: *To what extent do the personal and professional environments of Filipino freelancers motivate them to commence their jobs and remain as freelancers?*

In summary, the discussion has provided a basis for developing the following two research questions ([Chapter 3.3.1](#) and [Chapter 3.3.2](#)):

Research Question 2: *What are the expectations of Filipino freelancers in building a successful freelancer–client relationship?*

Research Question 3: *How are sources of conflict identified and managed by Filipino freelancers in the freelancer–client relationship?*

3.5 Summary

This chapter has outlined the theoretical framework of the study. It introduced Herzberg's two-factor theory and Hofstede's cross-cultural framework. While Herzberg's two-factor theory was used to develop Research Question 1, it is expected that elements of culture may also be relevant. Hofstede's cross-cultural framework provides the motivation for Research Questions 2 and 3. The discussion in this chapter has explained why these three theories have been selected and how they are linked to the research.

Herzberg's two-factor theory is used to inform Research Question 1. It will be used to identify what motivational and hygiene factors are present and to what extent they influence satisfaction and dissatisfaction of the Filipino participants. Herzberg's two-factor theory has been very influential and has been applied widely in the field.

There is general agreement that Hofstede's cultural dimensions are meaningful, therefore his model has been selected and applied in this study. Hofstede's cultural framework is used to form Research Questions 2 and 3, dealing with the creation of intercultural relationships and conflict that occurs in those relationships. Hofstede's dimensions can also be applied to evaluate the extent to which cultural differences can influence those relationships and potentially lead to (culturally inspired) conflict.

The first of the next four chapters provides information about the research methods used to collect the data, while Chapters 5, 6 and 7 respectively present the findings from the three research questions.

Chapter 4 Methods

4.1 Introduction to the methods section

This chapter first explains the research design and justifies the selected qualitative approach, using interviews and questionnaires, with regard to its suitability and appropriateness. It explains the selected population and the sampling process, followed by a description of the data collection methods. The interviews and questionnaires were completed by the same participants. The structure of the interviews is introduced as well as the purpose of the questionnaires. This is followed by a description of the data analysis of both the interviews and questionnaires, the transcription and coding process, and the data analysis in Nvivo and Excel.

It provides a brief overview of the main key concepts and trends that arose during the interviews. 'Key concepts' refers to topic clusters mentioned frequently, and 'trends' refers to behavioural patterns observed during the interviews.

The chapter then diverts away from the data level to a theoretical level and critically discusses both validity and reliability, followed by the elucidation of research assumptions, biases and prejudice. The discussion then goes on to challenge the role of the researcher as an insider to the industry and the implications for the study. Lastly, ethical considerations are addressed and ethics approvals are specified.

This chapter is the foundation for the following three chapters, which present and discuss the findings in relation to the research questions.

4.2 Scope of the study

This collection of responses took place during a 5-week period in August/September 2017. Data were coded in late 2017 and analysed during early 2018. Freelancers from the Philippines who have used the online platform Upwork to complete jobs for Australian businesses were interviewed and completed questionnaires. The Philippines was selected as it is an attractive outsourcing destination for Australian businesses and the study aimed to identify key factors for successful relationships between those businesses and the freelancers. The data was collected using a

purposive sampling approach ([Chapter 4.4](#)). It was of a qualitative nature and was analysed using NVivo and descriptive statistics using the program Excel.

4.3 Research design and justification

4.3.1 Qualitative approach

Data can be analysed using quantitative, qualitative or mixed-method approaches. While some researchers advocate just one of these approaches, many others consider them to be complementary (Malhotra 1993; Soın 2004). In social sciences, all three approaches can be found, and each yields its own data, insights, and understandings (Rust et al. 2017). While quantitative approaches test theories by examining the relationship between variables and suit experimental designs and non-experimental designs such as surveys, qualitative approaches explore perspectives of people or groups (Creswell 2018). When both methods are combined to mixed-methods research, both quantitative and qualitative data can be integrated and the research subject can be examined from different, sometimes more information-rich, angles (Ivankova & Wingo 2018; Zikmund 1997).

Those research methods should be chosen that are most helpful in answering the research questions independent of one's personal preferences (Malina, Nørreklit & Selto 2011).

The approach of this research is of a qualitative nature, supplemented with some descriptive statistics where appropriate. Although qualitative methods are challenged by personal bias, the difficulty of replicating findings and the lack of one of unimpeachable truth can provide meaningful insights for interpreting phenomena in naturalist settings (Quemard 2004). Qualitative methods are common in social sciences, and a chosen research approach has to fit the questions it poses (Broadbent 2012) as was the case in this project: The research dealt with the perspective of freelancers and the relationship with their clients, which requires a deep understanding of their experiences, meanings and beliefs, and so a qualitative approach is most appropriate (Wisker 2008). The converse applies to quantitative research, which aims to uncover relationships and generalises the findings onto a population (Soın 2004). The focus of this study is on exploring the point of view of the freelancers rather than

on finding the facts of the actual situation or testing a hypothesis, and it therefore fits the qualitative approach well (Dahwa 2010). According to Fisher (2009), a qualitative approach is suitable in such studies to do justice to the complexity of the participants' perceptions and the complexity of their interpretations.

This research aimed to explore the freelancer–client interaction in order to improve the understanding of their relationship. The focus is to understand their work environment and what freelancers need from clients, along with the sources and effects of general as well as culturally inspired conflicts. The qualitative design used in this research is a suitable approach for understanding the meaning that individuals ascribe to a social problem (Creswell 2018). This approach fits with this research, namely investigating the perspective of individuals towards their work. Furthermore, the qualitative design is useful for exploring a specific phenomenon in depth to create a foundation on which further knowledge can be built (Thomas & Magilvy 2011). This again fits with this project, which explores OOBPO and its relationships. A qualitative approach also allows the investigation of a complex situation in an area with little pre-existing research (Corbin & Strauss 2014; Creswell 2018). OOBPO partnerships fit this description as an incredibly complex but relatively new phenomenon. While they have become increasingly established in recent years, the field still lacks scientific research and information.

This project followed the ideas of Merton (1968) who established the dominant middle-range theory approach to sociological theory, which aims to combine an empirical phenomenon with positivistic approaches. General statements are created from a specific empirical phenomenon (as opposed to an abstract entity) and verified by data. In this project, the units of analysis were the freelancers and their perspectives towards freelancing. In a cross-sectional approach, a total of 30 interviews with freelancers (purposive sampling) were conducted and analysed.

4.3.2 *Axiology and worldview*

The axiology is that this research project is subjective because the researcher is an insider who has worked as a client of freelancers. However, insider research is neither

a new phenomenon³⁸ nor an invalid one (Wilkinson & Kitzinger 2013) and can even uncover more knowledge and detail than other approaches (Brannick & Coghlan 2007)³⁹. Humphrey (2012) points out that insiders need to prepare their research and be risk-aware rather than risk-averse. A process of reflexivity (consideration of the researcher in their double role as researcher and insider) is required (Brannick & Coghlan 2007).

The constructivist worldview assumes that reality is a social and subjective construct and that, in consequence, the perception of reality differs between individuals (Mills, Bonner & Francis 2006). Freelancer–client relationships are complex, unique and contextual. This research has an interest in understanding actual experiences, and therefore it is concerned with a subjective reality, a core feature of constructivism (Locke 2003). This perception of the nature of reality⁴⁰ is also called a relativist ontological position (Mills, Bonner & Francis 2006).

The methodology will be in line with the research paradigm, in that the freelancer interviews will be subject to thematic analysis based on the elements of the research questions, following the approach of Braun and Clarke (2006). Thematic analysis is a flexible method that is used to identify and analyse patterns and themes in the data ([Chapter 4.6.2.2](#)).

4.3.3 Cross-sectional approach

This research project used a cross-sectional approach that used interviews as snapshots. It is a common choice in higher-degree research projects, but more importantly, it fits the project and its questions very well as it allows the research to capture a moment in time. The snapshots lead to a more consistent dataset, as all included freelancers are subject to the same environment such as broader technology, network developments, available internet providers in the Philippines, extreme weather situations, current popular outsourcing platforms, etc.

³⁸ The authors point out that already in the 1970s, a classic article by Lewis (1973) demolished the claim that only outsiders can unfold the objective reality.

³⁹ They suggest four ways to manage the insider experience: (i) minimising, (ii) utilising, (iii) maximising, and (iv) incorporating it.

⁴⁰ Namely, multiple individual realities that are influenced by their specific context

4.4 Population and sampling

This research project included freelancers based in the Philippines who have used the online OOBPO platform Upwork to complete jobs for businesses situated outside their home country. Only freelancers with a track record of more than 1,000 working hours were included to ensure that all interviewees had sufficient exposure to OOBPO processes and could contribute meaningful information. Having a narrower or pre-selected population in a study means that the population is more homogenous compared to a purely random sample. Homogeneity in this respect has the advantage that more comparable information can be gained, as freelancers who have just started their freelancer journey are likely to have different perceptions and conflicts compared to those who are established. For a client, the latter are a generally more interesting group as clients usually prefer freelancers who have gathered experience, have good reviews, and have established working systems (such as suitable technology, back-up internet connections, etc.).⁴¹

It is important to consider the impact of gender bias on the results of any study. One research option is to ensure that both genders are represented equally, to the extent possible by using a stratified sampling approach. However, many industries have a gender bias in their employment composition. Consequently, gender distribution was considered for this study to identify potential gender bias.

While a report by Kitching (2016) on the UK freelance workforce notes that different areas of freelancing work are subject to different gender compositions, with men generally being overrepresented across all areas (60%), Schnabel (2018) found that in the Philippines, about 65% of freelancers are women. In this study, the majority of applicants were female, and therefore, every male who applied and fitted the criteria was accepted. Still, only five out of 30 participants were male (16.7%). Gender differences in perception and self-perception have been the subject of research over many years, and it is commonly accepted that differences exist. Men and women

⁴¹ By contrast, some clients are more interested in freelancers who do not have a track record. For example, they may ask for a substantially lower rate or have lower expectations of their clients, or clients may feel they will try harder to complete a job. However, it is common knowledge in the freelance world that clients have a preference for experienced and established freelancers. In our research, we focused on established freelancers as they had been through all the phases of establishing themselves, probably come across many challenges, and had time to reflect on issues and conflict.

display different behaviours at work with regard to conflict and culture (Babcock & Laschever 2009). Several researchers have raised the concern that women tend to underestimate themselves in their performance and skills (e.g. Babcock & Laschever 2009; Bench et al. 2015; Beyer & Bowden 1997).

Purposive sampling is a non-probability approach that chooses sample units that have characteristics to study a certain theme in detail (Ritchie et al. 2014), and with the intention of uncovering a range of new information (Guba 1981). While it causes a bias due to its selective nature, it ensures that the relevant groups are included and equally represented (Connelly 2013; Ritchie et al. 2014). This project used a purposive approach that allowed for the selection of homogeneous groups that display variance in their relationships to their businesses: The applicants were first filtered to exclude those who did not fulfil the research criteria (for example, those who did not have sufficient tracked hours, were not based in the Philippines, etc.). The participants were then selected by date of application. Using the date of application is a type of randomisation, as it unlinks the researcher from the chosen units. As the Philippines only has one time zone, time of application was not a confounding factor (as it would be if the research request had been posted to attract a global audience). As mentioned before, due to the low number of male applicants, males were given preference to ensure the inclusion of males (and hence counteract a gender bias).

With this strategy, information-rich cases and a sufficient depth of insight without compromising validity can be expected. Demographic factors of the interviewees, such as education or age, were recorded on a separate sheet before interviews took place and were considered during the data analysis.

4.5 Data collection methods

4.5.1 Introduction

The advertisement for the research project was posted on Upwork, and the researcher waited a day to collect a sufficient number of applicants. The applicants were then reviewed and filtered ([Chapter 4.4](#)). Once the applicants accepted their invitations to take part in the study, a briefing took place, information was sent via email, consent

forms were signed, questionnaires were sent and interviews were scheduled. Afterwards, questionnaires were returned and interviews took place.

While the identification of the interviewees was essential to capture the data and to provide the small-value gift card incentive to participants, the source of the data collected was de-identified as set out in the USQ ethics committee's clearance certificate.

4.5.2 Development of interviews

In this section, there will be three sub-sections. The first will be about the use of the interviews, the second sub-section will describe the development of questions and the third sub-sections discusses the appropriate sample size for this project.

4.5.2.1 Use of interviews

Interviews are a powerful method for understanding, describing, and interpreting people's perspectives (Ritchie et al. 2014). They allow a researcher to gain information live, to capture additional situational information, and to adjust or reword questions or to ask additional questions when new subjects arise. Interviews are suitable when the collected information is of a qualitative nature as is in the case in this project, where the aim was to learn about the personal freelancing experience of the participants. In the social sciences, interviews are extremely common (Campbell et al. 2013); or as Briggs (1986, p. 1) writes, 'Research in the social sciences is the great bastion of the interview'. Interviews have produced substantial data in a wide variety of fields (Campbell et al. 2013) and countless studies can be found throughout the sciences using this qualitative research method (Landmark, Strandmark & Wahl 2002; Melander et al. 2016; Wårdh et al. 2000)⁴².

In-depth interviews allow a researcher to communicate with the subjects on a one-to-one basis with consideration given to the specific situation of the individual participants, thereby allowing a degree of flexibility (Hair et al. 2007). This flexibility

⁴² Wårdh et al. (2000) used in-depth interviews to assess oral health support in nursing homes; Melander et al. (2016) focussed on the mental health of children whose parents had survived genocide; Landmark, Strandmark and Wahl (2002) examined women with newly diagnosed breast cancer.

allows the researcher to encourage the participants to open up and to gain further information on newly arising subjects that are particularly striking. The everyday world of the participants could be explored, and areas of reality could be reached that otherwise would be difficult to access (Peraekla & Ruusuvoori 2011). Interviews are useful in research when there is little information about the population and the researcher wants to get preliminary ideas from the participants. They can also serve to explore the perspective of a sub-population in detail. Here, they allow the participants to openly talk about the topic under investigation without adhering to predetermined, focused, specific, and sometimes biased answers, as may be the case in a survey with closed-ended questions. In this project, open-ended questions were employed to invite the participants to elaborate on certain subjects and give as much detail as they wanted. Of course, if freelancers get lost in a longer monologue, the researcher then also has the freedom to steer the interview back in the right direction.

This project used semi-structured interviews with a flexible and fluid structure that also provided some guidance to the participants (Lewis-Beck, Bryman & Futing Liao 2004). Both aspects were important for this research as it aimed to gain new and unknown information from the participants, while at the same time needing to provide a framework of questions to gain consistent and comparable data. Neither standardised questions nor a completely unstructured interview would have been able, in this case, to fulfil the research needs. The situation was similar to that of Harreveld (2002) who, in her PhD thesis, chose semi-structured interviews for her research as they enabled her to use a mixture of structured and exploratory questions that were related to emerging issues. Structured interviews allow for a more consistent comparison of responses, and therefore a more uniform and standardised analysis (Bailey 2007), but they do not allow the researcher to react to emerging topics or to deepen the conversation when an interesting point is made. The flexible approach, however, allowed the researcher to shape an interview if needed and to intervene when required, for example, to explore new aspects beyond the given answer.⁴³

The interaction of the interviewing researcher and the participants has been described as 'a construction site of knowledge' by Kvale (1996, p. 42). This description means

⁴³ Such flexibility allows the researcher to inquire about keywords mentioned by the freelancer. For example, a freelancer mentioning a source of conflict in a side sentence; the researcher then can ask about the experiences the freelancer had with this source.

that the interview is more than questions and answers but that the interaction itself should be considered as well. Because of this, the behaviour of the researcher during the interviews, her inquiries and reassurances, her interruptions and diversions, are all part of the data and shall be considered during the analysis.

The opposite to this approach is closed-ended interviews, where a strict protocol is followed, and the inquirer should behave in a way in which they are exchangeable, as they in no way influence or shape the interviews.

Seale et al. (2013) differentiate between two types of interviews:

- **Interview data as resource:** Here the participants reflect on their experiences and reality outside the interview. The information provided by the participant forms the data.
- **Interview data as topic:** The interview is shaped during the interview itself by the researcher and participant and the collected data is a collaborative effort.

Although the interviews allowed some flexibility, they were not used to shape the perspective of the participant. They were only used to deepen the conversation as required, to adjust questions when there was a language barrier, or to reword questions when the response of the participant was ambiguous. This project therefore uses an *interview data as resource* approach.

4.5.2.2 Development of interview

The interview questions were developed in several steps: First, the researcher outlined the interview questions using the research questions as a guideline to ensure that the interviews had a purpose, namely being able to answer the research questions. This measure is in line with Burgess (2002), who describes interviews as 'conversations with purpose'. The questions were then phrased using the help of the literature to ensure that they were easy to understand and culturally sensitive. During the first three interviews with participants, the questions were further reshaped and reviewed in the context of this study and adjusted if necessary. Such testing of questions is closely related to the concept of pilot interviews, with the difference that the data of the first three interviews were included while data in actual pilot interviews is commonly not included. Pilot interviews are a feature of sound research (Silverman 2013). They are

a useful tool for determining the validity and reliability of the chosen construct (Dikko 2016) and allow the researcher to refine or adjust the interview questions (Tran, Nguyen & Chan 2017).

Table 4.1 The link between interview structure and research

Interview Section	RQ	Essence of each question
Block I	RQ1	What are the ongoing and original reasons for working as freelancers? What is disliked about freelancing? What role do isolation/family/social networks play? What causes job satisfaction/dissatisfaction? How satisfied are freelancers with their set-up?
Block II	RQ2 RQ3	What does a good relationship with clients look like? What are the expectations of freelancers towards clients?
Block III	RQ3	What are common sources of conflict? What are common consequences of conflict? How is conflict handled? How are cultural differences perceived?
Block IV	RQ1	What are the features of the workplace set-up?

Source: Created by the author

The final interview structure consisted of four blocks of questions (Table 4.1), which allowed logical links between questions, making it easier for the participants to follow logical sequences and therefore enhance the ease of communication in the interviews.

At the start of each interview, some simple and general questions⁴⁴ were asked that served as icebreakers to motivate the participant to open up and to start reflecting (Mann 2016). Icebreakers are a common tool used in interviews and are described in many papers (Ford et al. 2013; Ranney et al. 2015). The last questions in the interviews asked about the home office set-up such as furniture and equipment, but also features such as lighting, noise, air quality, office layout and space, as these factors all are part of a healthy and safe office environment (National Occupational Health and Safety Commission 1991).

While developing the questions, great care was taken to not overburden the participants. Although this research does not deal with a sensitive topic, it was taken into consideration that the work experiences of freelancers could be either positive or negative, and questions on such experiences could trigger any kind of emotions during an interview. Oral interviews are particularly suitable in such cases where the participants can reflect on their situations, whereas the same content in written interviews may be seen as sensitive or critical (Grey 2009). While this research did not deal with sensitive topics, it still contained personal items such as their home offices. At any stage, the participants had an opportunity to ask questions or to exit the research without any disadvantages. This is not only part of a proper research protocol but also conveys the impression of a safe framework in which the researcher and the freelancer collaborate.

The interview design was developed in line with the recommendations of Evers and de Boar (2002), in that questions were developed with the overall research question in mind. Furthermore, this project followed those authors' recommendation of an active listening approach, which refers to a conscious processing of the interviewees' answers during the interview, leading to a deeper understanding of those answers and possible adjustment of the subsequent questions.

4.5.2.3 Sample size

The sample size in a research project should not be left to coincidence or convenience but should suit an overall purpose (Mason 2010). It should be based on the aims (and

⁴⁴ Here, the freelancers were asked how they started their freelancing journey and what they liked and disliked about their work.

claims) of the study (Charmaz 2006) or the ‘scope of the study, the nature of the topic, the quality of the data, the study design’ (Morse 2000, p. 3). Fugard and Potts (2015) have developed a tool to determine the optimum sample size for thematic analysis based on theme prevalence, but it was unsuitable for this research due to uncertainty as to how freelancers would respond.

A guiding principle developed by Glaser and Strauss (1967) is the ‘concept of saturation’. In this concept, more data units lead to more information until a point of saturation is reached, which means that more data does not necessarily lead to more information (Saunders et al. 2018). Critics of qualitative research argue that researchers rarely explain and justify the sample sizes of their qualitative interviews (Bowen 2008; Marshall et al. 2013; Morse 1995). In this research, the sample size choice of 30 was neither a number of coincidence nor convenience but selected on purpose to achieve an adequate saturation level. Previous qualitative research has found that 30 interviews are satisfactory for a sound analysis (Table 4.2), so this sample size was also selected for this research.

Table 4.2 Sample size in previous qualitative research

Source	Used or recommended sample size
Creswell (2007)	The author recommends at least 20 to 30 interviews (for research involving grounded theory).
Marshall et al. (2013)	The authors conclude that 30 interviews should be satisfactory for a sound analysis.
Adler and Adler (1987)	The authors advise that an adequate sample for a qualitative research project should range between 12 and 60, with 30 being the mean.
Guest, Bunce and Johnson (2006)	The meta-study calculated that in the studies they reviewed, and based on themes in their codebooks, 100% of all codes were identified by completion of the 30th interview transcript.
Mason (2010)	The study revealed that the mean sample size for PhD studies using qualitative interviews was calculated as 31. Mason’s research also noted that a statistically significant number of sample sizes were multiples of 10.

Source: Created by the author

4.5.3 Collecting data using interviews

Thirty in-depth interviews with freelancers from the Philippines were conducted via Skype⁴⁵. Skype is a useful program for communicating with people overseas. It is easy to download and install, many computers are already fitted with it, and most importantly, it is free to make phone calls between Skype users. The program also supports the use of the call recorder program Callnote⁴⁶, which automatically starts recording as soon as a phone call starts, thus ensuring that the whole interview is recorded, and manual fiddling is avoided. This automatic set-up saves time and decreases human-related failure, and the program also provides high-quality recordings that even include background noise. The latter was considered important in this study, as the researcher during the interview could get an idea of the background noise of the freelancer's home office.

Freelancers included in this study received a small monetary compensation for their provided time, in accordance with the USQ guidelines and approved by the ethics committee. This was in the form of a Sodexo gift card to the value of USD10 (<http://ph.sodexo.com/home/services/benefits-rewards-services/personal-gifting-solutions.html>). This prepaid voucher can be used for about 9,000 merchants nationwide to buy a variety of items including groceries in the Philippines. It has the advantage that it can be used throughout the Philippines, and therefore, participation in the survey was equally attractive to Filipinos in all regions of the Philippines, including those in rural areas. The Sodexo gift card was selected in collaboration with overseas Filipino workers⁴⁷ known to the researcher.

Once an agreement was made with an interview participant and all relevant information was circulated, the participants could select an interview time that was most suitable to them and that did not interfere with their work or personal commitments. The researcher and the freelancers conducted the interviews remotely

⁴⁵ Skype also allows the exchange of additional written chat before, during, and after the interview. As a result, information that may not belong in the interviews themselves can be captured easily. On some occasions such as administrative discussions, it would not be resourceful to have this included in the phone call, as then it would be part of the interview, leading to an increase in transcription costs.

⁴⁶ Callnote is a reliable and well-established program that according to their website (www.callnote.net) has 300 million monthly users.

⁴⁷ These workers were not part of the study but independently known to the researcher.

while in their respective home offices. For the participants, it was not only a very convenient location, but it was also the freelancer's usual workspace, and therefore it was likely that they would feel more confident and settled compared to an unfamiliar location. The interview location can influence data quality; Herzog (2005) found that the location in which the interview takes place plays a significant role in constructing reality, as it is both a product and a producer of culture. It can be safely assumed that participants were more likely to open up while in their usual surroundings, where they felt safe and at ease. In view of this, the answers and findings from an interview in a home office would probably differ from the same interview had it taken place in a different location.

To account for natural delays using Skype, the interviews were scheduled with a flexible time range of 60 to 90 minutes. The interviews were conducted by the researcher herself, and the recorded files were sent to a transcriptionist. Additional side notes of observations, comments to background noises, remarkable comments, and inner reflections of the researcher were taken during and directly after the interview.

The interviews were divided into two sets: First, the initial three interviews were used to further refine the questions and to reword or adjust questions, delete phrases or add explanations. These three initial interviews also helped the researcher to gain an initial idea of the type, length and feeling of the responses. After these initial interviews were complete, another 27 further interviews took place. In those interviews, there was still some flexibility to obtain further information. All interviews were conducted between 23 August and 28 September 2017.

4.5.4 *Developing the questionnaires*

A questionnaire was developed to accommodate elements that were not suitable for the interviews, as they were either of a quantitative nature, closed-ended or contained a scale. Providing the participants with a questionnaire enabled a standard approach to collecting demographic data, and saved time in the interviews. The questionnaire can be seen in [Appendix E](#). The questionnaires were pre-tested and discussed with

freelancers who were personally known to the researcher, to ensure that they were meaningful, understandable and easy to complete.

The questionnaire contained demographic data that informed the research project about the experience of the freelancer, their current job situation and the type of work the freelancer usually does. The freelancers also specified their education, profession, spoken languages, gender and age. This data was later linked to the interviews in NVivo to sort the responses by certain attributes such as gender. The questionnaires contained three closed-ended questions that referred to Hofstede's cultural dimension. A further question asked freelancers to rate the frequency of sources of conflict on a Likert-type scale.⁴⁸ It therefore needed to be presented to the participants in written form rather than being part of the interview, as reading a long list of sources of conflict would have been confusing to the participants.

4.5.5 Collecting data using questionnaires

The questionnaires were sent by email to the participants before their interviews took place, as this had the advantage that the participants were able to anticipate the type of questions and the topics. This order of events was designed to prepare the participants for the interviews and to reduce any uncertainties. Furthermore, it gave the participants an opportunity to withdraw before the interview took place. No participants withdrew from the research. The questionnaire was a two-page Word document that took about 5 to 10 minutes to be completed by participants in their own time. The participants were asked to send the questionnaire back before the interview took place to give the researcher the opportunity to review the questionnaire and check that all questions had been answered, and whether anything may be prominent or differed from other responses. In the latter case, the researcher would be prepared to enquire about such aspects during the interviews.

⁴⁸ The Likert scale, developed by Likert (1932), is a widely used five-point scale that is an efficient way of capturing experience in different aspects such as agreement, or as in our case, frequency; the participants rated 21 sources of conflict according to their frequency.

4.6 Data analysis methods

4.6.1 Introduction

The data analysis followed a four-step approach as presented in Figure 4.1. The data was prepared, coded and analysed and the outcomes were assessed. Before any analysis took place, all data were anonymised. The participants received the acronym 'PART' followed by the number of the interview, e.g., PART1, PART2. These participant codes will be used in the discussion and in other parts of the thesis.

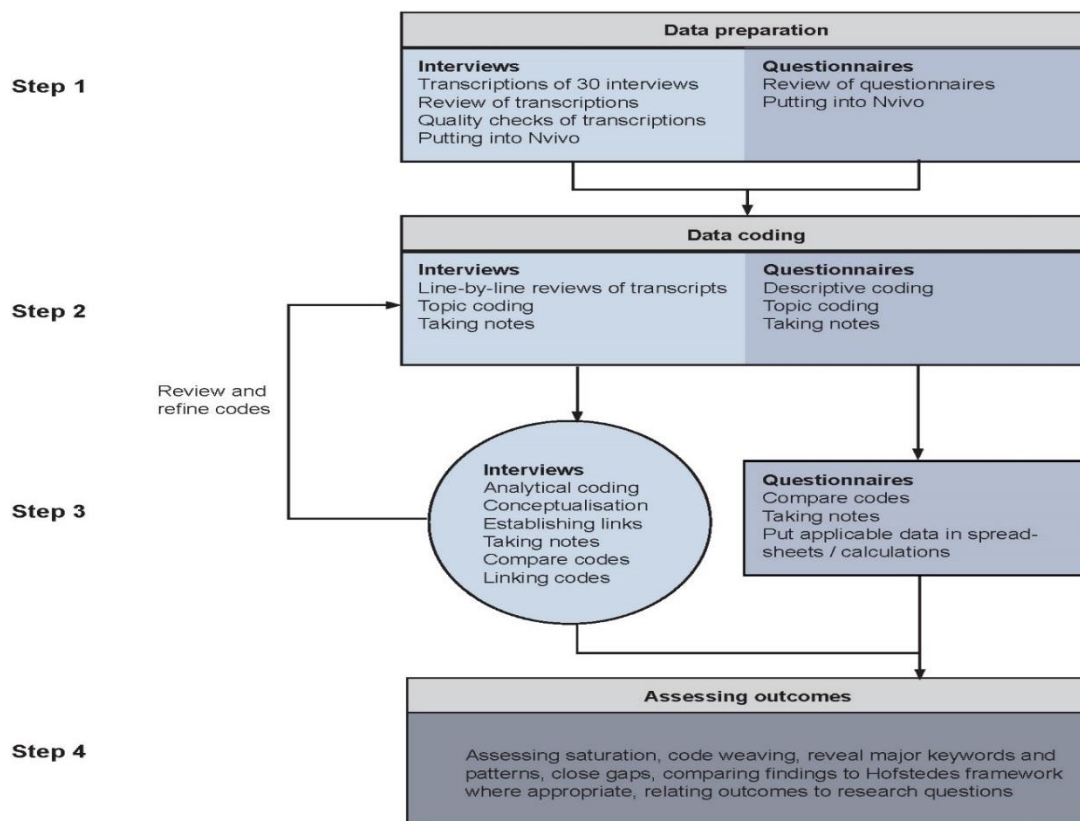


Figure 4.1 Four-step approach for data analysis methods

Source: Created by the author

4.6.2 Analysis of the interview data

In this section, first the four-step analysis process of the data as presented in [Figure 4.1](#) is explained, followed by an explanation of the choice to use thematic analysis.

4.6.2.1 Analysis of interviews

The first step in the analysis was data preparation (Figure 4.1). After the interviews had been completed, they were transcribed by a professional transcriptionist, who signed a non-disclosure agreement before commencing the task.

The researcher worked closely with the transcriptionist to ensure that all terms were well understood. Where content was unclear, the transcriptionist highlighted any areas of doubt. This was the case if the audio file contained sections that were of inadequate quality, for example, if the Skype connection was choppy or bad, but also if there were distorting background noises such as traffic, family, or pets on the participant's side⁴⁹. In addition, some interviewees had strong accents or limited English skills, or used terms unknown to the transcriptionist such as slang or technical words. After the transcriptions were completed, each file was subjected to two random checks. This quality check was completed to ensure that the transcripts were error-free and to verify that the transcriptions truly captured and reflected the contents of the audio files.

The transcriptions were then all read over several times by the researcher. The first reading was undertaken without any coding, the goal here being to achieve a high level of familiarisation with the data. In the second reading, coding took place. Text fragments containing insights into the participants' views and experiences were highlighted and supplemented by notes and comments (King & Horrocks 2010). This process is also known as initial coding and is tentative, where provisional codes may be used (Saldana 2009). Coding followed the approach described by Richards (2008), in that it differentiated between descriptive, topic, and analytical coding ([Appendix F](#)).

While descriptive and topic coding were part of Step 2, analytical coding was already part of Step 3. This third step of the coding process deepened the analysis. Data were linked as opposed to just being labelled (Richards & Morse 2007). Keywords were connected and compared to find patterns and hence reveal new information.

⁴⁹ There were no distorting noises on the researcher's side as the researcher organised a quiet background.

In the fourth step, the outcomes were assessed, which included several measures: The saturation of the data was examined, code weaving was conducted and patterns and keywords were reviewed.

Code weaving is a useful tool to interpret how the topics are linked or woven together. It is useful to see how the individual puzzle pieces or components fit together (Saldana 2009), indicate interrelations and suggest causations of data. Code weaving was simply done by writing primary codes, themes and concepts in as few sentences as possible, and then repeating the process by writing several variations of those sentences. Code weaving was part of the reflection of the researcher to gain a better understanding of the interview contents and themes and was further used as a basis to search for confirming/disconfirming evidence within the data and in the theories that were used for this study.

In addition to the above, the project followed the mind-mapping approach as developed by Whiting (2009) and further elaborated by Whiting and Sines (2012). A mind map showing the categories, sub-categories, relationships, and links was created (Figure 4.2). Mind maps are a useful tool to visually present the researcher's understanding and interpretation of a phenomenon based on the collected data (Whiting & Sines 2012). It turned out to be a very practical visual aid that helped to provide a quick overview of the outcome.

Lastly, during the data analysis, the researcher wrote memos to reflect on her own theoretical sensitivity, including her personal involvement and how it may have affected the investigation (Birks & Mills 2011; Connelly 2013). Where appropriate, the data was sorted into the codes, which the researcher analysed using Excel. This applied to questions of interest where the replies could be sorted into different categories. Excel formulas were then used to perform basic statistics such as calculating the range, mean, mode and mean. These calculations were done to support the findings by quantifying replies and allowed the researcher to gain a quick overview of the distribution of replies and to find out whether there were any patterns or outliers. Only one person did the coding for this research project and therefore great care was taken to not compromise reliability, by following a coding protocol that included consistent allocation of replies into categories or weighting of the importance of a subject to a participant.

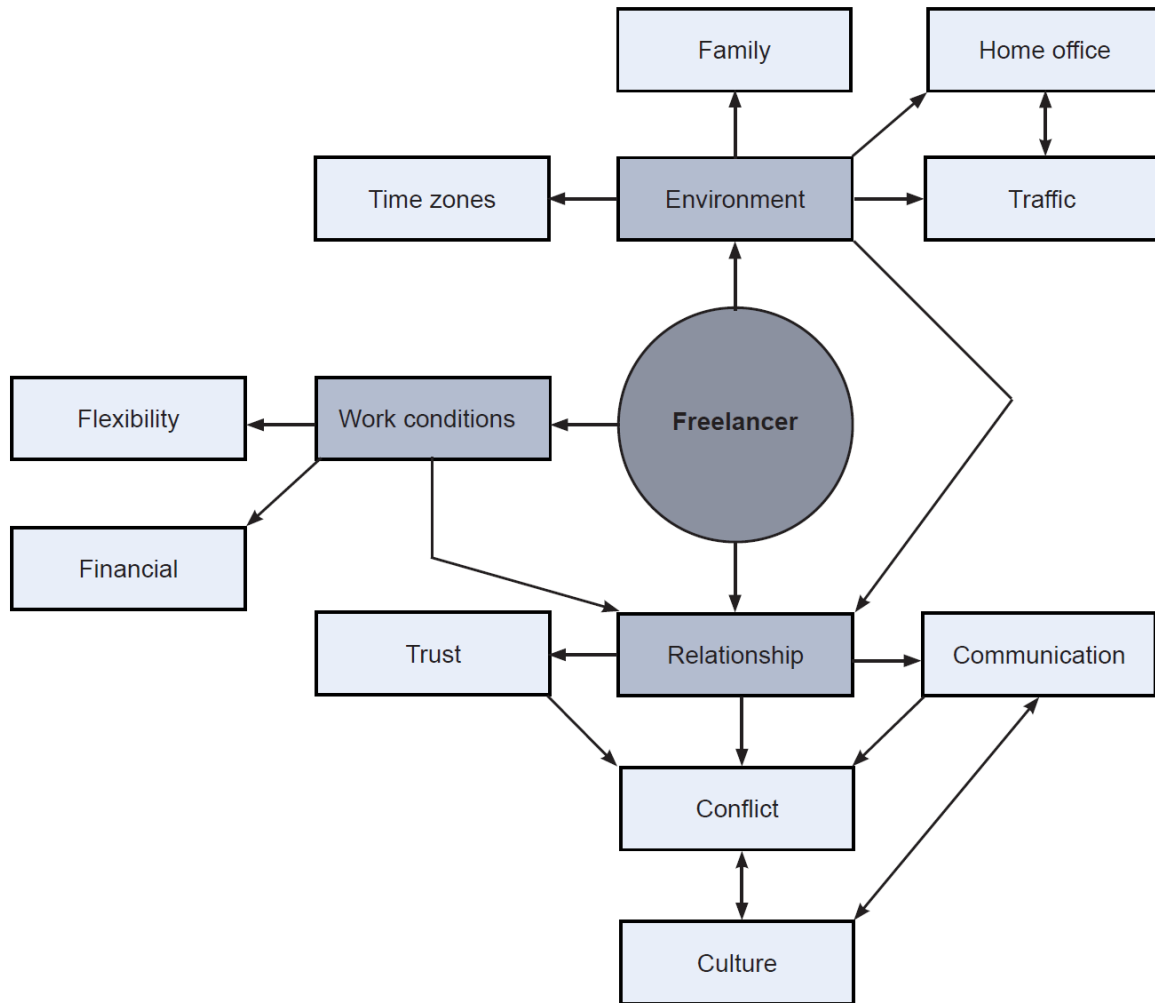


Figure 4.2 Mind map of the interview data showing codes and their relationships

Source: Created by the author

4.6.2.2 Thematic analysis

The interviews with the freelancers were analysed using thematic analysis, a widely used approach in sciences (Fugard & Potts 2015).⁵⁰ Thematic analysis is used to identify and analyse patterns (also called themes) in a data set (Braun & Clarke 2006). There are two approaches within thematic analysis: inductive and deductive. As the coding of the themes followed the research questions, it was top-down or deductive (Braun & Clarke 2006). This choice made sense as the responses of the participants

⁵⁰ Thematic analysis in this research followed the six steps as described in Braun and Clarke (2006): (i) Familiarisation with data; (ii) initial coding; (iii) search for themes; (iv) review of themes; (v) definition and naming of themes; and (vi) reporting and analysis.

were influenced by the research questions. For example, a question about trust promoted a response also containing the same keyword.

Following the example of Clarke and Kitzinger (2004),⁵¹ the prevalence of themes was based on the level of the data item (each interview) as opposed to the data set (all interviews). This approach was adopted to allow a deeper understanding of each participant, which eventually led to a more solid foundation for comparing responses among participants. That said, there were occasions when the whole data set needed to be considered, namely when the overall number of responses were of interest. This was the case when the researcher was interested in finding out how many participants referred to a concept.

Thematic analysis in this project was latent, constructionist, and partly deductive/partly inductive, which did not quite fit Braun and Clarke's (2006) suggestion that the three features (latent, constructionist, and deductive) are linked:

- **Partly deductive/partly inductive:** As the research was interested in specific areas of the relationship and explored certain subjects in detail, and the research questions also prompted some responses, the deductive approach was suitable in these cases. However, as mentioned before, most questions were open, and the freelancers could make their own choices as to how to design their responses. Here, the researcher wanted to learn about the perspective of the freelancers and their perceptions and experiences, and therefore, an inductive approach was deemed suitable.
- **Latent:** The latent level goes beyond the semantic content of the data and examines underlying ideas and concepts. This fits this research, as it wanted to explore the meaning rather than just describing findings. The overall goal of this research was to produce an informative document that could be of practical use for clients.
- **Constructionist:** The project examined the ways in which realities affect a range of discourses, or in other words, how the perception of the freelancers was linked to the relationship with their clients.

⁵¹ Clarke and Kitzinger (2004) studied lesbian and gay parents in talk shows using thematic analysis, and identified six key themes. Prevalence was counted in each talk show (level of data item as opposed to data set).

4.6.3 Analysis of the questionnaire data

The questionnaires contained demographic data, scales and lists where participants had to select options. Because of this, the data had to be treated differently from the interviews.

In the first step, the data were reviewed and the questionnaires were loaded into NVivo. All questions were then sorted into different categories depending on their subject. The questionnaires also were used for two more purposes of the research: Firstly, the demographic data recorded on the questionnaires were used to inform the research, for example to allow the researcher to do basic calculations such as gender and age distribution of participants. Secondly, Question 4 revolved around attributes⁵² of clients that participants found important in order to build successful relationships. It was analysed using formulas to produce frequency distributions to find out which attributes of clients were more valued than others by freelancers.

4.7 Profile of participants

To understand the motivation of freelancers to engage in the freelancing industry, one first needs to understand the profile of freelancers. It is proposed that participants with certain demographics will be attracted to freelancing. For this reason, the demographics of the participants were analysed. [Appendix G](#) provides an overview of the participants as well as information on the interviews.

As discussed in [Chapter 4.4](#), at first no preference for gender was given in selecting the participants for this research, but the applicants were rather first filtered for their suitability⁵³ and then selected by date of application. When it became obvious that the majority of applicants were female, all suitable male candidates were included. This process resulted in 25 female and 5 male participants (83.3% females). The high proportion of female participants could be a coincidence or could have either of two causes: Firstly, females might be more interested in participating in such a research project, and, secondly, there might be more female freelancers than male. It is beyond the scope of this research to ascertain the true reason for the gender distribution in

⁵² Behaviours/personality traits

⁵³ Fulfilling the participation criteria; refer to Chapter 4.7

this project; however, a higher presence of female freelancers is in line with the literature, which indicates that about 65% of freelancers in the Philippines are female (Schnabel 2018).

As discussed before, representatives of both genders may respond differently ([Chapter 4.4](#)), and it is acknowledged that 83.3% of participants were females. The outcome of the study may have been different with a more equal gender distribution. The transcribed interviews of the men and women were cross-checked, and it was revealed that the responses between males and females differed slightly. The differences were not so much in their opinions on certain subjects, but rather on the selection of subjects they wanted to talk about.

For male participants, the interviews tended to be shorter, more precise and to the point. Furthermore, family was not such a major keyword for male compared to female participants. Male participants also had slightly different major keywords: Payment, communication, respect and technology were highlighted as central interview subjects. However, when it came to their statements on those subjects, no major differences from female participants were spotted.

Two of the males were marked as 'not very talkative' and a third participant was marked as admitting openly to having betrayed his clients.⁵⁴ The males' readiness to communicate differed significantly from the female participants, who all were marked as talkative, and none of them admitted having cheated.

When interviews were sorted for age, no significant differences were found in the interviews. The age range of participants was 22 to 47 years (median, mean, and mode = 33). In view of this, the participants were categorised into two groups: 22–33 years and 34–47 years. Several keywords were compared in the two age groups, but no major differences could be found.

Most of the participants were either undertaking tertiary studies at the time of the interview or held degrees (Figure 4.3). As the figure shows, 23 out of 30 participants

⁵⁴ The participant was asked about whether he believed that freelancers take advantage when there is a lack of control, and he admitted having cheated with timesheets in the past. He also replied to a question about commitment by saying that he believes freelancers have lower commitment and lie.

(76.6%) specified a higher education degree. It needs to be noted, though, that the remaining seven participants may or may not hold or be working towards a degree as well, but they did not specify this information.⁵⁵ These high education levels of the participants are noteworthy because the tertiary Gross Enrolment Ratio (GER) of the Philippines, which 'is calculated by dividing the number of students enrolled in tertiary education regardless of age by the population of the age group which officially corresponds to tertiary education and multiplying by 100 (The World Bank 2018), was only 36 in 2014. By comparison, Australia's GER in the same year was 90. This research thus noted a large difference in the higher education levels of the participants compared to the national education level average. While this could be coincidental, it could also be an indication that the freelance world attracts workers with tertiary education. One can easily imagine that the independent learning skills acquired at a university can be beneficial for work as a freelancer, as having finished a degree can allow a worker to meet formal education requirements, develop highly sought skills such as niche skills, and apply for well-paid jobs (Muhammed 2017b).

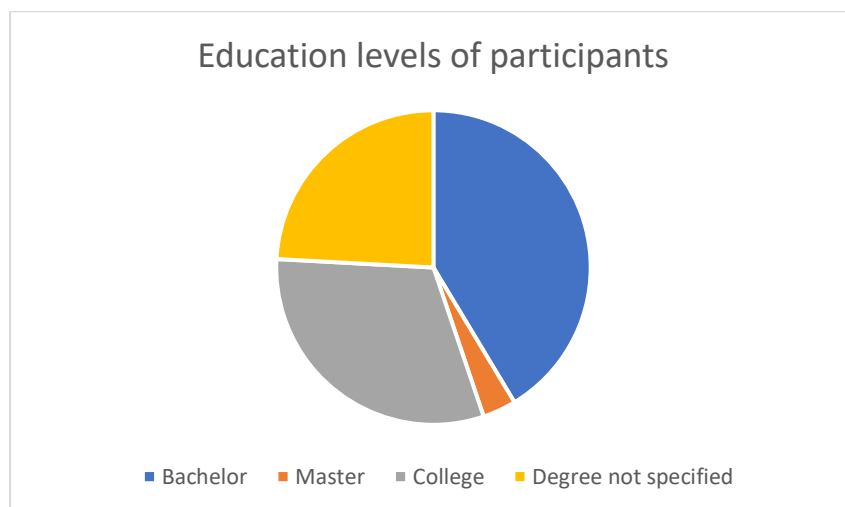


Figure 4.3 Education levels of participants

Source: Created by the author

All of the participants spoke one of three Filipino languages as their primary language at home, namely Tagalog, Cebuano or Hiligaynon, with Tagalog being the most frequent language (24 participants). Most of them had fluent English skills.

⁵⁵ All of those seven participants specified a professional role such as 'senior manager' or 'virtual assistant'

Only freelancers with a track record of more than 1,000 tracked hours were included in the study⁵⁶, and the mean number of tracked hours worked on Upwork was 3,560 (equivalent to 445 8-hour days). The years of total work experience (including employment in other areas outside of freelancing) was between 1.5 and 27 years (median = 10), and the specified work experience only in a virtual environment (including work on other freelancing platforms) was between 1 and 9 years (median = 4.2). Naturally, the years of virtual working experience of the participants is high as it is linked to the minimum working hours required to participate in the project.

The number of different jobs that the freelancers completed per month ranged from 1 to 10 (median = 2). It is unknown how many hours those jobs took up; one large job may take up the same work time as three or more smaller jobs. However, it was interesting to see that freelancers not only completed one job after another, but had the capacity to work on several jobs at the same time. Multitasking is considered an essential skill for freelancers (Benun 2012), as they are often required to focus on several projects at the same time.

The main platform used for sourcing jobs was Upwork, which is not surprising as Upwork was used to source the participants, so this response is obviously biased. However, some additional platforms were specified, namely jobsDB.com, Craigslist, and (for networking/sourcing projects) also Facebook. The types of jobs the participants completed on Upwork varied significantly and included areas such as data entry, virtual assistance, project management, Web research, customer service and marketing. The rate the freelancers advertised on Upwork ranged between USD3 to USD20 per hour (median: USD 8 per hour).

⁵⁶ On Upwork, freelancers can complete fixed-rated job or jobs that are paid by the hour, but only the latter are included in their Upwork tracking record. For fixed-rate projects, it is not recorded, and hence unknown, how long the freelancer needed to complete the job. For this reason, freelancers who may have had substantial experience with fixed-rate projects were not included in this research, as it was not possible to reliably verify their experience.

4.8 Review of acquired data

4.8.1 *Review of interview data*

All 30 interviews were conducted between 23 August and 28 September 2017 via Skype.⁵⁷ Most interviews were done after 4 pm as this was the preferred time of the participants. The organisation and planning of the interviews went smoothly with no noteworthy deviations from the project plan. All participants submitted their questionnaire and signed consent sheet before their interview took place. All pre-interview communication was in writing.

The total duration of all interviews was 1091.59 min. Interviews had a mean length of 41.59 min and a median length of 39.15 min, with a standard deviation of 12.24 min. The shortest interview was 22.40 min and the longest was 81.30 min. The length of the interviews depended on the talkativeness of the participants and their readiness to elaborate their contributions. In cases where participants answered very briefly, the researcher asked the same question with a slightly different wording or asked sub-questions to create an inviting atmosphere and to encourage the participant to speak more openly.

Three interviews had to be carried out in written form because no functional Skype connection could be established. After several attempts from both parties to call, with significant communication delays and acoustic distortions, it was agreed to do the interview in written form. The interviews in written form are naturally shorter and more precise than their oral counterparts. The researcher ensured that all questions were understood; however, she did not have a chance to spontaneously react to responses to go deeper into certain subjects that arose. Notwithstanding this, the researcher got the impression that the content of the written interviews was in line with the oral interviews, as the subjects and major keywords showed good parallels. Another interview also needed to be completed in written form because the freelancer specifically asked for it, as she did not feel confident about a live interview due to her deficient English skills. She had substantial experience as a freelancer, and the

⁵⁷ The interviews were voice calls only. Video calls would not have provided data relevant for this study and therefore would have been unnecessary and also inappropriate, as participants were located in their private environments such as their bedrooms.

researcher felt that she could make a good contribution to the study, so it was agreed that she would answer the questions in written form in close collaboration with the researcher, and within a short time frame to mimic the interview setting, where the other freelancers also do not have too much time to think about their responses. For each participant, notes were taken during and straight after the interview.

4.8.2 *Quality and accuracy of transcriptions*

In general, once the connection was established successfully, the audio quality of the files was good and both parties could clearly be heard and understood. In some interviews, there was a presence of low-level background noise on the interviewees' side.

In cases where the transcriptionist was not sure whether he understood the audio file correctly, he highlighted words or sections and made suggestions. The highlights were all checked by reviewing transcripts and listening to the audio files, and any required amendments were made. In most cases, the solution to unclear phrases was obvious as the researcher either remembered the section from the interview or could clarify the words/sections from the context and due to her deeper understanding of the subject. Out of 133 highlighted segments, only 33 corrections were required (20.49%). The transcriptions of the interviews were then checked for accuracy. All of the transcripts were compared to the original audio. Two samples per transcript were taken from the responses of the participants and checked against the audio files. An error was defined as a deviation in the text from the original audio file that led to a change in the meaning, flow or structure of the text. This included missing words or wrongly interpreted words. It was not considered an error when the transcriptionist left out filler words/phrases such as 'Ahem' or 'You know', two phrases that some freelancers used extensively. Accuracy was calculated by dividing the number of words in the sample by the number of errors. The accuracy was high: On average 98.90% of the text was correctly transcribed, and no major errors could be detected. Notes and calculations of the quality of transcripts can be found in [Appendix H](#). Furthermore, the transcriptions were

reviewed for spelling errors using Word's spell checker as well as the author's personal language skills. No spelling errors⁵⁸ were detected in any of the transcriptions.

4.8.3 Review of questionnaire data

All questionnaires were emailed and completed after an agreement with the participants was reached, and before the interviews took place. The investigator checked the completed questionnaires as soon as possible to ensure they were filled out completely and there were no incomplete answers. The anonymised data was copied into an Excel file and subjected to statistical analysis. This included simple calculations such as mean, median, mode or percentages of demographics or responses.

4.9 Key themes and trends

To avoid bias, one has to differentiate between two types of keywords: those that were triggered by the research questions, and those that the freelancers mentioned without a trigger from the research question. The analysis needs to take this into account and treat these keywords differently; for example, 'trust' could not be marked as an arising keyword when it arose in response to a question about trust, but the analysis could focus on the role, meaning and perception of trust as it was described in the response. It should be noted that latent coding was applied, which not only revolved around keywords but also looked into the meaning behind the words (Willig & Stainton-Rogers 2017).

To gain an idea of the subjects that are truly important to the freelancers, this study focused on the keywords that crystallised during the interviews (i) either without being mentioned by the interviewer in a particular question or pushed by the context, or (ii) when they were insistently noted as important by the participants or repeated by participants⁵⁹, or worded emotionally. There was a preponderant coherence in the

⁵⁸ Based on the English skills of the researcher, who speaks English as a second language.

⁵⁹ Here it should be noted that quantity of keywords shall not be confused with quality. The most frequently named words or the subjects talked about the longest are not necessarily the ones that reflect the highest priorities for the participants.

keywords that arose during the interviews, which can be explained by the general concurrence as to which subjects are of importance for freelancers.

The main keywords/phrases identified were financial matters, trust, communication, family, time zones, traffic and flexibility. These keywords are umbrella terms that can be linked to further sub-categories. This means that, for example, a section was labelled as a communication subject although it did not contain the word 'communication' but contained associated terms such as 'language', 'misunderstanding', or 'accent' (Table 4.3).

These keywords will be discussed in the applicable context of the study; for example, 'trust' will be discussed as part of [Chapter 8.4.4](#) and 'family' will be elucidated in the context of [Chapter 5.2.1](#).

Table 4.3 Key themes and codes in the interviews/questionnaires

Main keywords	Associated terms
Communication	Talking, speaking, asking, writing, expressing, telling Briefing, reporting, notifying Skype, Facebook, social media, email Misunderstanding Language Accent, dialect Conversation Statement, announcement Instructions, information
Family	Children, son, daughter, baby Parents, mother, father, grandparents, grandmother, grandfather Spouse, husband, wife Relatives
Financial matters	Payment Bonus Rate Safety net Income Savings Compensation Job insecurity Money Debt Loan Wage
Time zones	Delay Availability, responsiveness Waiting Different working hours Night shift
Trust	Credibility, reliability Supervision, control, micromanagement Fraud, breach Giving and taking
Traffic	Fare Commute Congestion Car, driving Rush hour, road block
Flexibility	Versatility Spontaneity Time management Flexible hours Work-life balance Self-organisation Breaks

Source: Created by the author

While keywords refer to subjects of general importance, trends refer to behavioural patterns observed during the interviews. The following two trends were particularly obvious:

Firstly, there was a general tendency to avoid negative subjects and statements in responses. However, when elaborating on a subject, participants opened up and included negative statements as well. This behaviour is important to note for the analysis, as ignorance of it can lead to a bias, namely the distorted impression that Filipino freelancers have a more positive perspective, so this needs to be considered and equilibrated. There are several explanations for this tendency, one of them being a cultural tendency to suppress criticism and be modest. Cultural aspects will be further discussed in [Chapter 8.4](#).

Secondly, while a heterogeneous group of freelancers participated (from both genders, in all age groups, and from diverse professional backgrounds), there were surprisingly homogenous replies in many respects. This homogeneity was evident in all sections of the interviews, such as freelancers' perceptions of the advantages of freelancing, their attitude towards family, or their experience with conflict. This homogeneity strengthens the overall quality of the data set, and it is also a solid foundation for this study in giving advice to Australian clients, because it indicates that the needs and wants of freelancers may not be too diverse.

4.10 Validity and reliability

Two of the commonest measures for ensuring the quality of the executed research methodology are reliability and validity. Reliability refers to consistency, the degree of accuracy with which an instrument measures what it is supposed to measure, and the degree to which it can be repeated by different observers and reveal the same results (Guba 1981; Long & Johnson 2000; Noble & Smith 2015). Validity refers to the accuracy of data interpretation (Creswell 2018).

In Swan (2013), the following four perspectives are suggested to ensure rigour:

Credibility: This refers to the truth of the findings, or internal validity.

Transferability: This is the degree to which the findings can be generalised, used in a different context, or externally validated.

Dependability: This is the same as repeatability: the degree to which the research can be repeated with consistent results.

Confirmability: Here, the author refers to the researcher's bias or their objectivity.

Each of those four items can only be appreciated and comprehended by others when research makes itself traceable and genuine. Consequently, this researcher aims to present the data collection and methods in an unambiguous and transparent manner. Research that does not openly communicate its processes may be harder to criticise, or in the words of the philosopher Friedrich Wilhelm Nietzsche (1917, p. 193), ‘Many a shrewd one did I find: he veiled his countenance and made his water muddy, that no one might see therethrough and thereunder’. However, such research does not withstand any of the most basic tests of rigour.

Firstly, it should be noted that the interviews reflect the perceived reality of the individual freelancers who participated in this research. As a result, the findings are unique and not repeatable (Marshall & Rossman 2006). However, the individual perceptions can help to gain a broad understanding of the possible interpretations of their realities and to acknowledge that freelancers and clients have different perspectives of their collaboration. While these were not all the possible expectations and experiences there may be in the world, they indicate how freelancers think, perceive and feel. This in turn led to a better understanding of their situations and eventually allowed this research to suggest strategies to improve relationships between freelancers and clients.

In addition to the above, the sample size of 30 was selected on purpose to ensure that statistics could support this project and patterns could be detected, so that broad generalisations from the findings could be made ([Chapter 4.5.2](#)). Havar-Simonovich (2012, p. 171) describes this as ‘population validity’. However, the author notes that qualitative research struggles to reach samples sizes like those required for statistical analysis in quantitative research. One technique for dealing with population validity is to ensure that the participant group is as homogenous as possible (Havar-Simonovich 2012). In the research at hand, such homogeneity was promoted by including only participants in the research who had a proven track record of over 1,000 working hours on Upwork. Furthermore, to overcome the limitations of being a small-scale study, a technique as applied by Burton-Taylor (2004) was used; this researcher tackled the challenge by spending more time on comparing observation against documentary evidence.

Secondly, this research took its responsibilities with regard to validity and reliability seriously, and a meticulous approach was chosen, with every step being systematically planned and conducted. Right from the start, the research questions were developed with the utmost care and with the research goal in mind. The questions were developed using substantial peer-reviewed literature and the freelance connections and insider knowledge of the researcher, and they were probed in the initial three interviews. Kriel (2006) writes that it is common practice to pre-test one's instruments in order to fine-tune questions and improve the validity of the research; while Havar-Simonovich (2012) used pre-tests to check for face validity⁶⁰. In the present research, three interviews were conducted to pre-test the questions before they were finalised.

To ensure that the findings mirror the collected data and that the research project had rigour, approaches as suggested by numerous authors (including Brink 1993; Guba 1981; Morse et al. 2002; and Noble & Smith 2015) were adhered to:

- The researcher informed the interviewees in detail of the nature and goals of the study, data collection methods and data usage.
- The researcher presented her methods clearly and thoroughly to allow fellow researchers to form valid judgments, and records and field notes were kept in an accurate and diligent manner.
- A search was undertaken for disconfirming evidence (e.g., by comparing observations to findings of the cross-cultural framework of Hofstede and other theories). ([Chapter 3.](#))
- Personal and sampling bias and the resulting limitations were acknowledged and discussed.
- Interview questions were worded in a culturally sensitive manner by using insider knowledge and testing the questions on freelancers in pilot interviews.

⁶⁰ Definition by the author: 'Face validity means checking whether items, for example the coding used in this thesis, measure what is intended. This was addressed in the pilot study preceding the main in-depth interviews.' (Havar-Simonovich 2012, p. 171)

In the next section, the role of the researcher as an insider to the industry is explained.

4.11 Role of the researcher

The role of a researcher undertaking higher research degree studies is to ensure that data are collected appropriately and in the correct context for the scope of the study. This goal requires the interviewer to be knowledgeable in the research area.

In addition to the research-based learning knowledge achieved through the literature review in [Chapter 2](#), the researcher of this study has attained experiential learning from practice in the industry through her role as one of two directors of Xine, a small business established in regional Queensland (Toowoomba) in 2006 and relocated to Brisbane in 2016 ([Appendix I](#)).

In her role at Xine, the researcher has collaborated with countless freelancers and gained substantial experience in the field. As she is an insider to the industry and a member of the OOBPO community that she seeks to investigate, the project falls into the category of 'insider research' (Coghlan & Brannick 2005; Robson 2002). This is in contrast to research where researchers are objective outsiders studying subjects that are external to themselves (Denzin & Lincoln 2000). Advantages of insider research include the ability to collect in-depth data on the subject (Hewitt-Taylor 2002); having a better capacity to comprehend the interest group (Justine 2007); and having a better prior understanding of the group as well as better access to the members (Brannick & Coghlan 2007; Merton 1972⁶¹). Some authors argue that qualitative researchers are never completely independent of their research but are an instrument of the analysis because they interact with the research phenomenon (Corbin & Strauss 2014). In view of this, it is impossible to eliminate the influence and effect of the researcher on the research (Maxwell 1996). Instead, it is necessary to understand their role in order to counteract bias (Mohiuddin 2014).

It is in the nature of humans to have a deeper understanding and empathy for the perspective that reflects one's own way. The researcher had the perspective of the hiring business, and her examination of the freelancer perspective potentially challenges research validity as it could lead to bias if not acknowledged. The

⁶¹ Merton (1972, p. 15) writes, 'You have to be one in order to understand one.'

researcher therefore had to exercise due diligence, and she took careful measures to ensure that the research was sound and undistorted, and reflected the freelancers' attitudes and feelings adequately. She had to disconnect her knowledge and experience as an employer and allow herself to be open to the information collected from the freelancers. In consultation with freelancers known to her personally, she learned to understand the priorities of those workers. Seeking consultation within insider research has been described as 'indispensable' by Humphrey (2012). As recommended by Evers and de Boer (2012), the researcher reflected on her interview style to ensure it was suitable for the interview target group. A direct and comforting style was selected, tested and refined in the early interviews.

Conducting the initial three interviews was another technique used to deepen the understanding of the freelancer perspective ([Chapter 4.5.2](#)). They served the purpose of firstly finding out how interviews had to be conducted to ensure freelancers answered their questions freely and without the impression that they were responding to their antagonist, and secondly, learning what considerations are important at a later stage to ensure the researcher has drawn adequate interpretations of the interview data.

4.12 Ethical considerations

Full ethical approval was granted by the USQ Human Research Ethics Committee on 12/05/2017 under no. H17REA109 ([Appendix A](#)). This means that this research project is in line with all ethical requirements of the University of Southern Queensland.

Ethical considerations and measurements have been integrated into every step and level of this project. This particularly refers to the data collection in the project, where an ethical treatment of the study subjects was prioritised. Besides other measurements, the interview participants received the following:

- Extensive information on the project, including information and consent forms as required by the Ethics Committee
- A discussion before the interview, in which the participants were informed that they could exit the project at any stage and still receive their incentive
- An incentive for their participation in the form of a gift voucher

- A summary of the results afterwards.

The researcher did her very best to ensure that all participants were treated with the utmost respect, cultural sensitivity and professional politeness.

4.13 Summary

In this chapter, the methods used for this research project were introduced and the reasoning behind the choices explained. It contained four main sections: research design, data collection, data analysis, and background information, including validity/reliability, the role of the researcher, and ethical considerations.

The research design was presented, and it was explained why a qualitative approach was deemed most suitable for this project. The axiology of the research project was determined as subjective with a constructive worldview that assumes that reality is a social and subjective construct. A cross-sectional approach was selected for this project, a standard approach for this type of research when it is subject to time and resource limits.

The population in the study were freelancers based in the Philippines who could provide evidence of substantial experience in OOBPO. The sample size was set to 30 as the literature revealed this to be a good number for qualitative analysis.

Semi-structured interviews with freelancers were done via Skype, including three pilot interviews in which the interview questions were refined. The interviews were supplemented with questionnaires containing closed-ended questions and some with scales. After completion of the data collection, the interviews and questionnaires were uploaded into the program NVivo, and a four-step approach using thematic analysis was used to extract information and to uncover patterns.

During the above-mentioned steps, validity and reliability were considered, and it was explained how this research made efforts to ensure both by carefully planning the research with the research goals in mind. The author reflected on the role of the researcher as an insider to the industry, and its consequences for the research was discussed. This led to the ethical considerations of the study, and it was noted that this research is in line with the university's ethics requirements.

With the end of this chapter, the executive phase of the research, namely the collection and analysis of data, is completed. The next three chapters will present the findings, which will then be discussed in light of the research questions.

Chapter 5 Findings from Research Question 1

5.1 Introduction to findings from Research question 1

This chapter is the first of the three chapters that present the findings of the study. Figure 5.1 shows a mind map for the next three chapters. [Chapter 5.2](#) provides an overview of the social framework and the isolation experienced by the participants. The motivations to work as freelancers are outlined in [Chapter 5.3](#), followed by [Chapter 5.4](#) outlining the health and safety aspects of the participants' work environments and conditions. Together, the three sub-sections in this chapter provide the answer to the first research question ([Chapter 1.6](#)):

Research Question 1: *To what extent do the personal and professional environments of Filipino freelancers motivate them to commence their job and remain as freelancers?*

[Chapter 5.5](#) concludes the chapter with a summary of the findings.

5.2 Social framework

This section covers the freelancers' social situation including their family ties and social and professional relationships: all factors linked to the freelancers' perceptions of isolation.

5.2.1 *The role of family*

Most participants expressed very family-oriented views. This orientation was not surprising, as Filipinos are known to be closely knit with their families. On numerous occasions, participants mentioned their family members:

I really wanted to spend more time with my family, my kid, my husband and my grandparents. [PART26]

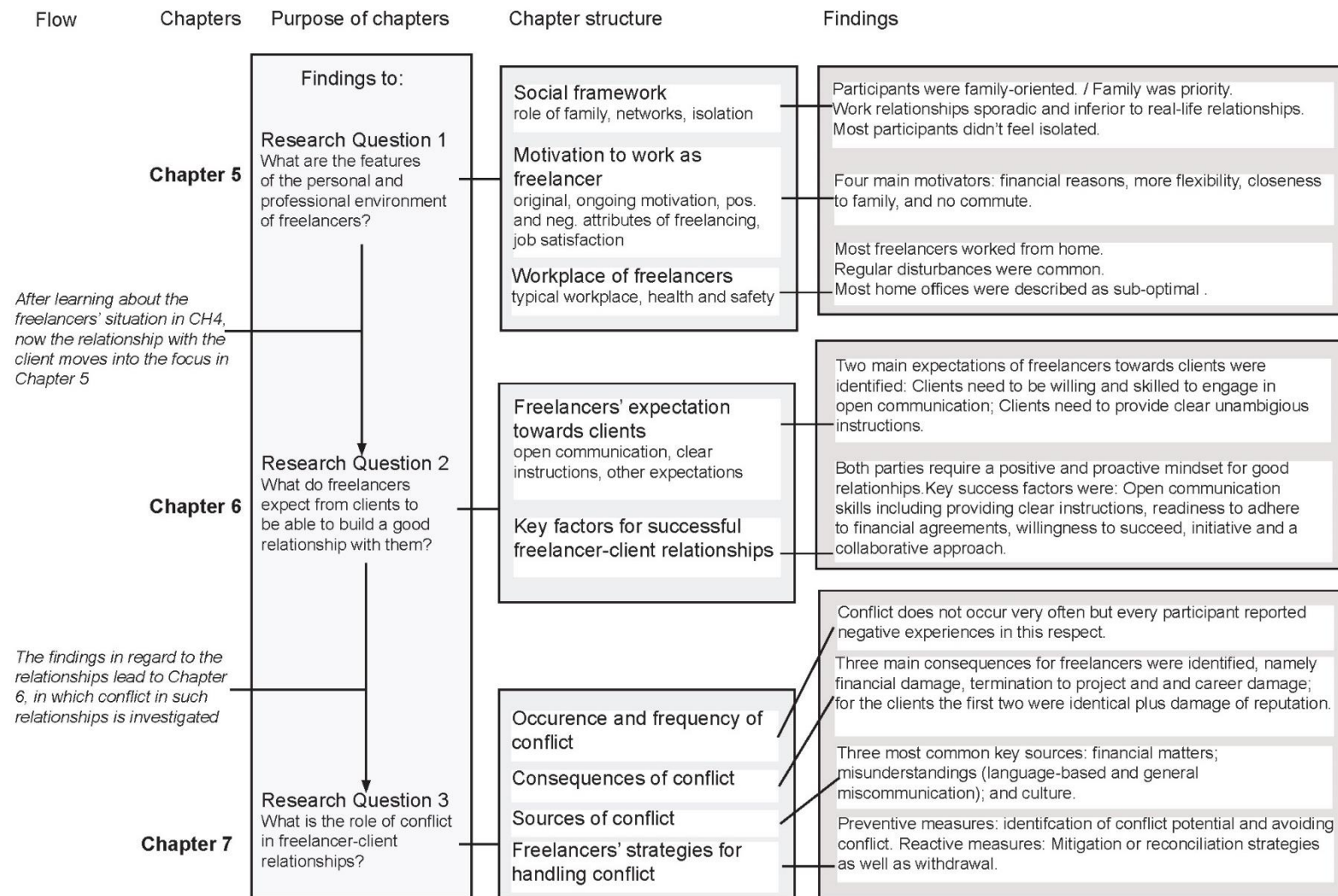


Figure 5.1 Mind map for Chapters 5, 6, and 7 – Findings of RQ1, RQ2, and RQ3

Many participants reported living with extended family, their children, spouses or parents. The main working space of all the participants was in their home, and therefore, they had family around them during their working day. Most of the participants had their own home office, but some had a study corner in a shared room. During the interviews, children and other family members were heard in the background.

Most of the participants described that one of the main benefits of freelancing was the flexibility that allowed them to spend time with their families. Some female participants also reported that they were able to work despite having young children, and others mentioned that they had to look after sick or elderly family members. Freelancing also allowed them to provide financially for their families and served as an alternative income to traditional jobs. The significantly higher rates in freelancing were often acknowledged. Furthermore, the long typical travel times to and from work in metropolitan areas were seen as a waste of time, and several freelancers mentioned that the time is better spent with their families rather than travelling between two and four hours or more per day.

5.2.2 Social networks and isolation

In this section, the findings about relationships are presented, as the researcher was interested in learning whether isolation was a concern, and how freelancers dealt with it.

The participating freelancers did not have the same amount of social interaction that is typical in many traditional offices, as they work in an isolated workspace, namely their home office. Most participants also acknowledged that relationships between colleagues in the virtual world were different. They described not having any physical interactions with co-workers, but communication was mainly via written chat systems. The absence of non-verbal cues from their communication partners, such as facial expressions and gestures, left the freelancers with impressions of their co-workers purely developed from their written and oral communication style and skills.

In situations where there was conflict, in the main, written communication was used to resolve issues. In a traditional office, co-workers may sit down and talk; the

participants in this study, however, could not resolve issues directly face-to-face due to the physical distance to their clients⁶². Virtual communication was described as shorter, precise, professional, and with fewer emotions shown compared to face-to-face communication. The impact of physical distance on relationships between colleagues is reflected in some participants' responses:

*It's a little bit more detached since we don't have to hang out after work.
[PART16]*

Social interactions were more challenging for freelancers due to the lack of opportunities to socialise with colleagues. In most cases, it was perceived that virtual work relationships were inferior to real-life relationships, and virtual colleagues were not as close as offline workers. PART20 said that she did not 'feel connected' to her virtual colleagues. However, even in situations where colleagues felt a connection, it seemed to be difficult to express emotions towards each other. PART1 described how the lack of physical interaction (such as hugs) in emotional situations hinders true cohesion and closeness, as emotions have to be expressed orally or in writing. While the physical distance creates a natural barrier, in rare cases, virtual friendships could turn into offline friendships. PART18 reported that she had joined social online groups where she was able to make connections that eventually turned into offline friendships. Similar experiences were reported by other participants.

Nine out of the 30 participants (30%) said that they feel isolated one way or another, such as PART27, who said

Yes, I definitely feel isolated. Socialising with colleagues is what I miss the most about having a traditional office job. Eating together during lunch break with co-workers makes work more bearable.

Two freelancers said they struggled with isolation when they first started. PART17 mentioned that at first, she had no one to turn to, but being part of social online freelancer groups made a difference for her level of connectivity. She reported that she made friends in online groups, some of whom turned into real-life (offline) friends.

⁶² They may or may not have used video chat however; this was not discussed in detail as it was beyond the scope of the study.

However, some participants did not feel that isolation had a negative impact on their wellbeing, but they enjoyed working on their own. PART20 attributed this to being an 'intrinsic type of person', while PART11 described herself as an 'introvert'. Other participants stated that they did not feel isolated due to being part of a family- or home-oriented group and having other social contacts. It seemed as if family can act as a social buffer that compensates for missing work relationships as would be established in a traditional office. Most participants, including those who reported feeling isolated at some stage during their freelance career, described their social life as quite stable.

Some freelancers described how clients supported them with measures that led to a decrease in their perceived isolation. Two participants reported how having a get-together of colleagues in the real world improved cohesion of the work team and improved her relationships with colleagues:

(...) [W]e celebrate Christmas together like as a company family. They bring all of us into one place and they make us celebrate from there. (...) So that's the time that we all make friends, and actually I have few of my best friends who I met because of my company before. [PART21]

We go on trips so that we'll have a team-building, get to know each other more. Oh yes, I have established friendships with people from all over the country because of online freelancing. [PART14]

Seventy percent of participants noted that they did not feel isolated, and specified their family as the reason. Working in their home offices meant they were surrounded by family members all day, which compensated for the physical distance from their co-workers.

5.3 Motivation to work as a freelancer

5.3.1 Original motivation to work as a freelancer

This research investigated the original and ongoing reasons of freelancers to decide to work in this field. All the participants specified at least one reason to work in the

industry (range = 1–6, mode = 4) (Figure 5.2). A total of 17 different reasons was specified, of which three were only named once and grouped in the ‘other’ category.

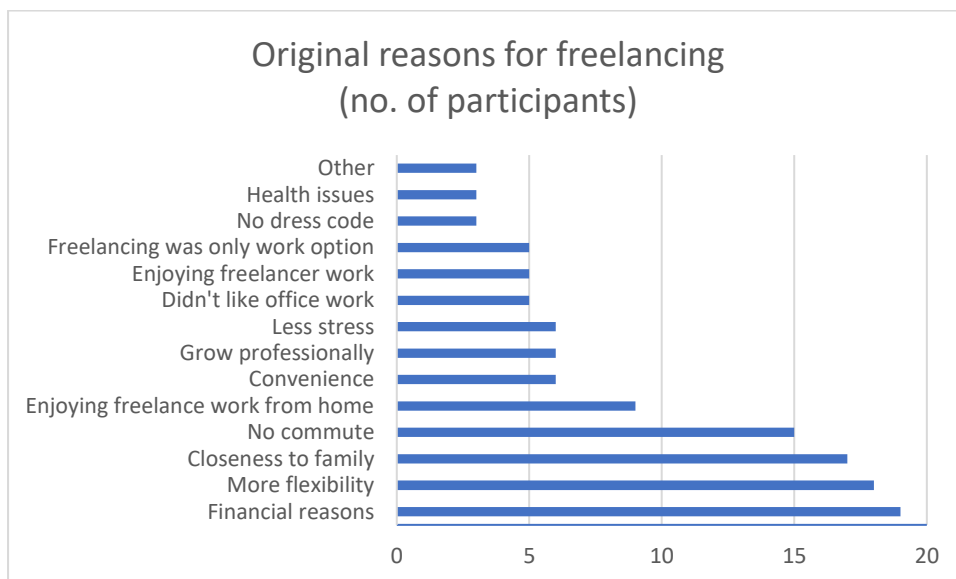


Figure 5.2 Original reasons for freelancing (data from questionnaire)

Source: Created by the author

Four reasons were particularly emphasised by the majority of participants: financial reasons, more flexibility, closeness to family and no commuting. Financial reasons referred to receiving higher salaries and other financial benefits. Comments included the following:

[T]he pay is better compared to my previous job. [PART16]

[I] have a higher salary compared to working here in a local company. [PART24]

(...) the expenses. The food items that are available in the city when I'm working in the city is much more expensive than what I could purchase nearby. [PART3]

I could save, especially for fare and food. [PART5]

There's no tax [in freelancing]. [PART14]

'Flexibility' was also referred to as 'freedom', and it turned out to be a more complex subject, as this was interpreted in three main ways by the participants:

- A. It could refer to flexible working time, meaning that freelance work allows them to plan their workdays on their own as long as they meet the deadline given by the client. Flexibility was often cited in the context of their families, as freelancing allowed them to maximise time with their families.
- B. Flexibility could refer to flexibility of workspace, as freelancers are not bound to a physical office. While the commonest choice is the home office, they may also choose to work from a café, a co-working space, a library, or any other place of their choice, such as illustrated by PART19, who noted that she can even work from the beach as long as she has an internet connection.
- C. Flexibility could also refer to self-management and the ability to autonomously select the amount and type of work. PART1 described how she enjoys the freedom to choose the clients she wants to work with and select the projects she feels comfortable with.

These points reveal a strong contrast to many traditional office settings, where work is distributed between workers and they do not get much say in accepting it. Flexibility in all three dimensions (time, space, and organisation) seemed to be a strong incentive and motivator for freelancers.

Looking at the keyword 'closeness to family', it was striking that it was mentioned by 17 participants, and in 10 cases it referred to freelancers' children. Most comments in this respect were vague, such as from PART1, who mentioned she wants to stay home to be with her children, but some were more specific, such as PART 14, who said

I have a 10-year-old daughter (...) that gives me more time to monitor her with the stuff she needs at school and all that.

PART9 said that he enjoys being able to see his seven-year-old child growing up and that this was possible as he does not have to commute anymore. However, having the family close by also has disadvantages and can negatively influence the freelancers' performance and concentration:

[Y]ou need to create a (...) quiet corner to work and no family members are up and about and they are a source of distraction to say the least. [PART16]

The last reason was the 'commute'. Not having to commute was considered a great advantage and motivator, as most participants had experienced long-distance travel or busy traffic in their previous jobs, a commute of over two hours being common. Commuting was not only described as costly and a waste of time, but also as stressful and tiring:

I got tired of the commute here in Manila because of the horrendous traffic here.
[PART18]

Four reasons, namely no dress code, less stress, convenience and the enjoyment of working from home, were related in that they described the casual aspects of working as a freelancer. These reasons were also linked to frequent comments about not liking a traditional 'office job'; participants disliked business clothes, supervisor control, boring routine and forced socialisation.

Five participants said that freelancing was their only work option. Of these, three did not have a nanny for their babies, one older freelancer had serious health issues, and one cared for her sick mother. These reasons for freelancing stand out because participants did not choose freelancing for its benefits or out of convenience, but because they felt they had no other choice.

The researcher was interested to learn the extent to which members of a freelancer's social environment supported them in their choice to work as freelancers. It was found that many participants had no freelancers in their circle of acquaintances and additionally had to overcome prejudices from others. Freelancing was not considered an attractive choice by their acquaintances for the following reasons:

- Lack of access to benefits such as health or life insurance
- Filipino tradition: unacceptance of freelancing as a valuable job by others
- Personal language barriers/insufficient English skills
- Lack of job security

- High entrance barrier to become established in the freelance world⁶³

5.3.2 Ongoing reasons to work as a freelancer

The researcher was interested in the prominent positive and negative attributes of freelancing, with the goal of learning about the participants' perception of the benefits or disadvantages of freelancing. The key positive attributes overlapped with the original reasons for the participants to work as freelancers, and no additional positive attributes were revealed ([Chapter 5.3.1](#)). In the following segment, therefore, the negative attributes of working as a freelancer will be discussed.

Negative attributes identified during coding were clustered into four major groups: financial matters, job assurance, internal feelings and client behaviour. Each group contained sub-categories with further associated keywords (Table 5.1).

The most often-mentioned negative attributes all belonged in the category 'financial matters', which appeared to have the greatest potential to cause frustration. While many freelancers appreciated the good pay rates for freelance work in the beginning, the most frequent complaint of freelancers was not getting paid properly by their clients, as the following examples show:

*(...) Clients do usually take advantage for sometimes they do not pay.
[PART13]*

The second [client], he just ended the contract without telling me anything and he didn't pa[y] me. Oh, there's a third one. He didn't pa[y] me \$100. [PART23]

While Upwork has by now established systems to avoid freelancers getting scammed by dishonest clients, several freelancers still considered it a real risk. Getting paid too late or not at all, in the wrong currency or the wrong amount – everything that deviated from the agreed payment schedules was perceived as very negative.

⁶³ Not all freelancers agreed with the last point. Several freelancers noted that they liked freelancing because it was so easy to set up and start working.

Table 5.1 Dissatisfaction with freelancing

Group	Superordinate Keywords	Keywords from the Interviews
Financial Matters	<p>Unreliability of payments</p> <p>Not getting paid at all</p> <p>Victims of scams</p>	<p>Irregular, wrong, late, too low rate</p>
Job Assurance	<p>Insecurity of job</p> <p>Finding jobs</p> <p>No benefits</p> <p>Work time</p> <p>Entrance barrier</p> <p>Colleagues</p> <p>Technical problems</p>	<p>Loss of job overnight, loss of job without indication</p> <p>Irregular jobs, no job guarantee, risk of not getting projects for a while/high competition for jobs</p> <p>health insurance, perks, no ID cards</p> <p>Time zones/working at night, weekends, holidays, changing work times during contract, getting asked to do overtime other than agreed, tight deadlines</p> <p>Low rates when first starting, fighting for every job, lots of rejection</p> <p>High competition, different cultures, different work ethics and attitudes, miscommunication</p> <p>Internet, constant need to update technology at own expense, slow computers</p>
Internal Feelings	<p>Social deprivation</p> <p>High skill set required of freelancers</p> <p>Deteriorating health due to sessile job</p>	<p>Isolation, loneliness, lack of socialisation, no access to social business events, transactional communication</p> <p>Self-organisation, self-marketing, time management, constant desire to learn, versatility, proactive attitude, ability to save and manage money, communication</p>
Client Behaviour	<p>Unclear instructions</p> <p>Personal behaviour</p> <p>Communication</p> <p>Unresponsive</p> <p>Not trusting</p> <p>Not paying</p> <p>Wrong/too high expectations</p> <p>Changing job descriptions</p> <p>Leaving bad reviews</p> <p>Being unfair</p>	<p>Abusive, impolite, discriminating, disrespectful, too personal</p> <p>Bad communicator/confusing/too little communication</p> <p>(See financial)</p>

Source: Created by the author

Also perceived as very negative was that the income in freelancing was irregular and unpredictable at times; as one said,

The income is unstable. [PART 18]

It was also found that Filipinos are in a different financial situation compared to Western countries, as their salary is often shared with their extended family, as PART12 discloses:

Sad to say, I don't have savings. (...), but here in the Philippines you have to help your other family. Even if it's your distant relatives, if they ask you for money, it's like you're obligated to do that, to give it out.

Looking at the category 'job assurance', it is notable that many different negative attributes, such as self-organisation issues, were voiced, and that those concerns covered the whole span, from finding work, through working, to being out of work again. The most significant keyword in this area was 'insecurity', as most concerns revolved around the insecurity around getting and keeping a job, requirements in existing contracts changing, and having to rely on technology. Some freelancers found this insecurity to be stressful and considered it to be a downfall of freelancing:

What I don't like about freelancing is there's really no guarantee that you will still have your job in a month or two because there are lots of freelancers there (...) when you get a mistake (...) they can just take off your contract (...) and then that's it, you don't have a job anymore. [PART12]

The category 'internal feelings' showed that participants experienced the deficiencies and shortcomings of freelancing, even if they enjoyed their work. Social deprivation due to isolation and reduction to written communication was sometimes perceived to be an issue despite most participants having a stable social framework. Participants also mentioned that freelancers required numerous skills that went beyond the skills required for completion of their projects – they considered themselves as generalists.

As PART6 notes:

[A] good freelancer also needs to have a lot of talents,

While PART25 described herself

As micro-entrepreneur by comparing her work to running a business: the ability to self-organise, market oneself, manage one's time, and to educate themselves further are comparable to those of small business owners.

The group's 'client behaviour' was related directly to how clients interacted with the freelancers and how well they managed their outsourced jobs. This group spanned numerous issues such as bad communication, impolite behaviour, or untrusting clients – all challenges that were considered as hurdles to successful job completion.

5.3.3 Job satisfaction

Most participants expressed very high job satisfaction and pointed out that they were happy with their decision to be freelancers, and most of them intended to stay in freelancing:

I see myself still working online and be a freelancer. [PART1]

I will never go back to that office job anymore. Working from home is the best. [PART20]

Some, however, saw freelancing more as a stepping stone, such as PART13, who

uses her freelancing income to save up for her own future business.

The study linked the participants' job satisfaction to their main reasons for engaging in freelancing, which were payments, flexibility, closeness to family and no commuting. Here, it needs to be emphasised that participants did not raise concerns about their rates but about the reliability of their payments. The high rates of payment were seen as an initial motivator to get into freelancing, while not getting paid by clients or getting paid the wrong amounts were negative long-term concerns that arose once they were established freelancers. Furthermore, closeness to family and no commute can be classified as a freedom to choose one's workplace, with the additional benefit of finding emotional support in the workplace. The actors causing job satisfaction were therefore of an intrinsic nature.

By contrast, job dissatisfaction was not related to an absence of hygiene factors (5.4, Workplace of Freelancers). It was, however, related to conflicts and misunderstanding in the relationship with their clients.

5.4 Workplace of freelancers

All freelancers in this study worked from home and a typical set-up could be described as a bedroom containing a chair, desk, bed and shelf or cupboard. Most of the participants reported suffering regular disturbances from their family, and this was confirmed by occasional human background noises during the interviews.

5.4.1 The possible impact of Health and Safety on freelancers' performance

Adequate office set-ups are important for freelancers as they are likely to directly impact on their concentration, mental health, physical health and performance. The impact of a sub-optimal home office set-up on a freelancer's readiness to work could be seen in statements such as those of PART3:

[R]ight now I think some people would be sleepy in the situation that I'm in – cold room, cold dark room, with only the computer monitor on.

Sleepiness was also an issue for PART21, who (like numerous other participants) wished for a home office that was not located in her bedroom:

[T]he issue I have when I'm working in my bedroom is sometimes when I work in a graveyard shift I become really, really sleepy, looking at my bed just right beside me when I'm working.

5.4.2 Typical workplace set-up

All participants were generally satisfied with their home offices but when asked what items they would like to upgrade, 28 out of 30 specified some items. On average, participants named two items (mean and mode = 2) that were either lacking or were in need of an upgrade. In most cases, these features were not luxury items but rather

those that fulfilled basic ergonomic needs as well as Health and Safety requirements (Table 5.2).

Table 5.2 Home office improvements desired by participants

Category	Item	No. of participants who asked for this item
Space	Separate room	17
	More space	3
Seating	Chair	12
	Desk	6
Ventilation	Ventilation	9
Lighting	Lighting	5
	Window	1
Shelves / organisation systems		6
Technology	Computer, monitor	4
	Headset	2
	Speakers	1
	Noise-cancelling devices	8
	Internet	2
Interior design improvements	Paint walls, curtains, furniture	8
	Library	2
	Coffee maker	1
	Radio	1

Source: Created by the author

The most desired feature for the freelancers was having their office located in a room other than their bedroom. Most participants mentioned that they live in a house or apartment with their (extended) family, and their own bedroom is the only available room for work. Participants said that working in their bedroom makes them sleepy, the set-up is sub-optimal, or they disliked working in their bedroom.

Freelancing in the virtual world is sessile work, which means that freelancers sit the whole time while working. PART2 said:

A good chair would be important, as a freelancer sits for 8 hours or more every working day.

However, not everyone feels they can afford a suitable seating option:

(...) And a good chair. I can't afford to buy a good chair yet, a good office chair. I'm using an old rusty one. [PART6]

Another part of the freelancer's workstations were their desks. Six of the 30 freelancers asked for a better desk (20%) as they felt their current ones were sub-optimal. Freelancers' ideas for improving the appearance and atmosphere of their home offices varied: Freelancers wished to have their walls painted, to acquire new curtains or paintings, or to get new furniture. The reasons for these wishes were diverse as well. For example, PART11 asked for a sofa so she can rest if she feels tired, while PART26 wanted to have her walls repainted a cooler colour. Another subject was that of organisation systems, referring to all systems that allow freelancers to optimise their space and sort, file, or organise their belongings in their home office to free up space in the limited home office environment, and to have faster access to documents and fewer tripping hazards.

Despite being satisfied with their home offices, the majority of participants described them as sub-optimal, lacking basic (Western) Health and Safety features such as ergonomics and adequate lighting, ventilation and temperature control. When asked, most of them expressed a desire to upgrade their home office and had specific ideas of how their home office could be improved. The most common reason given for why a feature was in need of an upgrade but not yet upgraded was that the participants believed they could not afford an upgrade.

5.5 Summary

This chapter has presented the findings in regard to Research Question 1 and has therefore provided a foundation for the discussion of this question as found in [Chapter 8](#). The following three key findings pertaining to Research Question 1 were made about the features of the personal and professional environment of freelancers:

A. Social framework: family, networks and isolation

Most participants were very family-oriented, and family commitments were one of the main reasons why they decided to work as freelancers. Even during work, their family is close by as they work from a home office. Freelancing seems to

attract parents, and particularly mothers, as it gives them an opportunity to work from home while being close to their children.

In contrast to these close family ties, their virtual work relationships were described as sporadic and inferior to the real-life relationships in traditional workplaces. Most freelancers acknowledged that relationships in the virtual world were different, and some felt isolated due to their remote location in their home office. However, most freelancers (70%) did not feel isolated but described their social life as stable; they had adjusted to their situation and established good relationships with other freelancers as well as having a social network in the offline world. Participants explained the lack of isolation by their closeness to their families while they work in their home offices. It was appreciated by the participants, though, when clients promoted a sense of cohesion within the work team.

B. Motivation to work as a freelancer

Most participants decided to work as freelancers because they found it to be superior to other forms of employment. Four main reasons to work as a freelancer were identified: financial reasons, greater flexibility, closeness to family and no commuting.

Financial matters were the most important reason, with reference to receiving higher rates and having lower expenses. Flexibility referred to three dimensions, namely flexibility in time, space and self-management. Family was a motivator, as it allowed freelancers to work from home close to their family. A key finding here was that freelancing provides work opportunities for vulnerable minorities such as home-bound workers, including those with young children or with medical issues. Job satisfaction was found to be high for the long-term freelancers participating in this study.

Regarding the key positive and negative attributes, the research found that the key positive attributes were the same keywords as those proposed as original reasons for engaging in freelancing. The key negative attributes were allocated in the four categories of client behaviour, financial matters, internal feelings and

job assurance. The category 'financial matters' was the most significant one, and the one with the highest frustration potential.

C. Workplace of freelancers

The study found that freelancers worked from home, usually in their own home office located in their bedroom. Regular disturbances from family members were common. Most home office set-ups were described as sub-optimal (compared to Australian OHS standards) with basic features lacking such as sufficient light and air-conditioning. When asked for desired improvements to their home offices, most replies focused on basic features such as an ergonomic chair or desk. However, the questionable home office set-ups did not seem to cause any dissatisfaction in the participants. On the contrary, most participants did not seem to be aware of the unsafe/unhealthy features in their offices and only came up with suggestions when asked about their upgrade preferences.

Chapter 6 Findings from Research Question 2

6.1 Introduction to findings from Research question 2

This chapter is the second of the three chapters that present the findings of the study, and refers to Research Question 2 ([Chapter 1.6](#)):

***Research Question 2:** What are the expectations of Filipino freelancers in building a successful freelancer–client relationship?*

It investigates the relationship between freelancers and clients from the freelancers' perspective ([Chapter 6.2](#)). The expectations of freelancers towards their clients will be presented, and key factors in successful freelancer–client relationships will be identified.

6.2 Building good relationships – freelancers' expectations

This section covers the expectations that freelancers have of their clients in their collaborative agreements. Naturally, clients are familiar with their own perspective, but the freelancers' perspectives are often unknown to them, as most communication is work-related, and due to the physical distance and lack of common time before and after work or during breaks, they do not get to know their freelancers very well. However, to establish good relationships, clients benefit from knowing the freelancers' perspective, and therefore, this researcher was interested in presenting their views, expectations and experiences.

Two main expectations of freelancers were identified as 'open communication' and 'clear expectations/instructions', both of which will be discussed in this section. These two attributes are based on the analysis of the questionnaire survey, where freelancers had to select the three most valued attributes (Figure 6.1) as well as their prominence in the interview analysis. In the following sections, the two main expectations are first presented in detail, and then other relevant expectations are discussed.

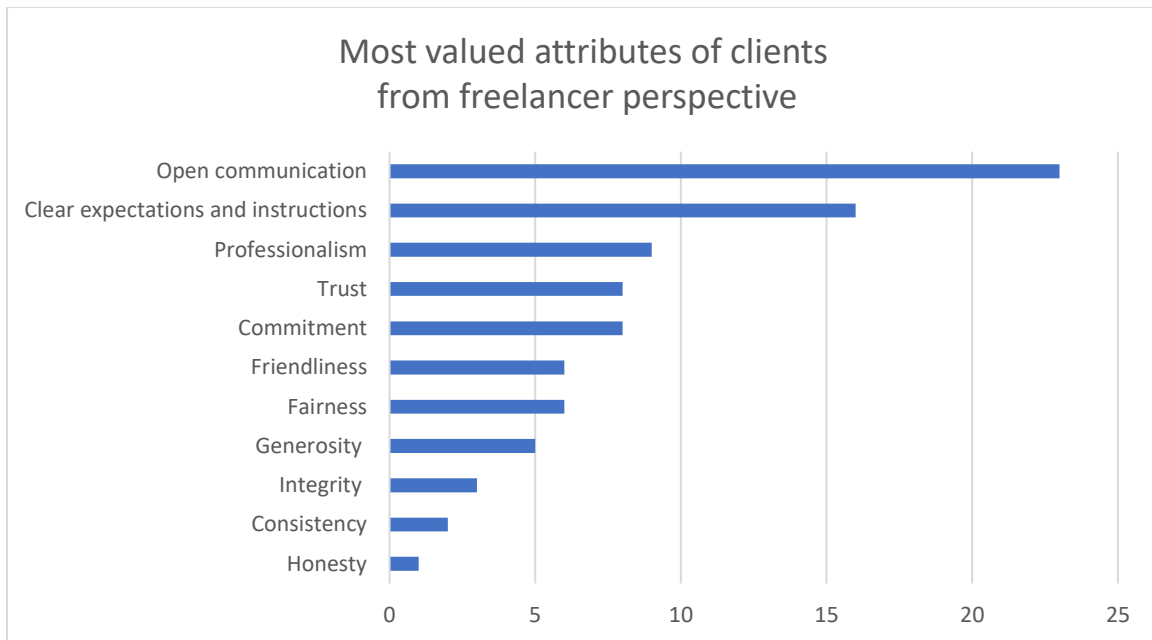


Figure 6.1 Most valued attributes of clients (questionnaire)

Source: Created by the author

6.2.1 Open communication

Open communication was found to be the attribute of clients most valued by freelancers, and hence an important prerequisite to establishing good relationships. This section first discusses how freelancers defined good open communication, with the goal of understanding their perspective. This is followed with the reasons why the freelancers believe open communication is important, and lastly, how they believe open communication between freelancers and clients can be promoted.

Most freelancers defined open communication in similar ways. They argued that good communication had to be very frequent and felt that clients' levels of communication were often insufficient; ideally, they would like more frequent communication from their clients. The frequency of communication was also linked to the responsiveness of clients, a subject that was often mentioned as a problem:

[B]ecause sometimes I've had clients who are very hard to contact (...), for example, it takes them days for them to respond to a message. [PART7]

[S]o there will be clients who are not really responsive and will just give a document of instructions and that's it. [PART22]

[S]ometimes they tend to respond in my experience almost a week and (...) you don't know what to do anymore. [PART26]

In addition to the above, the tone the client chose played an important role; communication was experienced as negative when it became impolite or too personal. The participants found that open communication has its limits and not everything should be openly discussed. They preferred a professional atmosphere in which both parties could freely exchange information. If clients failed to maintain an appropriate professional distance, it was perceived as negative by freelancers:

I felt uncomfortable with one of my clients. (...) [H]e wanted us to be on a Skype call every day, just talking randomly about stuff, and I thought that was too personal. [PART12]

PART8 said that he would feel comfortable when a client found the right balance between being friendly and professional. Humour was not considered to be personal, but rather a helpful tool to promote communication, as PART14 describes:

I love it if a client does have a sense of humour. I mean, it helps a freelancer relax.

Statements like the one above give the impression that communication is more than mere information exchange, but an art and a science in itself. The balance of friendliness and professionalism was also displayed in the freelancer's desire for politeness:

You have to do it in the most polite way. Otherwise, conflicts might arise. [PART1]

While politeness was a common request, it was found that freelancers had different ideas on the definition of politeness and there was a fine line between honest and impolite communication. Some participants expressed that some clients struggle with giving feedback in a polite way. Good, open communication was also characterised by professional empathy: Freelancers mentioned how they preferred clients who would actively ensure that freelancers did not require extra support:

[A] great client is a client who will understand you, train you, and the one who will always ask you questions if there is something wrong, or not actually something wrong. [PART13]

That role of proactivity in good, open communication was also explained by PART21, who said that clients need to learn to listen to freelancers instead of simply providing instructions, as the freelancer's input can be very valuable for a project. Unfortunately, some freelancers found that their opinions were not valued adequately by their clients, and hence they could not contribute to an improvement in work processes or the project outcome.

While the freelancers above talked about their expectations of the clients, some freelancers also acknowledged that good, open communication is two-sided and that it is an important skill to develop for themselves as well:

There must be openness. He or she must communicate with her client, his client, so that the job would be as flawless as possible. If there are any clarifications, the freelancer must talk to the client right away rather than do the job and make a mistake. [PART14]

If you are a freelancer, it requires good communication skills, and that means you should come from a call centre or you should have worked in a call centre for a year or two. [PART20]

Lastly, good, open communication was considered to be comprehensive. Freelancers felt that all information should be openly offered by clients including that which goes beyond the mere project. PART5, for example, mentioned that all payment-related matters such as bonuses should be the subject of early, open discussion to avoid disappointment at a later stage.

With this definition of good open communication in mind, the focus is now on the importance of it. Most freelancers agreed that both parties in a freelancer–client relationship need to be able to openly communicate. Some freelancers commented that their main advice to clients would be to improve their open communication skills, as these skills define a good client. These opinions were often founded on freelancers' past experiences, such as PART15, who said that failing in open communication is the

most common mistake she experienced with clients. Most freelancers agreed that not having good, open communication can result in the deterioration of a relationship. PART2's statement was representative of the opinion of many others in the interviews:

[I]f you could not communicate, or you could not be able to understand their perspective, most likely you would end up in conflict. [PART2]

The analysis of the interviews revealed that the freelancers believed that open communication was important for the numerous reasons that all are linked to creating good relationships (Figure 6.2).

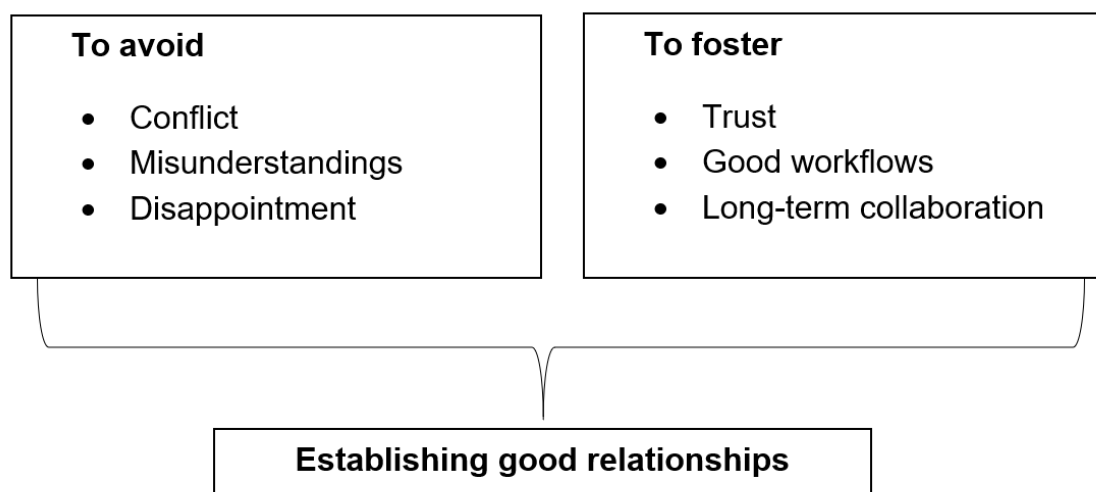


Figure 6.2 Reasons freelancers believed that open communication was important

Source: Created by the author

As Figure 6.2 shows, open communication serves two purposes: to avoid certain negative consequences, and to create positive outcomes. Most freelancers referred more to the negative consequences, with some citing past experiences.

PART18 explained how clients who fail to communicate their expectations clearly cause stress and pressure as they burden their freelancers with a task beyond their capabilities. A similar experience was reported by PART2 who told how organisations would often at first clearly communicate their expectations, then change those expectations but fail to continue the communication, with the result that conflict occurred.

The research found that good, open communication plays an important role for freelancers, but how can good, open communication be established? The participants displayed different approaches to ensure that communication was sufficient. The most common approach was to actively seek contact with the client to keep the communication alive until all required information was exchanged:

[I]f I need clarification, I always reach out to him so that everything is clear and also to avoid conflicts. [PART1]

[A]lways communicate with them and then (...) make sure that whatever they need you provide it. [PART11]

[A] freelancer must communicate. There must be openness. (...) If there are any clarifications, the freelancer must talk to the client right away rather than do the job and make a mistake. [PART14]

The freelancer should ask because if the freelancer will not ask there will be miscommunication or misunderstanding [PART22]

By reflecting on their freelance journey, numerous freelancers admitted that this active approach was part of a learning process and that some of them originally struggled with effective communication strategies:

So by learning from all those mistakes and from learning from others and by conveying my messages very clearly and asking questions in order to avoid a misunderstanding, I guess I'm on the right track. [PART1]

Several of the freelancers noted that a commitment to learning communication techniques is essential for both parties, freelancers and clients. More than that, they believed that freelancers had to learn to adapt to the clients' communication styles:

But I've learned through the years (...) to develop a technique to communicate with these people because (...) if you fail to communicate with them on (...) the most humble level as possible, they tend to react to you easily, negatively. [PART25]

Many freelancers also pointed out that it was the responsibility of the client to foster good communication.

6.2.2 Clear expectations/instructions

After good, open communication, providing clear instructions and expectations was the second most significant expectation freelancers had of their clients. First, the definition of good instructions by freelancers will be presented, then it will be discussed why freelancers deemed this subject important, and lastly, this will be followed by the freelancers' ideas on how clients can provide good instructions.

All freelancers seemed to agree that there are good and bad instructions and that they can be clearly differentiated. Good instructions were considered those that are specific, comprehensive, clear, finite, and in line with the project goal. They covered the full requirements of the project. Finite referred to instructions that did not change over the course of a project, as the following example shows:

[M]ost of the organisations I've dealt with provides me with one information at one point and then the next day the information changes without me being looped into the communication. [PART2]

Participants disliked when clients added new tasks during a project's course that made existing instructions redundant.

The research identified good instructions as being important as they caused positive consequences, while bad instructions caused negative outcomes (Figure 6.3).

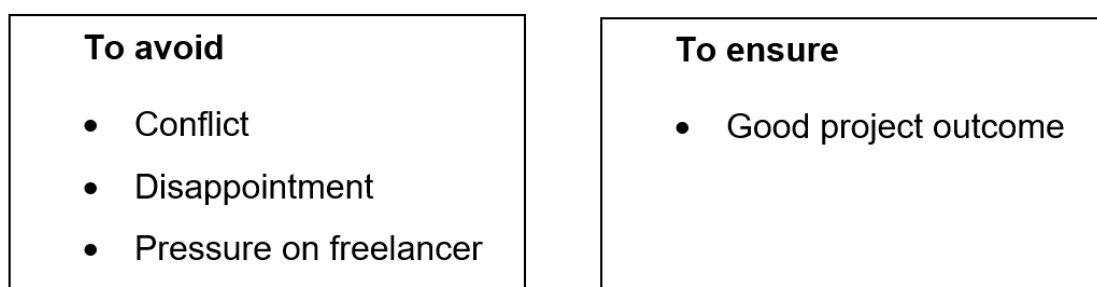


Figure 6.3 Reasons freelancers believed that good instructions were important

Source: Created by the author

Many freelancers reported that they had at least one client in the past who provided insufficient instructions; some freelancers found that many clients fail in this matter, such as PART6, who said:

Most of the time they don't really explain what they really wanted to do with the job.

Most freelancers also agreed that good instructions were the basis for a successful collaboration as they simply cannot perform a job when they do not know what to do. In regard to conflict caused by inadequate instruction, they offered the following:

But when instructions are not clear, so sometimes either a conflict or the quality of the project gets compromised. [PART7]

I always make sure that I get clear instructions to avoid conflicts in the future. [PART1]

Such conflict can be as bad as a total project abandonment, as PART2 reported, giving the example of how she was not able to finish a project as she received unclear and unorganised instructions that the client failed to clarify.⁶⁴ Good instructions were considered as more than a friendly service to the freelancer but rather as essential to ensure a project can be successfully completed.

This leads to the question of how good instructions can be provided. According to the freelancers in this project, good instructions start before the work on a project commences. Participants said that they require comprehensive information to be able to fulfil the project brief, and that most of this information should be provided as early as possible, preferably right after a contract has been signed. Also, they should be in line with the project advertisement to ensure that they are capable of completing the job. Some freelancers mentioned that they agreed on a job with clients and then the instructions did not fit those requirements. Any delay in providing instructions was considered to be a client failure, in particular for projects with strict deadlines. According to the participants, instructions should not be only given at the start of a project, but clients should be available to answer any questions the freelancer may

⁶⁴ Findings about conflict in freelancer–client relationships can be found in Chapter 6.

have. Numerous freelancers noted that clients need to be responsive and provide clarification in a timely manner. Providing good instructions was also a criterion of how freelancers personally evaluate their clients:

[A] good client (...) should be communicative and very clear on the instructions and objectives of a project. [PART17]

A reason why so many clients still do not provide sufficient instructions is provided by PART2, who believed that most clients are start-ups and simply lack resources and knowledge.

Freelancers believe there is also a second solution to this challenge: Not only do clients have the responsibility to provide good instructions, but freelancers find it is their own responsibility to actively ensure they have received all necessary information. Most freelancers described how they approached clients to clarify instructions:

[T]here are times that I am kind of confused with the instructions, but what I do is I really do not hesitate to ask. I mean, I'd rather ask 'stupid questions' than suck at the job. [PART14]

[A]s a freelancer, you have to be proactive because there are clients that are not really very communicative and they do not really open up what they wanted done. [PART2]

I think, well, if something is unclear to me I ask it right away before I start on any task that is given to me. [PART17]

6.2.3 Key factors in successful freelancer–client relationships

When clients did not fulfil the freelancers' expectations, conflict was likely to occur, as those were considered the basic requirements to establish successful relationships. Despite good communications and having clear expectations/instructions, four further friction points were found that all had the potential to damage the relationship.

Firstly, the participants expected their clients to have good payment ethics and procedures. Participants mentioned that clients should pay on time with the correct amount, and if the work exceeded their expectations, extra benefits should be provided. Benefits referred to pay rises or bonuses. PART1 described benefits as 'appreciation' that leads to higher levels of motivation, and PART23 said that an annual pay rise should be standard for long-term collaborations. Those financial expectations were partly based on previous negative experiences, such as the one by PART13, who reported how a client suddenly disappeared without payment after she completed the job.

Secondly, the participants expected their clients to be interested in a successful project outcome. According to some participants, the clients far too often started a project and then did not put the required effort in to advance it.

Thirdly, the participants expected their clients to demonstrate initiative and not just leave all the work to the freelancers. This referred to actively advancing the project but also to being responsive to the freelancers' questions.

Fourthly, the participants expected their clients to be interested in the relationship insofar as the collaboration would be smooth. They expected their clients would be professional in their conduct, which included having realistic goals and being patient and trustworthy. Professionalism also referred to being fair in their requests and their behaviour. In describing an 'unfair' situation, PART11 tells of an experience wherein a client ended a contract without giving notice. Some freelancers mentioned that they expect their clients to be more compassionate, which means they should demonstrate a greater understanding of their freelancers' needs and wishes, listen better and be friendly and appreciative. However, this was considered different from becoming personal or obtrusive.

6.3 Summary

The findings indicate that while freelancers voiced numerous expectations of clients, two of them were of particular importance: that clients are ready and skilled for open communication, and that they provide clear instructions as well as voicing clear expectations. These two freelancer expectations were based on previous experiences of freelancers in situations that led to conflict or relationship failure. They believed that

good, open communication should occur frequently, and it should be professional and polite, open and honest, and also comprehensive. Participants acknowledged that they hold the power to proactively support open communication and received clear instructions by approaching their clients if needed.

Despite communication and financial issues, the participants also expected their clients to be willing to complete a project, to demonstrate initiative and to have a collaborative view. If any of these expectations were not fulfilled, conflict was likely to occur, as these expectations were considered to be prerequisites for successful collaborations.

Chapter 7 Findings from Research Question 3

7.1 Introduction to findings from Research question 3

This chapter is the third of the three chapters that present the findings of the study. It focuses on conflict in Filipino freelancer–client relationships and aims to provide detailed insights into this area. This chapter will present the findings relating to Research Question 3 ([Chapter 1.6](#)):

Research Question 3: *How are sources of conflict identified and managed by Filipino freelancers in the freelancer–client relationship?*

The chapter will first cover when and how often conflict occurs, as well as what the common consequences of conflict are, and will then present the findings with regard to the management of conflict.

7.2 Sources of conflict

The key sources of conflict as identified in this study were financial matters, misunderstandings and culture.

Firstly, it has already been discussed in [Chapter 6.2.3](#) that financial matters cause frequent friction. Indeed, they were identified as a key source of conflict, with a significant potential to damage or even end freelancer–client relationships. Most participants did not take mishaps in financial matters lightly but experienced them as very frustrating, and elaborated this in detail.

From a freelancer’s perspective, financial matters appear to be a wide field, because they not only include the clients’ payment ethics but also the pay rate itself, bonuses and numerous further issues. For example, some participants noted that they dislike how clients pay different rates to freelancers in the same team based not on their performance but on their location:

[T]hey don’t give high monetary rewards to people coming from third-world countries, unlike freelancers from very progressive countries. [PART1]

Conflicts linked to financial issues lurked everywhere. It seemed to be hard to avoid and was not always caused by the client, but also sometimes by the freelancers:

PART14 described how freelancers who use a tracking app to record their worked hours can easily forget to turn the app on, resulting in an under-recording of hours. Clients then need to trust the freelancer's word that hours are missing and allow them to manually enter those missing hours. This imbalance in power gave some of the participants a feeling of helplessness or powerlessness.

Secondly, misunderstandings were a common source of conflict. Here, the research differentiated between misunderstandings based on language barriers and those based on individual miscommunication. Language-based misunderstandings happened when one or both parties had limited English skills, or they used different dialects. When clients did not speak sufficiently clear English to communicate their project goals, conflict arose because instructions were ambiguous, or expectations were unclear, as the following example shows:

Most of the team [is] from the Philippines and our boss is a Korean. One, language barrier between us [and] the boss [is] because he seems to be always confused with our English and his English is also kind of confusing as well, but we can understand [him] (...) but it's really hard when he's providing instructions. [PART12]

One can imagine that it is a challenging situation when the freelancer has to regularly repeat questions and sometimes does not receive a useful answer at all. In this research, participants considered language barriers to be frustrating, stressful and annoying. Interestingly, participants pointed out that they usually do not have language-based misunderstandings with clients from Western countries, but rather from Asian countries such as Singapore or India.

Even slightly different usage of English words could cause misunderstandings. PART25 told how an Australian client asked her to do some research on 'cat carers' (people looking after cats while the cat owners are on holiday), a term that according to the participant does not exist in the Philippines. Instead, she researched 'pet shops', resulting in useless results for her client. Most participants believed that such miscommunications were linked to a lack of clear instructions. They said that clients did not provide adequate instructions, or they failed to confirm that instructions were clear and understood.

In many cases, the freelancers blamed the clients for misunderstandings, but several participants also pointed out that it is their own responsibility to ensure they receive the instructions they need before starting to work.

Not all miscommunication was based on language barriers. Sometimes, the message is unclear for several reasons. The most important example in this respect was insufficient instructions, mentioned numerous times throughout the interviews, with many participants willing to share their stories in this matter. Insufficient instructions often caused friction (Chapter 6.2.2):

[T]here are also those [clients] who are not really good in giving instructions. They're giving out incomplete instructions (...) like, 'Do this, do that', but not really specific, because sometimes you would complete the job and then there would be details that they want but they did not specify it at the start. So that would be a cause of problems with clients and freelancers. [PART18]

Further individual miscommunications were providing mixed messages regarding the outcome of a project, clients' failure to communicate clear expectations, and clients' failure to be responsive and clarify items. Another miscommunication issue was the sudden termination of contracts by clients without giving notice, in that the clients did not communicate why (and when) they wanted to terminate a project.

[S]ome client[s] will just end (...) your contract not letting you give a heads up or letting you know or notify ahead of time. [PART22]

This complaint was heard several times and led to the conclusion that it can even happen to experienced freelancers. Freelancers often noted that the insecurity of freelancing is an issue, and it can be hard to plan financially. Losing a project suddenly makes financial planning even harder, and the participants considered this as very bad and unfair conduct from the client.

PART25 reported how miscommunication resulted not only in a failed contract but also in her having to take the blame:

Because sometimes I have clarifications and it wouldn't be answered right away, so therefore it might also contribute to the delay of my delivery. (...) But

of course, we couldn't expect the client to say, 'Oh, it's okay. It's my fault anyway', right? So yeah, you have to take the burden of a failed contract.
[PART25]

The third key source of conflict was culture. The participants performed a balancing act between the cultures. On the one hand, they all spoke a Filipino language as their primary language, lived in the Philippines, had a Filipino lifestyle (as far as this can be concluded from the interviews), displayed what can be described as 'typical Filipino cultural traits', and also had a tendency to describe their own people in very favourable ways. (The main keywords to describe the Filipino culture were 'hardworking', 'honest' and 'family-oriented'.) On the other hand, they all worked in a multicultural environment, spoke English, had overseas employers, and were exposed to intercultural collaboration whereby they were expected to adjust to the intercultural settings. Most participants acknowledged that there were cultural differences that they needed to overcome for a successful collaboration:

[W]e come from different countries, we have different personalities, we have different cultures, so maybe [...] what they think is best is not what we think is the best for that project. [PART1]

I think because we're raised in different environments because and we had different traits and characteristics that cause conflict to the other. [PART10]

[S]ometimes we do have some conflicts because of cultures. [PART13]

The latter citation was in the context of the freelancer telling how American clients tend to get irate in certain situations. For the more softly spoken Filipinos, extrovert and direct behaviour was perceived as confusing and confronting. Numerous times, the participants described their own Filipino culture as polite and hospitable people and Americans as loud, outspoken, and sometimes rude:

[C]ompared to American customers that (...) would really shout at you, would curse you and stuff like that. [PART14]

Knowing that cultural differences exist makes it easier to prepare oneself for encounters where this is necessary, but this does not mean that freelancers easily

cope with situations where cultures clash. The participants also had to learn about their own cultural traits to be able to adapt, although they did not always manage this.

The majority of participants considered Filipinos as people who tend to hold back and not openly express themselves, and as such failed to reject tasks that were too difficult:

You know, if a client gives you a job you just say yes even though you mean something else, like, 'I'm not sure I can do this'. And I've learned to adapt that culture like I really have to be honest in what I can or cannot do. But for us culturally, it's natural to just say [yes] to everything. [PART16]

The Filipinos in this research had a reserved attitude and rather agreed to their clients' requests than admitting they were beyond their capabilities. Filipinos also considered themselves as hardworking, honest, and willing to learn, and believed that they were more committed to their work than workers from other countries.

An example of a main source of cultural conflict was that Filipinos are very family-oriented. The participants pointed out that Filipino (extended) families live together and look after one another, and that family is a priority. In their descriptions, it became obvious that conflict could arise if a client asked for tasks that would conflict with family matters (such as spontaneously asking them to work on a day reserved for family activities) (Chapter 5.2.1).

This research found that several freelancers felt that some overseas clients would treat them unfairly or display racial discrimination. Some clients were based in Western countries, but some participants also noted that Eastern-based clients displayed such discriminatory behaviour:

[I]t was a Singaporean client and there were some discrepancies, and the problem was he was actually quick to accuse me of doing it intentionally. Compared to Western clients, they tend to give me the benefit of the doubt, but (...) Singaporean culture (...) [is] to look down on us Filipinos. [PART16]

Such prejudices were also directed by freelancers towards clients and towards other freelancers, but when participants talked about other cultures, they did not consider their judgments to be prejudices but more like opinions formed through experience.

Nonetheless, their statements displayed value-laden opinions about other cultures, as the following examples show:

I'm really not comfortable much with Indians. Sorry. (...) I'm not generalising, but what I've experienced with the past is that they tend to be really cocky and rude. [PART14]

Like for example, they are from Middle East, they tend to (...) overcharge but under-deliver or they overpromise something to client and then delay the delivery of the work. [PART10]

[T]hey are located there in the US where my client came from. (...) I'm the senior employee and I'm from the Philippines, right? (...) And since I'm a Filipino, sometimes they don't want to believe in whatever that I say, (...) they will not believe me on hand. [PART23]

Participants' perceptions of other cultures were not always negative, as clients from certain cultures were generally perceived as positive. In particular, Australians were described as relaxed and friendly:

Australians are very cool, like you know, they have cool working environment. I remember working in the call centre that there's no dress code, very light mood. [PART11]

Australians are very polite. They are not like other countries who burst on their anger to (...) And they're more laid back. [PART13]

I noticed that Australians are (...) nicer than Americans. [PART15]

While the sources of conflict as described above could be clearly identified, in some cases of conflict, the sources were unknown to the participants and took them by surprise. Those conflicts did not build slowly, but participants were suddenly exposed to a dissatisfied client. Here, participants found it difficult to understand the reasons for such escalating situations and were unsure of how to react adequately, especially in cases when clients withdrew and did not openly explain their motives:

[H]e didn't give me a salary or my income, or he doesn't pay me at all. (...) There's no reason because after doing the job he just like...he was gone - PART13

I had one client before in Upwork, he started training me, but then when I started working he wasn't able to start our contract and he wasn't replying to my messages. (...) He just trained me and disappeared. [PART3]

Such experiences were described as frustrating and confusing and left participants speculating whether their clients were bankrupt or deceased, or never intended to pay, or whether it was linked to their performance. However, in most situations, the sources of conflict were known to the participants.

7.3 Consequences of conflict

Three main consequences of conflict were identified as termination of projects, financial damage and career damage. These consequences impacted either the freelancer, the client, or both. The magnitude of conflicts varied from small to large. In some cases, the conflict was resolved, while in other cases, it was not.

Firstly, termination of a project happened when one of the parties felt that the conflict could not be resolved: i.e. the relationship had failed, and termination was initiated either by the client or the freelancer. It was often described as a last resort and was associated with very negative emotions:

That's basically the reason I quit, because he didn't really have an actual plan of making sure that I get paid on time. (...) It ended with me having to quit the job and he was so furious. [PART2]

This statement from PART2 was in the context of several months of payment issues, and therefore an unsolved conflict built up over time. The client failed to organise the payment properly, which can be described as a passive failure. This is in contrast to the next example, where the client displayed active failure. A participant described how a client actively kept asking for more hours of work but paid a lower rate. Although the participant agreed to this, she was not happy with the situation, leading to the final termination of the project:

I have that experience that client's very annoying, impolite and inconsiderate, should I say. (...) Yeah, asking you to work for more hours and pay you less, something like that. (...) But I couldn't stand it anymore. I mean, later on I couldn't stand it, so I left. [PART20]

In both cases above, it was the freelancers' choice to terminate a project, a decision that was never taken lightly. However, there were also several cases where freelancers described how clients suddenly abandoned a project. In these cases, clients left without giving notice, but followed the automated Upwork procedures to terminate a job, either releasing a partial payment for the freelancer or not paying at all. Some clients terminated projects without any further communication, and when the freelancers sent these clients messages, they would not reply. The participants could only speculate whether the motivation of that termination had something to do with their performance.

The termination of a project is equal to a termination of a relationship to a client, as it is unlikely that freelancers will apply for a job with this client again. The converse also applies, though: It is unlikely that clients will hire the same freelancers whom they once terminated. Furthermore, participants repeatedly noted that they carefully checked the profile and reviews of clients before they applied for positions.

Secondly, financial damage included all 'punishments' by a client to lower or withdraw compensation for completed work. This can be a refusal to pay for the work, not paying the correct rate, unwillingness to pay a promised bonus, or even an attempt to retrieve paid compensation:

[H]e just wanted to return back the money that he paid to me. [PART4]

I was scammed by this client that I worked with for more than a year. What happened was she didn't pay the job. [PART6]

They didn't pay the agreed amount. [PART7]

I've had a client pay me only half of my supposed contract when I delivered fully. [PART8]

According to the participants' descriptions, it is difficult or impossible to reinforce payment or correct payment on Upwork if the client refuses to pay.⁶⁵ Financial damage was a direct consequence, with short-term effects.

Thirdly, while financial damage only concerned the freelancers, career damage concerned both parties. Clients can leave negative reviews about freelancers, which can damage their careers; on Upwork, as public negative reviews can be seen by others and all reviews are part of the freelancers' statistics⁶⁶. Naturally, bad reviews can lead to clients not wanting to hire freelancers. Several freelancers told of their frustration at receiving negative reviews, and that they mostly considered such feedback to be very unfair. They mentioned how important good feedback is to maintain a good reputation and receive further work. Conversely, a bad review was considered a severe career threat due to its potential long-term effects. Participants told how they bent over backwards and would go the extra mile to avoid negative reviews:

[E]specially in Upwork (...) if you get a bad feedback and there's a risk that you may not get another project or you may get less, so really it's a part of the trade in Upwork, is to really do your project well so that when it comes the time for the client to give you feedback you would get a high score, so you can get more jobs and you can also increase your rate. [PART17]

Yes, good client feedback is really what freelancers are looking for. [PART26]

In turn, participants noted that they can leave negative reviews about their clients. It is a two-way process, giving them some power over a client, as negative reviews lead to fewer applicants for future projects, as participants confirmed:

⁶⁵It should be noted that Upwork's measures to ensure that correct payment is given have improved over the last few years and are subject to constant change. If a client nowadays refuses to pay on Upwork without providing a reasonable justification, it can lead to a blocking of their account. Because of this, clients intending to use Upwork in the long term will not easily get away with fraud.

⁶⁶On Upwork, after completion/termination of a job, both parties give feedback secretly, and only when both parties have written their feedback is it released to be seen by everyone. This measure serves to avoid the situation where one of the parties bases their feedback on the feedback they received.

I mean, you have to look at the feedback that freelancers give to the clients as well, so I look into that when I bid on a project. [PART7]

While generally there is a large pool of freelancers on Upwork for simple tasks, this can be a problem when a client is searching for workers with specific skills.

In most cases, the consequences of conflict were mild; participants described how conflicts led to arguments and discussions and were eventually resolved. In some cases, the participants were subjected to harsh words and complaints, but still the conflict was resolved eventually. Probably the mellowest consequence in terms of immediate effect that participants described was inner dissatisfaction and emotional distress. The research found that this intrinsic consequence usually occurred when clients were unwilling or unable to cooperate and/or the freelancer could not or did not want to approach the client openly to resolve the matter. The conflict itself was not resolved in these cases, but the freelancers decided to endure the situation and work through it silently.

7.4 Solutions of freelancers to managing conflict

The research found the participants dealt with conflict in a variety of ways, including preventive and reactive measures. Preventive measures referred to those aimed at avoiding a conflict, and reactive measures to those aimed at managing a conflict. A range of outcomes was observed, including prevention of conflict, managing a conciliation after a conflict breakout, or termination of a collaboration.

Firstly, preventive measures were the most preferred method of management of conflict, and the participants displayed great initiative in order to avoid conflict. Preventive measures started even before participants applied for a project, namely when they reviewed job postings. Participants not only read carefully through the details in the job description and assessed the expectations outlined, but they also read the reviews that particular client had received so far from previous freelancers. If the participants felt that clients had unrealistic expectations, did not provide sufficient information, or came across as unprofessional due to other details in the job posting, they did not send their applications. Choosing the right client was part of their work experience, and they noted that a smart choice increases the chances of a successful

collaboration. Furthermore, the participants named some general strategies to avoid conflict, such as focusing on the goal of a project to complete it without complications:

[S]o when you work online, you should set aside all your personal differences, all the cultural differences. It must be the common goal. What is the common goal of the team? So if it's to like come up with a good research project or a market research or to sell something to other people, then that's the most important thing. [PART1]

In addition, they described how being polite and patient helped them to avoid conflicts before they broke out:

Like something is really bothering you, you have to keep your patience all the time, communicate very well with the colleagues. You have to do it in the most polite way. Otherwise, conflicts might arise. [PART1]

Even after a project had started, participants took preventive measures. Most of them seemed to be sensitive towards negative tensions and noted how they were on the lookout for those.

Once a source of conflict was identified, participants tried to avoid such conflict by managing the source. For example, once they had learned the importance of clear and complete instructions for a new project, they would ensure they received all missing information by asking the client for the missing information or verifying that they understood the information. This reassurance sometimes came with a trade-off, because freelancers had to review the information, resulting in a delay in starting, so losing valuable time. However, most participants emphasised the importance of comprehensive instructions and would take that risk. Furthermore, they displayed and mentioned great efforts in solving arising conflicts and clarifying misunderstandings. PART12 reported how he struggled to understand a Finnish client:

He always lets me talk. I try to guess what he's trying to say. And even if he typed, it's really different. And then, that time, like the thought that we're talking about, it was just a single thought but we have to discuss it for like an hour. Really, really hard. But it was okay, it was worth it, because at least I managed

to understand his instructions and then he was kind of happy that he was understood. [PART12]

Secondly, once conflict had arisen, participants described four different strategies to cope with it (reactive measures) (Figure 7.1):

- A. The commonest strategy was to openly discuss issues by approaching the client. In a few cases that was not possible, as some clients did not respond after a conflict occurred, but in most cases, this seemed to effectively remove the disagreement or misunderstanding.
- B. Sometimes, participants decided to resolve a conflict by apologising, and took the blame even if felt they were right and the client was wrong.
- C. Another strategy was to endure the conflict or the client's complaints. This subservient or humble behaviour was sometimes deemed as essential by participants in order to appease the clients.
- D. The fourth strategy to deal with a conflict was the only one that did not aim to improve the outcome of the project, but rather opted for ending the conflict. This strategy was to terminate a contract before a project was completed. Participants described this as a last resort and said they would only fall back on this measure when they could not find another way to deal with the conflict, as it would mean they would lose their payment. In view of this, termination of a contract was seen as a serious emergency measure that was rarely applied. It was only considered if participants did not feel that there was a realistic chance of a successful collaboration and/or the situation with the client was perceived as unbearable (Chapter 7.3).

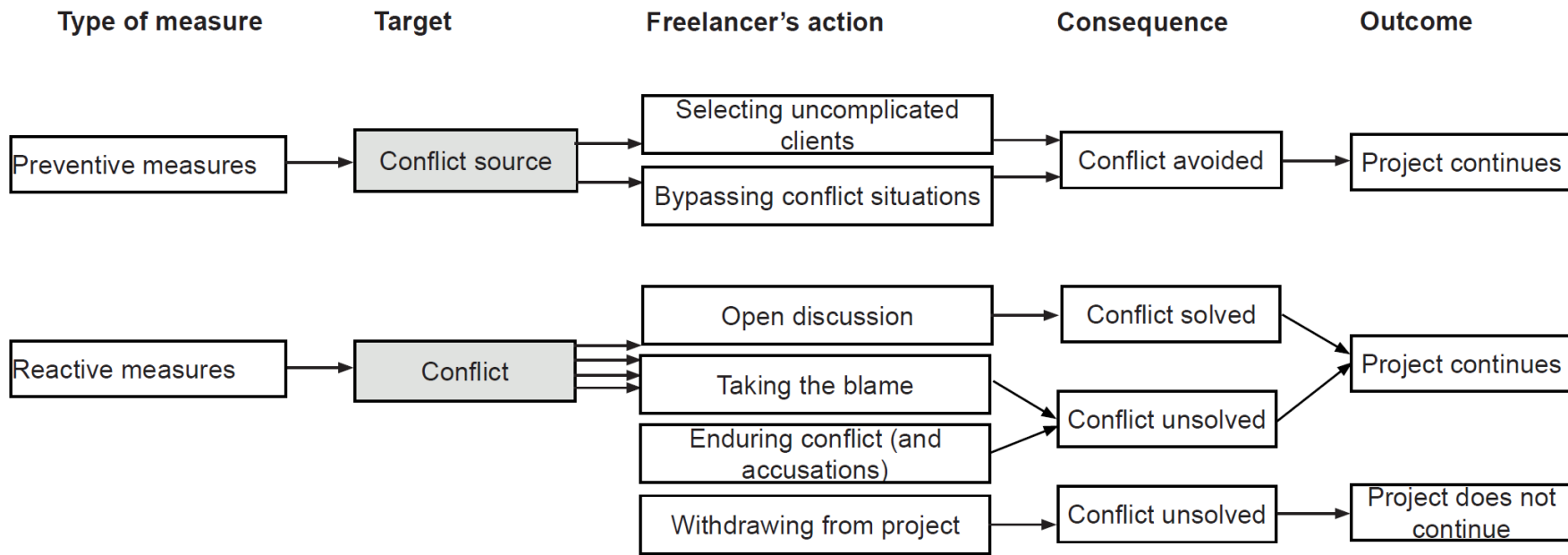


Figure 7.1 Strategies of freelancers to manage conflict and the outcomes of their strategies

Source: Created by the author

7.5 Summary

This chapter examined how conflict can arise, what consequences it has, and how it can be successfully managed. For this purpose, the researcher first investigated the sources of conflict in freelancer-client relationships. The three most common key sources were financial matters, misunderstandings and culture:

- A. Financial matters were the major source of conflicts and covered a wide area, including payment schedules, rates, bonuses, etc.
- B. Misunderstandings referred to those based on language barriers and those that were based on individual miscommunication. Both could cause significant conflict.
- C. Most participants acknowledged that cultural differences existed and thought that those differences needed to be overcome to establish successful relationships with their clients. Furthermore, some freelancers felt that overseas clients displayed racial discrimination. However, some admitted that they also displayed prejudices against other cultures themselves.

Furthermore, it was noted that there was a perceived power imbalance between freelancers and their clients. This promoted a feeling of having no control and created a gap between the freelancers and the clients. The research found that conflict between freelancers and clients was not commonplace, but it did occur occasionally, and every participant reported some such negative experiences.

The chapter then examined the consequences of conflict, and three main consequences were identified, namely financial damage, career damage and termination of the project. The first two of these consequences mainly concerned the freelancer, while the third also had implications for clients who are also at risk of damage to their reputations.

Lastly, the chapter focused on the strategies the freelancers applied to manage arising conflict. It was found that the participants handled conflict in numerous ways by applying either preventive or reactive measures.

Preventive measures referred to those that identified conflict potential and aimed to avoid it, while reactive measures referred to those measures taken after conflict had already occurred. These measures included mitigation or reconciliation strategies, but also withdrawal from the projects as a last resort when the participants deemed that the conflict could not have been resolved. All participants emphasised that they would undertake great efforts to avoid conflict and to resolve it when it arrived – even if the client was clearly wrong – because their priority was to not lose a contract or the payment for the job, nor to receive bad feedback.

Chapter 8 Discussion

8.1 Introduction to discussion

This chapter will discuss the findings as presented in Chapters [5](#), [6](#) and [7](#), and compare and contrast them with the literature. Firstly, it will focus on Research Question 1 which deals with the features of the personal and professional environment of freelancers and investigates three main areas: the social framework of freelancers, the original and ongoing motivation to work as freelancers, and an investigation of the freelancers' workplaces. Secondly, it will discuss findings in relation to Research Question 2, which relates to the key factors of relationships between Filipino freelancers and clients. Thirdly, it will look into the identification and management of conflicts in such relationships and discuss sources and consequences of conflict, including the role of cultural differences and culturally inspired conflicts, in relation to Research Question 3.

Discussion of Research Question 1

8.1.1 Key results

Four key results pertaining to Research Question 1 could be determined:

Firstly, freelancing participants in this study were very family-oriented and prioritised family over work, which is in line with their collectivistic societal values (Hofstede, Hofstede & Minkov 2010). Family probably compensates for freelancers' lack of social and professional interaction with colleagues, as most participants did not feel isolated. This contradicted some literature that found that freelancing can lead to isolation (Agarwal 2018; de la Haye 2018; Conlin 2009). However, the participants in this study were all long-term and established freelancers who appear to have resolved their social deprivation issues or adapted to their professional and social contexts. All of these points are discussed in 5.2.2.

Secondly, the original and ongoing reasons to freelance overlapped and the main reasons were having financial advantages, more flexibility, being able to work close to family and having no commute. Being focused on a high financial remuneration, as well as their families, was explained with the Filipino participants medium score on the masculinity dimension in accordance with Hofstede's framework (Hofstede, Hofstede & Minkov 2010). The felt distress in participants when financial problems arose were explained with their collectivistic values (Hofstede, Hofstede & Minkov 2010).

These benefits overruled the disadvantages of freelancing, and the participants displayed high levels of job satisfaction. The results were not in line with Herzberg's two-factor theory. Where Herzberg suggested that only motivational factors led to satisfaction, this study found that the presence of hygiene factors also led to satisfaction. This part referred to the original and ongoing reasons for workers to enter into freelancing. A reason for this contradiction of Herzberg could be found in Hofstede's framework: The collectivistic Filipino participants may find their satisfactory factors in their work environment, where they are surrounded by their family (Hofstede, Hofstede & Minkov 2010; Hofstede 2019c), and this favourable situation may thus act to amplify the presence of hygiene factors.

Flexibility and freedom to work from home and be close to family all appeared to contribute to the freelancers' job satisfaction. Furthermore, the participants' job satisfaction was motivated by high pay rates and even more by the reliability of payments. These factors causing job satisfaction were all extrinsic factors (hygiene factors). The findings in this respect therefore contradict Herzberg's two-factor theory where it states that hygiene factors can only prevent dissatisfaction.

The findings of this study were, however, in line with Golden and Veiga (2008), who found that the levels of commitment, job satisfaction, and performance of virtual workers depended on the quality of the relationships with their clients. In this research, a similar correlation was observed, with participants being more satisfied and willing to perform when they established functional relationships with clients.

Thirdly, the study found that the key areas of dissatisfaction were the following:

- **Hygiene factors:** Financial unreliability/insecurity, job insecurity, inappropriate client behaviour
- **Motivational factors:** A feeling of isolation.

The absence of hygiene factors was found to lead to dissatisfaction, and hence these findings were in line with Herzberg's two-factor theory; however, one motivational factor led to dissatisfaction, thereby contradicting the two-factor theory.

Fourthly, the study also looked into the sub-optimal home office environment of the majority of the participants (hygiene factors), which, however, did not cause dissatisfaction in the participants. Here, the findings were also in contrast to the two-factor theory, as an absence of hygiene factors here did not lead to dissatisfaction. It was, however, noted that the sub-optimal hygiene factors may have not led to dissatisfaction because the home office set-ups were their own choice.

8.1.2 Social framework

The study found that freelancers were very family-oriented. Family was considered a foundation of life, a priority and a strong motivator to engage with freelancing, as this work mode allowed freelancers to work from home, surrounded by their family. The participants reported a heavy dependency on family members, and these findings concur with the literature that describes Filipino families as closely knit ([Chapter 2.4.1](#)).

The prioritisation of families is identified by Hofstede, Hofstede and Minkov (2010) as a strong characteristic in collective societies, and is a factor that clients should not underestimate. Furthermore, the Filipino participants balanced their needs to care for their families, which on Hofstede's index is an orientation towards the femininity rather than the masculinity element (Hofstede, Hofstede & Minkov 2010). Most participants noted that their family always came first before any other commitments, including work. The desire

to work close to their families and the satisfaction this caused in the participants can be explained by Herzberg's two-factor theory, in that this factor causing satisfaction is an intrinsic (motivational) one.

According to the relational view, inter-organisational relationships can lead to results that neither party would have been able to achieve on their own (Perunovic & Pedersen 2007) ([Chapter 2.5.2](#)). This key premise is also known as the concept of 'relational rent' (Dyer & Singh 1998) and presupposes that both parties profit from the collaboration. However, if clients ignore or pass over the freelancers' prioritisation of family, this prerequisite is no longer fulfilled. Clients should therefore be aware of and honour the central role of family for their Filipino freelancers to ensure the relationship remains profitable for both parties.

Family was also found to be the most important social factor, in accordance with a collective society characteristic detected by Hofstede, Hofstede and Minkov (2010), and this partly compensated for the lack of a real-life workplace that Filipino freelancers face. Most participants considered the virtual relationships with their distant colleagues inferior to real-life relationships; however, most freelancers did not feel isolated. In contrast to these findings, there are still about 30% of freelancers who felt isolated at some stage. This feeling is in line with Conlin (2009), who notes that virtual work is not for everyone as it is linked to isolation and a lack of human interaction. Similar findings were reported by Graham, Hjorth and Lehdonvirta (2017), who link digital work to tedium, loneliness and alienation. The survey by New Epson EcoTank research, as mentioned in [Chapter 2.4.1](#), found a higher degree of isolation than the current study, with 48% of participants saying they were lonely and 46% that they were isolated (Agarwal 2018; de la Haye 2018). The difference from the current study could be explained by the cross-sectional nature of both studies.

In the current study, participants were established freelancers with years of experience, and as such they had settled into their work routine, having found strategies to cope with their distant workplace. Furthermore, the Epson study was completed with British freelancers while the current study was completed

with Filipinos. In contrast to the Philippines, Hofstede has categorised British societal values as individualistic, with high power distance (Figure 8.1). With this cultural context in mind, it is understandable that the more individualistic British freelancers also felt more isolated compared to the Filipino freelancers. The majority of the Filipino participants were surrounded by their extended families during work time, and therefore did not feel left out at work, although the socialisation happened on a private rather than a professional level.

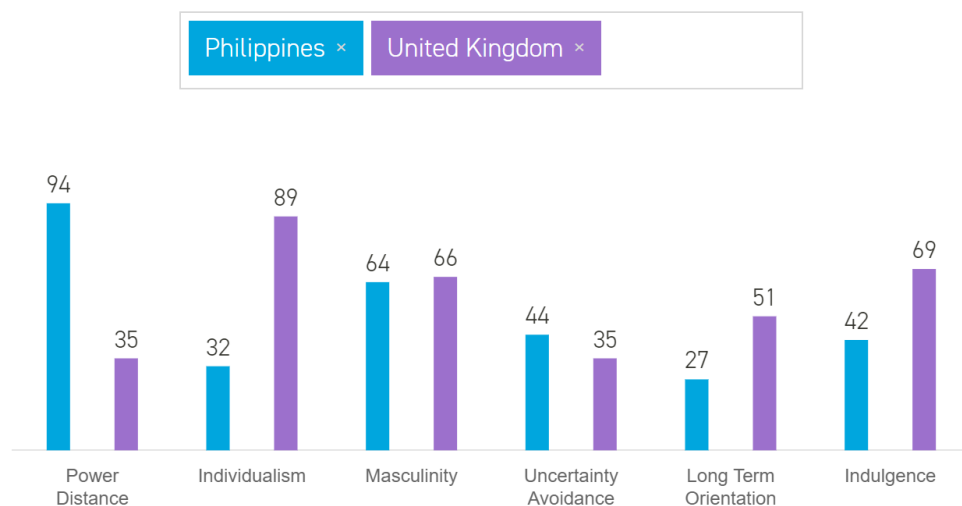


Figure 8.1 Comparison of societal values of the Philippines and the United Kingdom

Source: Hofstede (2019a)

Knowing that Filipino freelancers are not usually working in an isolated space is also interesting in the context of productivity: The Massachusetts Institute of Technology found that American workers who interacted the most with their co-workers displayed the highest levels of productivity (Bowler 2016; Robison 2008). While freelancers in some less family-oriented countries may struggle with access to social exchange, Filipinos have access to their families. According to Hofstede (2019b), workers in the United States, similar to the British culture, are very individualistic (Figure 8.2), and hence may benefit from work chatter, as they are not as tightly connected with their families.

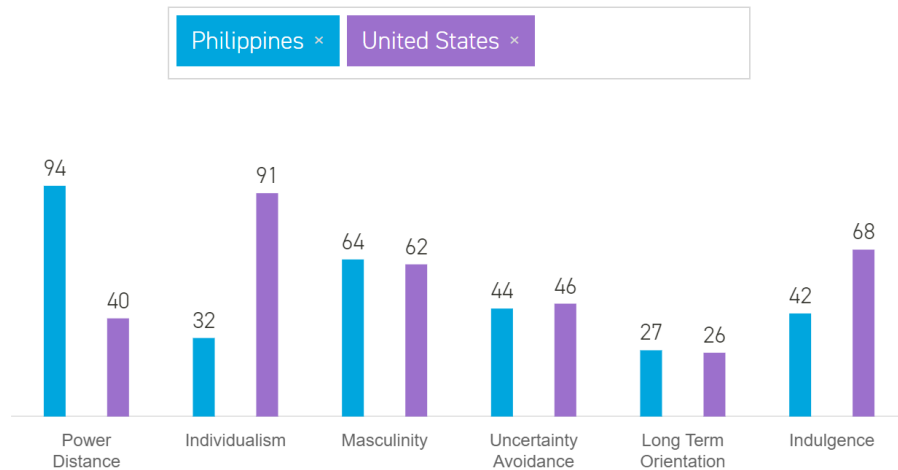


Figure 8.2 Comparison of societal values of the Philippines and the United States

Source: Hofstede (2019b)

Another facet of the findings was that several Filipino participants mentioned that they enjoyed not having to socialise when freelancing and considered themselves to be introverts. It was concluded from this that freelancing can attract some people who thrive in environments with less social exchange. While in traditional teamwork settings, introversion could be seen as a less desirable personality trait, in freelancing, it can be an advantage. Clients should be aware that when they hire Filipino freelancers, they may have to look for different personality traits compared to those desirable in traditional work settings.

Based on the above discussion, this study created a link between the perceived isolation and the typical work surroundings of the Filipino freelancers (their home office) that allowed them to be integrated into the social life of their families. Most cited research focused on freelancers in Western countries such as the UK or the USA. This study contributes to the literature with a focus on Filipino freelancers and reflects different societal values that have been identified by Hofstede, Hofstede and Minkov (2010).

8.1.3 Motivation to work as a freelancer

This section will first look into the original and ongoing motivation to work in freelancing and then discuss the findings in regard to the key negative attributes of freelancing.

Looking into the original reasons for becoming freelancers, the study found that there were four main reasons for the Filipino participants to try out this work model: financial advantages, more flexibility, closeness to family and no commute. A number of these reasons are consistent with members of the Filipino collectivist society (Figure 8.3; Index 32). Most participants displayed high levels of job satisfaction and intended to stay in freelancing.

These factors do not appear initially to be consistent with Herzberg's two-factor theory, because motivational factors are intrinsic to a job and include achievement and recognition (Alshmemri, Shahwan-Akl & Maude 2017; Herzberg 1987). That is, the participants referred to hygiene factors and basic needs, such as financial matters, and linked them to satisfaction rather than intrinsic factors (such as challenging work, recognition, responsibility, meaningful contribution and personal growth). However, Filipino society has high power-distance characteristics (Figure 8.3; Index 94), and therefore, intrinsic factors such as recognition, responsibility, and meaningful contribution may not be considered to be within the Filipino participants' expected achievement in society (or in an organisational relationship). Furthermore, personal growth should be associated with a more individualistic society, whereas this may not be part of the Filipino participants' focus within a collectivist society.

Firstly, the financial aspect needs to be differentiated. The participants noted that they received higher rates compared to other jobs they could do, which was in line with literature in this field ([Chapter 2.4.1](#)). These higher rates often served as a reason to engage in freelancing. Once they were established freelancers, the financial interest shifted and the negative aspects became more important, namely that clients paid unreliably. According to Hofstede, Hofstede and Minkov (2010), striving for earnings is a masculine trait;

however, in context of supporting one's family and working from home close to family, it has feminine elements as well. The Philippines scores 64 on masculinity, and therefore demonstrates a mixture of masculine and feminine traits. This score fits the research results, where Filipino participants were focused on the highest possible income without compromising their family commitments. Freelancers in this study mentioned how they can work on more than one job at a time, and therefore adjust their income. Cronin (2012) describes this as the opportunity to access several salaries. For some participants, freelancing was their only option to make an income as they were bound to their homes. However, financial aspects also carry a lot of potential for conflict ([Chapter 7.2](#)).

Secondly, the research identified a strong desire of the participants to have flexibility: They want to be self-organised and independent of employers and workplace regulations. Prior research finds an explanation for this desire. Llamas (2018) wrote about the new working class in the Philippines: 'Flexitime, mobility, and work-life integration are as sacred to them as stability and job security are to their parents and older siblings'.

Flexibility in selecting a work schedule is associated with uncertainty, as workers do not have a fixed work schedule, but their schedules are very dynamic and change from day to day. According to Hofstede (2019a), people from the Philippines have a low preference for avoiding uncertainty, which fits the results of this study in that flexibility was seen as a positive feature of freelancing. However, looking at the statement by Llamas (2018) in the previous paragraph, one could interpret the shift away from job security as a societal shift from collectivistic to individualistic traits, as job insecurity is considered a bigger threat in collectivistic cultures compared to individualistic cultures (Meindl et al. 1989; Roll et al. 2015). Nowadays, flexibility in all aspects of work and life seems to play an integral role for workers. The study at hand deepened the current understanding of flexibility by learning. The participants' desire for flexibility centred on three dimensions: time, space and job choice. The first dimension is the autonomous organisation of time, the

second relates to free choice of workplace, and job choice is concerned with the free selection of their jobs of choice.

The results of this study concur with the results of previous research. Cronin (2012) writes that work can be completed from anywhere (including home offices). Burke (2012) describes the improved balance of work and life through flexible working hours. Being more flexible is linked to being more independent, an advantage highlighted by the Freelancers Union and Elance oDesk (2018) in a worldwide study of the new freelancing workforce. This again points towards the suggestion as discussed above that those Filipinos who are involved in freelancing may experience a shift towards more individualistic values due to the nature of freelancing. A trend towards more individualistic values has also been observed in Filipino parenting practices, whereby parents raise their children to be more independent and autonomous (Alampay & Jocson 2011; Medina 2011).

Thirdly, the relevance of family has already been discussed in [Chapter 5.2.1](#), and it cannot be stressed enough that for Filipino freelancers family takes priority, which is supported not only by previous authors (Eclipse 2017) but also by Hofstede's (2015) indices across countries. Providing a family-friendly environment is likely to reduce staff turnover in a company, and it can thus contribute to a smoother operation (Department of Industries, Innovation and Science (2016). Although this study identified some cultural differences between Australia and the Philippines, clients should keep this finding in mind when hiring Filipino freelancers as they may not attract (or at a later stage may lose) their workers if they fail to foster family-friendly work arrangements. Australia has a very individualistic culture, while the Philippines is on the collectivistic side of the score (Figure 8.3). Due to this large cultural difference, Australian clients may struggle to understand their Filipino workers' strong family orientation, which is an element of collectivistic cultures (Hofstede, Hofstede & Minkov 2010).

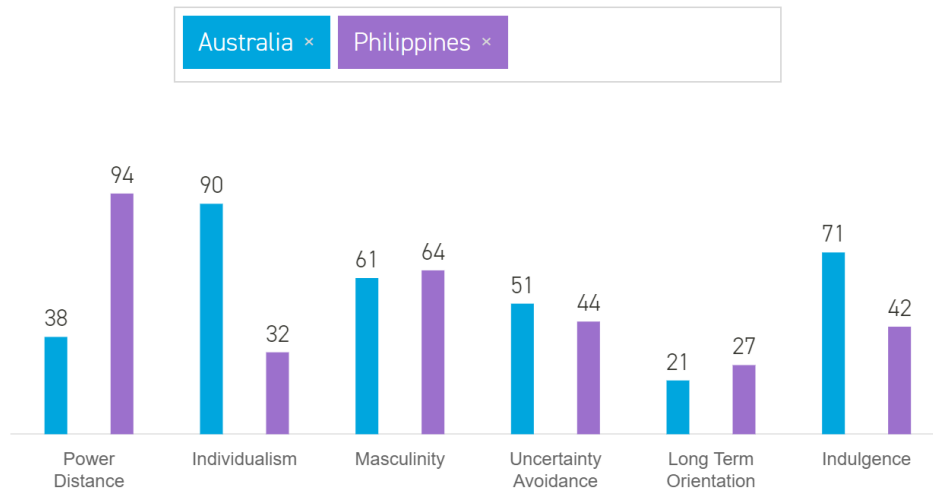


Figure 8.3 Comparison of societal values of Australia and the Philippines

Source: Hofstede (2019c)

Commuting was a serious concern for the freelancers due to the traffic situation in the Philippine metropolises. In [Chapter 2.4.1](#), it was mentioned that the traffic in Manila is bad and commuting takes up a lot of time. Freelancers in the current study confirmed that the bad traffic situation impacted their decision to work in freelancing. Commuting was considered a time waster for the majority of the current study’s participants who were based in Manila. They reported average commute times of two or more hours per trip, adding up to four or more hours every day; the same figure of two hours’ commuting was specified by Eclipse (2017) ([Chapter 2.4.1](#)). The participants acknowledged that freelancing saved them the dreadful commute and that those saved hours could be spent with their families. Being able to choose their workplace and having the freedom to skip the commute was valued by participants and caused them job satisfaction.

While many freelancers had choices in their career paths, for five freelancers in the study, freelancing was their only option. These five have been classified as vulnerable minorities, leading to the conclusion that freelancing can be an option for those who otherwise would not be able to work. Mothers, the elderly and the sick were represented in all three groups in the participant pool of this study. This study highlights that freelancing can have positive societal effects

due to the inclusion of minorities in the workforce. This is in line with Hofstede's societal values of high-power distance and collectivism in the Philippines, where skills and performance are not valued as much as being part of a group (Hofstede, Hofstede & Minkov 2010; Hofstede 2019c). Block (2015) also writes that while some people are freelancers by choice, others work as freelancers because they cannot find a job, or because they want to supplement their current salary.

The subject of minorities also links back to families. The study found that mothers tend to take their role very seriously in the Philippines, and while other family members may fill the role of a babysitter, the mothers often prefer to supervise the children themselves. A study by Monster (2018)⁶⁷ found that more than 50% of the mothers in the Philippines believed that their career had been affected or hindered by their decision to have children. Monster's study refers to all types of employment, though, and it should be noted that freelancing is a work mode that can still allow parents to have an income while fulfilling their social duties.

Despite the positive aspects and motivators for workers to engage in the freelancing industries, this study also found key dissatisfaction attributes of freelancing, which were clustered into four categories: financial matters (such as unreliable payments), job assurance (job insecurity), client behaviour (inappropriate behaviour), and internal feelings (such as feelings of isolation). These categories will be explained below. The first three of those categories are hygiene factors, and therefore, this part of the research supports Herzberg's two-factor theory, as the participants linked a lack of hygiene factors to dissatisfaction. The category 'client behaviour', however, refers to motivational factors, and therefore these findings do not concur with the two-factor theory.

Although financial aspects were one of the main reasons the participants engaged in freelancing, the main disadvantages were also found to be in this category. Indeed, those items relating to 'financial matters' caused the greatest

⁶⁷ Monster is a leading online career and recruitment resource. The study included 2,600 women from Singapore, Malaysia and the Philippines.

grievances, and at the same time were mainly those that were controlled by their clients. The biggest concerns were getting paid too late, or the wrong amount, or not at all. These concerns were not of a theoretical nature but rather based on bad experiences in the past. These experiences were in line with prior research ([Chapter 2.4.1](#)) that found that about half of freelancers were not paid at some stage in their career (PayPal 2018). A more specific number is given by Muhammed (2018) who specifies that 58% of freelancers in four major countries⁶⁸ in Southeast Asia, including the Philippines, have experienced not being paid for their work. In collectivistic cultures, being able to financially care for one's family is more than an obligation, it is a ritual (Hofstede, Hofstede & Minkov 2010). In this context, it makes sense that the Filipino participants in this research displayed great distress when they reported being robbed of their income by their clients.

Closely linked to financial matters is the category 'job assurance' as the associated financial insecurity (due to not being able to line up projects) was a concern for the participants. Whether a freelancer receives a new project is partly outside of their control; while freelancers can actively apply for jobs, the availability of projects and the willingness of the client to hire a freelancer also play a role. The study found that the participants considered the financial insecurity burdensome, and this is in line with prior research where Filipino freelancers noted that it can be difficult to find new projects (Graham, Hjorth & Lehdonvirta 2017). Herzberg (1987) recommends managers must offer competitive wages and salaries to avoid such dissatisfaction.

The long-term participants in the study were all experienced freelancers, and most reported being presently in a position where they can source sufficient projects, the irregularity of jobs having mainly been a problem in the past, particularly when they started freelancing. Other studies found the financial insecurity (linked to irregular jobs) to have greater impact. A study by PayPal (2018)⁶⁹ found financial insecurity to be the greatest concern for freelancers.

⁶⁸ The four countries were Singapore, the Philippines, Indonesia and Vietnam.

⁶⁹ The study included freelancers from 22 countries around the world.

The category 'client behaviour' contained numerous concerns of the freelancers, but the main one was bad communication⁷⁰. The study found that most freelancers complained that clients often provided unclear instructions. While most believed it is a shared responsibility (of clients and freelancers) to ensure that instructions are complete, they reported about their extensive efforts to gain all the required information and noted that clients would often not fulfil their part of the deal. The complaints ranged from missing out important information in the instructions, or ambiguous or unclear instructions, to unresponsive clients. The study contributes in this regard to an important insight into the freelancers' everyday reality and stresses the relevance of providing clear instructions. While no prior research on the matter could be found, several articles recommend that clients provide clear instructions, giving the impression that it is a common subject (Brem 2018; Johansson 2017; Zalewski 2017).

The main issue in the category 'internal feelings' was that of isolation, which referred to the lack of socialisation in the remote workplaces of the freelancers (their home offices). It was noted that most freelancers did not overly suffer from isolation, but some did. This subject was already discussed in [Chapter 8.2.2](#).

The study found that in spite of the negative aspects of freelancing, all participants displayed high levels of job satisfaction, and most planned to stay in the freelancing industry. As all the participants were established long-term freelancers, the inclusion of new freelancers may have led to a different result. The outstanding job satisfaction also fitted the reported motivation of participants to excel and to exceed the clients' expectations. The study concluded that the participants had a high drive and motivation in their work and that such attitudes are of course, desirable for clients.

According to Hofstede (2019a), the Philippines culture is one of restraint. Typically, people from restrained cultures have a tendency to control the gratification of their desires and have a tendency to pessimism (Hofstede

⁷⁰ Communication is also subject to Research Question 2 as discussed in the next Chapter 9. In this context, communication is mentioned as it is a factor that causes dissatisfaction in freelancers.

2019d). In restraint cultures, a lack of indulgence is often displayed during people's leisure time, which means that they do not consider their leisure time as important (Hofstede 2019d), and with a medium-low score of 42 towards indulgence, the Philippines is not a very strong culture of restraint. This means that Hofstede's scale seems to fit the finding of this study because the participants neither expressed strong restraint nor indulgence behaviours.

In [Chapter 2.4.1](#), the literature explaining the reasons why freelancing can lead to high levels of job satisfaction was reviewed, and three reasons were found: being a freelancer, being self-employed, and working from home (Schneck 2014; Shevchuk & Strebkov 2012; Wheatley 2012). The results of this study fit the prior research, as the freelancers displayed an overall high job satisfaction and emphasised the advantage of working from home and being independent of employers. While working from home is associated with many positive features, such as being close to one's family, it also comes with a range of challenges, as will be discussed in the next [Chapter 8.2.4](#), which deals with the physical environment of freelancers. Work conditions is one of Herzberg's hygiene factors that can lead to job satisfaction, as is further explained in [Chapter 3.2](#).

8.1.4 Freelancers' workplaces

According to Herzberg, physical work conditions are a hygiene factor, and therefore, if the conditions are not sufficient, this is likely to lead to job dissatisfaction (Herzberg 1987). All the participants in this study viewed working from home as a significant advantage of freelancing. According to previous research, working from home is not only a strong desire for many workers, it can also (under the right circumstances) increase their performance (O'Hara 2017). A study by CTrip, China's largest travel agency, found that job performance increased by 13% when they allowed their Shanghai workers to work from home (Bloom et al. 2013). According to Hofstede's framework, people from collectivistic cultures feel comfortable when they are surrounded by their in-group (which is their extended family), so the preference of the Filipino participants in this study made sense.

Despite the freelancers' positive feelings towards their home offices, it was found that many participants had sub-optimal office set-ups, which lacked some basic features required in the Australian standards (Office of Industrial Relations, Workplace Health and Safety Queensland 2011). However, a poor home office set-up can negatively impact the health of freelancers (Grandjean 1987; Robertson et al. 2009).

The participants in this study are not protected by any laws as they act as contracting freelancers, and as such, they are responsible for their own health and safety ([Chapter 2.4.3](#)). This situation, however, is in contrast to the Philippines' collectivistic culture, in which good physical working conditions are considered important (Hofstede 2019a; Hofstede, Hofstede & Minkov 2010). However, it fits the power distance dimension, as the Filipino participants did not question their workplace, which in cultures with high-power distances like the Philippines is traditionally predetermined by the superiors.

In addition, the findings of this study contradict Herzberg's findings, as this study found that workers reported high job satisfaction and did not complain about their work conditions, although their home office environments had some very poor features (hygiene factors). This included poor lighting, lack of air-conditioning, seating and furniture. According to the two-factor theory, this should cause dissatisfaction, but the participants described their set-ups rather impassively and without expressing a deep urge to change. In view of this, the two-factor theory cannot be applied to the participants in this matter.

Despite the above, the freelancers clearly stated the items they would upgrade if they could. In context with their desire to work from home and their enjoying the flexibility of freelancing, it becomes obvious why the participants did not display dissatisfaction with the absence of good hygiene factors: The home offices may not be optimal, but they were the setting of their choice. This choice seems to compensate for the faults in their set-ups, as control over the work environment is linked to job satisfaction (Davis, Shevchuk & Strebkov 2014).

The findings are in line with Cheng (2015), who suggests that government policies should look into the development of legal rights for freelance workers.

At the moment, there are no regulations concerning overseas freelancers hired on a contract basis, but clients may decide to support their workers for other reasons. On the website of the Department of Industry, Innovation and Science (2018), the Department outlines that occupational health and safety is critical to the long-term success of any business, as it helps to retain staff, maximises employee productivity and minimises workplace injuries. The CBHS Health Fund (2014) writes that caring about healthy and safe office set-ups can help employers to 'strengthen relationships with their employees and keep staff motivated, loyal and alert'.

Clients should keep in mind that while the Philippines is one of East Asia's top growth performers, it is still a developing country (Worldbank 2017), and therefore, awareness of Health and Safety and the availability of resources for adequate home offices may not be in place. Losing long-term freelancers due to illness negatively affects clients as staff turnover (caused by the absence of Herzberg's hygiene factors) is not only an expensive exercise but also creates challenges: Staff shortages lead to the requirement of recruitment and training of new staff. Reh (2018) states that 'Employee turnover carries a high cost, and the higher the employee turnover rate the higher the cost'. Also, failure in OHS management can lead to accidents, which lead to substantial costs and are considered a factor of competitiveness (Smallman & John 2001). From the description of the participants, it also seemed as if their clients were unaware of their home set-ups, which makes sense as (Western) clients are not only physically distant but also work from countries in which office set-ups are subject to Health and Safety regulations and therefore probably have no idea what their freelancers' workplaces are like.

The participants in this study did not have a dedicated office room, but worked from their bedrooms, and some worked in rooms that they shared with their family. Some found it difficult to work and sleep in the same space. Similarly, O'Hara (2017) recommends keeping work and leisure space separate to allow for more focused work and to be able to switch off after work.⁷¹ Participants in this study noted further observations on how their sub-optimal set-ups directly

⁷¹ The author refers to American workers.

impacted their performance; this included chairs causing back pain, lighting causing tiredness, or distracting background noises in their surroundings.

Most of the sub-optimal items that freelancers noted referred to basic items such as chairs, desks, ventilation and lighting. All of those items were hygiene factors that Herzberg linked to job dissatisfaction. Ventilation is a big subject in the Philippines, and it is mainly the tropical heat and rarely the cold that causes problems for workers. In this respect, the findings of this study are very similar to the ones by Xine (2018) that found that the most desired items by freelancers for their home office were chairs, mousepads, ventilation, shelving, desks, and office organisation systems (2.4.1). The similarity in the findings of the two studies strengthens the assumption that these items are generally in high demand.

Most of the freelancers' requested items were described in previous research as basic OHS features. Having an ergonomic chair is essential for the health of workers in the long term. According to a study by the Office of Human Resource Services/Health Safety and Environment (2012), a division of the Charles Darwin University, a suitable office chair should have four basic adjustments whilst seated: chair height, seat angle, back angle and backrest height. However, most participants did not have comfortable and adjustable office chairs. This finding fits with the statistics by the Philippines Statistics Authority (2015), which found that back pain was the most common type of occupational disease (35.5%).

8.2 Discussion of Research Question 2

8.2.1 Key results

Research Question 2 yielded three key results:

Firstly, Research Question 2 was interested to learn about freelancers' expectations of their clients, and two major expectations were identified: (i) an establishment of good open communication, and (ii) the provision of clear instructions.

Secondly, this research question was also interested in how successful freelancer–client relationships are established. There were five key factors found to be essential for both clients and freelancers. Good communication skills were identified as the first factor, in order to establish functional relationships. The second factor was the readiness of the clients and freelancers to adhere to financial agreements. The remaining three factors were the clients' and freelancers' willingness to succeed, to use their initiative, and to use a collaborative approach.

Thirdly, an understanding and appreciation by the clients and freelancers for two of Hofstede's six dimensions were helpful to their successful relationship. The power distance and individualism/collectivism dimensions were particularly useful in explaining the different approaches in relationship-building by freelancers and clients in the Philippines.

8.2.2 Building good relationships – freelancers' expectations

The findings reveal that freelancers have two major expectations of their clients. They ask for open, smooth, and fair communication, and secondly, they ask to receive clear and unambiguous instructions. It was found that if clients failed to fulfil these expectations, the consequences included conflict and dysfunctional relationships, whereas good communication and/or instructions could promote relationships. This finding is in line with prior research, as described in [Chapter 2.5.2](#), where the important role of communication was noted.

The research showed that the participants asked for improved communication with their clients, as they found that communication was an obstacle that had previously led to conflict, dysfunctional relationships, and even the abandonment of projects. The research found that participants faced obstacles in communication as they interacted in a virtual (online) world where there is no face-to-face interaction and communication is delayed due to freelancers and clients being located in different time zones. This, in combination with

intercultural issues, posed challenges that need to be overcome, which is addressed in [Chapter 8.4.2](#). Most freelancers communicate via non-verbal channels such as Messenger, chat, email or communication apps. While remote communication channels have advanced nowadays and can be as immediate as face-to-face interaction, they are still not comparable to being able to watch the other person physically talking (Handy 1995). Remote communication is time-consuming, because one cannot so easily seek immediate clarification (Liu 2007). It is particularly time-consuming in situations where participants' ideas collide (Anderson & Shane 2002).⁷²

When clients from Western countries hire Filipino freelancers, they should also consider the cultural differences that influence communication style. The collectivistic Filipino workers are unlikely to object to a client suggestion but would rather respond with a vague comment or circumvent a clear answer (Hofstede, Hofstede & Minkov 2010). The findings of this study were in line with Hofstede's findings, as the participants reported that they actively avoided any confrontations and insisted on staying polite. Both collectivism and high-power distance assist in explaining the communication patterns of Filipinos. Filipinos consider their ideal boss to be a benevolent autocrat who gives non-negotiable orders (Hofstede 2019d). While the participants in this study did not accept all of their clients' requests or behaviours, they clearly displayed submissive and obedient behaviour that fits Hofstede's findings.

The research found that some of the communication issues can be overcome, while others can at least be acknowledged or the consequences mitigated, as will now be discussed.

⁷² Some other challenges faced by remote/virtual communication workers (such as those in virtual intercultural teams) are not as obvious as those noted above. Go (2016) collated such real-life issues, including the following:

- Communication in remote teams is nearly always recorded.
- Despite the many channels for communicating remotely, there is one difference: When a receiver does not respond, the sender may not have an opportunity to access the receiver and continue the communication.
- Larger team meetings are still difficult in the virtual world, while in a traditional office, a meeting can be arranged with all of the participants located in the same room to discuss matters face to face.

Firstly, participants asked for frequent communication. They often felt abandoned by their clients and had no contact point when they required support. Some clients only provided initial instructions and were not responsive afterwards. While some of this behaviour was linked to delays due to differing time zones, some participants clearly stated that clients would not respond to their repeated requests, or that there were longer-than-necessary delays before they responded. Only a few clients actively sought communication, and participants found that the passive behaviour of clients hindered their work. This fits with previous research by Patrashkova-Volzdoska et al. (2003), who found that communication frequency is linked to team performance; and Riley (2008), who notes that frequent communication in virtual teams is critical for successful relationships. Neither of these studies, however, focuses specifically on Filipino freelancers and/or Australian clients. The short-term orientation of Filipino workers also fits the findings by Hofstede whereby they were described as having a focus on achieving quick results (Hofstede 2019a, 20129d).

Secondly, participants desired communication with their clients that had a professional, polite, but not too personal tone, a trait of collectivistic cultures as described by Hofstede, as well as Hofstede and Minkov (2010). Hill and Bartol (2018) recommend the promotion of a positive and supportive tone in virtual teams, as well as actively seeking contact. The research at hand has deepened the insights into this subject, as specific preferences of participants were found; for example, participants differentiated between friendly and humorous (desired) and overly personal (undesired) client behaviour.

Thirdly, the research found that participants suggested an active approach to communication whereby both parties would actively ensure that the project was advancing. Participants considered it very inefficient (and on a personal level, frustrating) to receive a short briefing for a project and then be expected to resolve all obscurities and tackle all challenges on their own.

This research finding fits Hofstede's description of collectivistic cultures, which prefer a strong, guiding leader whose instructions can be followed (Hofstede, Hofstede & Minkov 2010; Hofstede 2019c). That, however, collides with the

individualistic Western values, such as in Australia, where clients expect their workers to be self-reliant, independent, and creative (Hofstede, Hofstede & Minkov 2010; Hofstede 2019c). This research confirms that the Filipino freelancers indeed perceived these different approaches as problematic. Hill and Bartol (2018) suggest that communication in virtual teams can be improved by using the right communication channels (technologies), making intentions clear, being responsive and supportive and being open and inclusive. Their research is similar to the suggestions made by participants in this study, namely that the majority of clients are responsive, supportive and active.

Fourthly, another communication barrier identified was language. The research found that participants struggled with some clients lacking basic English skills or having strong dialects and accents. According to Bakken (2019), clients need to plan communication in intercultural teams and train all involved parties to communicate effectively to overcome language barriers. The participants in this study demonstrated great effort and patience in dealing with clients who were hard to understand due to their inadequate language skills. While the participants were generally willing to engage in such difficult communication, they clearly preferred clients good English skills.

Fifthly, also linked to good communication was the second expectation: the provision of clear instructions from clients to their freelancers. The participants found that some clients struggled to provide clear and unambiguous instructions, which was considered to be very frustrating as it lessened the chance that they would successfully complete a job to the satisfaction of their clients. People from individualistic cultures like Australia may struggle to understand why clear instructions can be important for collectivistic Filipino workers, as in individualistic cultures the expectation is that people look after themselves, are self-reliant, and display initiative (Hofstede 2019e).

The research showed that participants value clients who make an effort to provide good instructions. This is in line with the findings of Grenny and Maxfield (2017), who recommended that clients make their expectations very explicit in order to ensure that remote workers know their role in a project and

all its requirements. Marlow, Lacerenza and Salas (2017) found that the quality of communication (including clear instructions) in virtual teams is more important than the frequency of communication, and they suggest closed-loop communication to ensure that instructions are clearly understood.

8.2.3 Key factors for successful freelancer–client relationships

Previous research by Lavilles and Sison (2016) found that establishing relationships with clients is one of the main issues for online outsourcing workers in the Philippines. The current research reports, in [Chapter 8.3.1](#), five key requirements for successful freelancer–client relationships. It also finds that if even one of the five factors is not fulfilled, the relationship is at risk.

Figure 8.4 shows how beneficial and detrimental factors in this research were found to impact on freelancer–client relationships; the first led to functional, and the latter to dysfunctional, relationships. The beneficial factors that led to desirable relationships were identified as key success factors, of which the following five key success factors were identified in this study.



Figure 8.4 Key success factors of freelancer–client relationships

Source: Created by the author

Firstly, it was found that the previously mentioned items, namely good, open communication ([Chapter 6.2.1](#)) and clear instructions ([Chapter 6.2.2](#)), were

indeed more than mere expectations but seemed to be key requirements for successful relationships. Good, open communication impacted on all areas of the relationships, while receiving clear instructions was a specific request from freelancers. Both requirements caused conflict in the relationships when they were not fulfilled. Both items have also been linked to Hofstede's dimensions in the above-named previous sections, and hence the resulting conflict can be said to be culturally inspired.

Secondly, another major recurring theme causing significant friction was financially related issues. This theme included payment ethics, schedules, rates, bonuses, etc. The key success factor identified for this subject was the readiness of the client to provide the agreed financial compensation and, if possible, to exceed the expectations of the freelancers. The participants believed that this key success factor depends solely on client behaviour, as freelancers do not hold the financial power. This, however, is factually incorrect as freelancers do have some control: Upwork has support and complaint systems in place for their freelancers, and furthermore, freelancers can clarify financial matters with their clients before they start their work on a project to ensure that expectations are clear. The belief of the participants that they do not hold the power is typical for cultures with high power distance (Hofstede, Hofstede & Minkov 2010; Hofstede 2019c). Clients from cultures with a low power distance, such as Australia, may not understand this fear of being powerless, as their belief is that power is more equally distributed and hierarchies are flatter (Hofstede 2019c). Moreover, this finding can be explained by Herzberg's two-factor theory, as financial matters are a hygiene factor and therefore cause dissatisfaction (Herzberg 1987).

A third key success factor identified was the willingness of both parties to succeed. This willingness refers to the desire to work towards a satisfying project outcome and to exert the required effort. In situations where either the freelancer or the client did not display willingness, the relationship was at risk. Surprisingly, there were many situations in the interviews where clients were identified as unwilling; examples of this were clients not responding to freelancers' questions, clients being unwilling to provide more information, or

freelancers lacking motivation because they viewed the job as not sufficiently well paid. Muhammed (2017a) describes unwilling clients as 'bad clients', and in his description of such he mentions clients who do not provide sufficient information, are forgetful or change their instructions. Holtzclaw (2018) emphasises the importance of responsiveness in business life. In [Chapter 2.5.3](#), the important role of trust was discussed: Trust can only be established if clients are willing to establish functional relationships.

A fourth key success factor was identified as initiative. This refers to both parties trying to be actively involved in the collaboration. This is more than the aforementioned willingness, as it requires actions and measurements to be taken for successful collaboration. Most freelancers described themselves as active collaboration partners or mentioned that it is an essential freelancer skill to have initiative. In situations where clients did not show initiative, freelancers described that this hindered their work or made the relationship difficult. From a collectivistic perspective, a lack of initiative could be considered a failure of responsibility towards others, while from a high power-distance perspective this could be interpreted as a failure to look after subordinates (Hofstede, Hofstede & Minkov 2010; Hofstede 2019c).

A fifth key success factor identified was a collaborative view. According to the stories of the participants, some clients seem to only consider their own perspective and do not recognise that freelancers also have needs, requirements and expectations. In their experience, freelancers found that not all clients were cooperative or open to discussion but that some had unrealistically high expectations or put unnecessary pressure on their freelancers. Striving for a common goal and giving everything to achieve this is a typical trait of collectivistic cultures (Hofstede 2019e), and in this regard, the findings of this study are in line with Hofstede's framework, as the freelancers expected all involved parties to actively strive for a good outcome.

On the other hand, some freelancers openly admitted that they did not care about the relationship anyway, but just wanted to get the job done quickly. This response reflects a short-term orientation and is also in line with Hofstede's findings, although it contradicts the above-mentioned striving for a successful

collaboration. One participant admitted being willing to cheat in projects to receive more money, which is an egocentric view that one would expect in individualistic societies. Such individual deviations in behaviour can be expected in a cross-sectional study.

All of these key factors have in common that they are prerequisites for functional relationships. In view of this, both clients and freelancers would be well advised to be aware of these factors and work towards their fulfilment.

8.3 Discussion of Research Question 3

8.3.1 Key results

This research produced three key results.

Firstly, three key sources of conflict in freelancer–client relationships were identified: financial matters, misunderstandings and cultural differences, the first of which was deemed to be the one leading to the highest levels of frustration for the participants. These key sources of conflict could partly be explained by Hofstede’s framework using the dimensions individualism/collectivism, femininity/masculinity, power distance, and long-/short-term orientation.

Secondly, three main consequences of conflict were identified as financial damage, career damage and termination of projects. Financial damage refers to a short-term effect, namely the immediate loss of payment, whereas career damage refers to a long-term effect of a damaged reputation and the reduced likelihood of securing projects.

Thirdly, the research found that participants worked out solutions to manage conflict. Freelancers adopted a range of measures to prevent conflict, and if that was not possible, they tried to actively resolve conflicts. Avoidance or withdrawal was used only as a last resort when a relationship was considered to be irreparable.

8.3.2 Sources of conflict

This research found that conflict occurred for a variety of reasons, and identified three major sources: financial matters, misunderstandings and culture.

Firstly, financial matters were the most frequent source of conflict and evoked strong emotional responses. Although most participants acknowledged the higher pay rates in freelancing, they cited negative experiences of not getting paid properly, and some voiced concerns about their lack of power over clients when it came to payment issues. This is in accordance with Burke (2011), who found that higher rates for freelancers are necessary to compensate for their greater risk in respect of income. That the Filipino participants believed they had no control over clients may be partly rooted in their experiences, but it can also be explained by Filipinos having a culture with a high power distance, which in this context means they have a hierarchical society where subordinates have to accept their superiors' behaviour (Hofstede 2019d). Previous literature has raised the issue that unreliable payments can be a problem for freelancers (Bearne 2016; Hamilton 2011), and the present research adds new insights to the subject by defining it as the major concern for its Filipino participants. It found that financial matters were seen as a constant risk in freelancing and that participants took numerous measures to avoid problems in this regard, such as having savings or selecting clients carefully.

Secondly, misunderstandings experienced by the participants were either language-based or of a general nature. In an environment where both parties are from different countries and have different English skills, accents and dialects, misunderstandings are likely to occur. While most misunderstandings could be resolved, some participants reported situations that led to project failures. Previous research has shown that language barriers can intensify isolation and frustration (Tenzer, Pudelko & Harzing 2013) and as such are a fertile ground for conflict. Most participants noted that they took great efforts to prevent or resolve misunderstandings. Furthermore, participants noted that some of their clients struggled with English and reported that this caused great

confusion and delays. Non-language-related misunderstandings included the provision of insufficient instructions, a concern that was repeatedly voiced ([Chapter 6.2](#)).

Thirdly, culture was identified as a common source of conflict ([Chapter 7.2](#)). This research found that cultural differences were overall perceived as positive but still caused conflict. Participants appreciated the diversity in intercultural teams as well as the challenge of working with clients from other cultures. This finding agrees with Lavilles and Sison (2016), who linked intercultural diversity to learning opportunities about other cultures and their values and norms ([Chapter 2.6.2](#)).

Despite the above, intercultural diversity can also cause conflicts and misunderstandings (Krawczyk-Bryłka 2016). While participants in this study noted the advantages of and their liking for collaborating with foreign clients, they also complained about prejudice or racial discrimination towards Filipinos. However, they also admitted displaying prejudices towards other cultures and had specific ideas of how clients from different cultures generally behave. Australia was generally considered to be a very pleasant culture, with participants noting that they enjoyed collaboration with Australian clients. From the participants' descriptions, it was concluded that Filipinos and Australians both had professional work approaches, were keen on avoiding and resolving conflicts, and preferred polite but impersonal communication. These results fit into Hofstede's framework in that Hofstede describes Australians as direct and informal communicators (low power distance), who display initiative (individualistic culture) and focus on achieving quick results (short-term orientation) (Hofstede 2019e). These dimensions do not fit the masculine dimension description for Australia, though, where conflicts are resolved with the goal of winning rather than solving the problem (Hofstede 2019e).

The participants viewed people from their own culture in a very positive way, describing them as honest, hardworking and willing to learn. The study also found that participants rarely refused their clients' additional suggestions or requirements, which was found to be a source of conflict: They would even agree to a client's demand when it was beyond their capabilities. This tendency

to avoid refusal can be explained by Hofstede's dimension of high-power distance, as the Filipino freelancers accept that a suggestion by a client (superior) could be a bad one. An Australian client, however, coming from a culture with low power distance, is used to workers openly refusing tasks if they are beyond their capabilities.

Even cultural differences in personal life could influence the participants' relationships with their clients. This could easily be seen by the immensely important role of family for participants. While in more individualistic countries such as Australia, work and family are two separate subjects and people may prioritise work over family in certain situations, in a collectivistic culture, family is considered a high priority (Hofstede, Hofstede & Minkov 2010). The Filipino participants put their families first and would design their work around their family life. Freelancing gave them the flexibility to be around their families and to attend to their needs. However, conflict could arise when clients made suggestions that interfered with the participants' family life, for example, working additional shifts on the weekend.

8.3.3 Consequences of conflict

When conflict occurred, it was either resolved, managed or ignored. The research found that when it was not resolved, both parties could expect negative consequences, the three main ones being termination of the project, financial damage and career damage.

Most of the time, the consequences of conflict were mild, and solutions were readily available. However, conflict also led to significant short-term and long-term effects. Short-term effects entailed immediate loss of payment for a project and clients leaving negative reviews. Long-term effects entailed damage to reputation through negative reviews and the associated potential loss of future clients. Public negative feedback is not only visible to all clients reviewing a freelancer's profile; it also impacts how freelancers are treated by Upwork's algorithms. As Pennington (2016) notes, when freelancers have a repeatedly low score, Upwork hides applications sent by them so that clients

will never see their proposals ([Chapter 2.2.2](#)). The research found that it works both ways, as participants reported selecting their clients carefully, reviewing their profiles and feedback before they applied for their postings. This led to the conclusion that clients with negative entries in their profile have lower chances of receiving applications from experienced freelancers. Cook (2019) recommends that freelancers select clients who have a verified work history and a good feedback score and reviews ([Chapter 2.4.3](#)).

While it has been proposed that organisational conflict can have both positive and negative consequences, and conflict can even be desirable (Pondy 1992). In the present study, mainly negative consequences were recorded. The results were in accordance with the findings of De Dreu (2008) that workplace conflict rarely leads to positive outcomes. However, the magnitude of the consequences could be influenced by the involved parties. While the participants emphasised how they would give everything to achieve a successful project outcome, they made adverse comments about clients. They reported that their clients would sometimes not demonstrate the same desire but rather became abusive, withdrew themselves from any discussion, or just blamed the freelancers. To establish successful relationships, therefore, both parties need to be willing to succeed.

8.3.4 Management of conflict

The research found that participants either tried to prevent, or reacted to, conflict, the first option being preferred by most participants. While preventive measures aimed to avoid conflicts, reactive measures were targeted towards resolving conflicts, and if they felt their efforts to be pointless, they withdrew from projects. Terminating a project was seen as a last resort, and participants tried to avoid this at all costs due to the negative consequences this would cause.

The research found that participants tried to prevent conflict wherever possible and deployed a range of preventive measures ([Chapter 7.2](#)). However, conflict could not always be avoided. This concurs with previous research by Riley (2008), who found that conflict in virtual teams is inevitable, be it healthy or

unhealthy. The desire to avoid conflict can be explained by the collectivistic culture of Filipino participants, as in collectivistic societies people tend to have tight bonds with their groups, while in individualistic countries, everybody is for themselves (Soeters 1996). Furthermore, people in collectivistic societies aim to maintain harmony and avoid direct confrontation (Alampay & Jocson 2011; Hofstede 2019a; Hofstede, Hofstede & Minkov 2010) ([Chapter 3.3](#)). This does not, however, fit with the low levels of uncertainty avoidance of Filipinos as suggested by Hofstede (2019c). This observation is mentioned because the participants were not anxious in ambiguous situations; quite the opposite, in fact, as they had displayed a willingness to accept risks just by entering the freelance industry.

Despite the above, Hofstede's framework does not seem to fit into the masculinity dimension for the Philippines, which received a score of 64 and is therefore categorised as a more masculine country. However, the majority of Filipino participants in this study were females who displayed modest behaviour and preferred good working relationships over recognition (Hofstede 2019a; Hofstede, Hofstede & Minkov 2010). Furthermore, part of this dimension is the masculine striving for excellence. Competitiveness is taught to students from early on, and failure is considered a disaster (Hofstede, Hofstede & Minkov 2010). In this respect, the participants of the studies fitted Hofstede's framework, as most of them clearly noted that they want to do well in their job and please their clients.

Participants demonstrated great efforts to prevent or manage conflicts and were very aware that they had to be proactive to achieve satisfying results. Even if participants felt that the conflict was caused by the clients, they did not seem to have a problem with giving in or apologising to rectify situations. To them, it was more important that the conflicts disappeared than that their honour was defended. In collectivistic cultures, open confrontations are avoided but opinions are worded in ways so as to not infuriate the opponent (Hofstede, Hofstede & Minkov 2010). This desire to keep communication harmonious is also linked to the collectivistic concept of losing face, which refers to the feeling of being publicly humiliated because one cannot fulfil the

expectation of others – a feeling that collectivistic people try to avoid (Hofstede, Hofstede & Minkov 2010). The participants in this study found conflicts burdensome and were very aware of the damage conflict could cause. Here, the results were not in line with Hofstede’s findings for the Philippine culture in the uncertainty dimension, which covers the extent to which members of a culture feel threatened by ambiguous situations (Hofstede, Hofstede & Minkov 2010). With a medium-low score of 44 in Uncertainty, the Philippines culture has a low preference for avoiding uncertainty, but the findings in this study in this respect indicated a clear preference for taking risks. However, the indulgence dimension could explain the strict control of the participants and their readiness to suffer for their job, as the Filipino culture is one of restraint (Hofstede, Hofstede & Minkov 2010; Hofstede 2019c).

To combat such uncertainty, Stasi (2013, p. 4) suggests that ‘Trust is key to virtual teams’ success since it mitigates uncertainty’. This research also found that trust played an important role in harmonious team environments. Participants expected their clients to be trustworthy and enjoyed trusting relationships. When trust was lacking, the relationship was weakened. Regarding the promotion of trust in virtual teams, a study by Jarvenpaa and Leidner (1999, p. 812) finds that ‘an open and thoughtful exchange of messages at the beginning of the team’s existence’ is necessary.

The participants demonstrated a large power distance, fitting Hofstede’s high score for the Philippines in this respect (Hofstede 2018). Especially in conflict situations, participants felt a strong power imbalance, which they were ready to adjust to and did not fight. Participants would rather endure an abusive client than stand up to him/her.

Despite the large power distance, participants were very interested in building healthy and functional relationships with their clients. They showed interest in other cultures and reported how they made efforts to adapt to their clients’ values and norms. Despite their efforts to create harmonious relationships, participants acknowledged that some conflict was inevitable due to different perspectives and interests. This fits the pluralist view as discussed in [Chapter 2](#), which is based on the assumption that workplace conflict is inevitable

(Abbott 2006; Alexander, Lewer & Gahan 2008). The desire to work in a harmonious workplace is also a collectivistic trait, as in collectivistic cultures, workers show great loyalty to their employees, and in turn do not easily punish poor performance; the workplace is an in-group that resembles a family with close ties (Hofstede, Hofstede & Minkov 2010).

8.4 Summary

The research found that participants were happy with their choice to work as freelancers and displayed high levels of job satisfaction. The main reasons for engaging in freelancing were the high degree of flexibility, working from home, having no commute, and the higher hourly rates compared to the rates in traditional jobs. The majority of participants did not feel lonely despite their physically isolated workspaces. This was explained by their collectivistic culture (in line with Hofstede's framework) in which families are very close, the participants being surrounded by their families all day. Negative attributes of freelancing were financial matters, job assurance and communication issues with clients. The home office set-ups of participants were found to be sub-optimal in most cases, but this did not lead to dissatisfaction. However, participants noted that some of the office features led to decreased performance. The above findings were partly in line with Herzberg's two-factor theory, in that an absence of hygiene factors (sub-optimal home office set-ups) led to dissatisfaction in the participants. However, in contrast to Herzberg's theory, the presence of hygiene factors (financial matters, flexibility, closeness to family, no commute) also led to satisfaction.

The participants were interested in establishing polite and professional relationships wherein they acknowledged that the clients had a superior role towards them in terms of control. Their inferior role, however, caused a feeling of helplessness when conflict arose. This was explained with the high-power distance of the Filipino culture, in line with Hofstede's framework.

The research found that participants had two main expectations of their clients: that good communication was established, and that sufficient instructions were provided for the projects. It was concluded that the difference between the

collectivistic Filipino freelancers and the individualistic Western clients could lead to different perspectives on communication style and to culturally inspired misunderstandings.

Five key success factors for freelancer–client relationships were identified. The first is the clients' ability for open communication and provision of clear instructions. The absence of financial issues, such as payment irregularities, is the second key success factor, while the willingness of both parties to make the project succeed is the third factor. The fourth and fifth factors are, respectively, the initiative to maintain the relationship, and a collaborative viewpoint to ensure that both parties are satisfied with the desired project outcome. The research linked these five success factors to Hofstede's dimensions of power distance and individualism/collectivism.

The research identified three key sources of conflict in freelancer–client relationships: financial matters, misunderstandings and culture, which could partly be explained by Hofstede's dimensions of individualism/collectivism, femininity/masculinity, power distance, and long/short term orientation. Cultural differences commonly resulted in conflicts as part of a wide range of challenges in their daily work routine.

Although conflict was considered inevitable, participants made great efforts to prevent it. When conflict did arise, they aimed to resolve it and move on with the project; only when they did not see any other choice did they terminate a project, usually leading to negative short-term and long-term effects for both parties.

The research also identified three main consequences of unresolved conflict: financial damage, career damage and termination of projects. All three consequences could have significant long-term effects for the participants. The research found that participants actively tried to prevent conflict, which was found to be in line with their collectivistic culture as suggested by Hofstede. When conflict occurred, the participants tried to actively resolve conflicts and only withdrew from projects in extreme situations. They strove to maintain healthy relationships, which was explained by their collectivistic culture.

Chapter 9 Conclusions

9.1 Introduction to conclusions

This final chapter presents a summary of the analysis and interpretation of the research findings in relation to the three research questions. This is followed by the contribution of the research in three areas: economic, social and theoretical. Next, implications for business management practice and policy will be discussed, followed by an outline of the limitations of the study. The chapter concludes with directions for further research.

9.2 Summary of analysis and interpretation

The aim of the research was to investigate relationships between Filipino freelancers and their overseas clients. For this purpose, a comprehensive picture of the freelancers was gained, which included a view of their social frameworks, their motivations for working in the industry, and their work environments. It was examined as to whether hygiene factors in the participants' work environment were fulfilled and how this was perceived. Here, the study responded to Herzberg's two-factor theory.

This provided detailed background information for the research and allowed the researcher to better understand the situation and views of the freelancers. The relationship with their clients was investigated by reviewing the freelancers' experiences with clients in the past and their expectations of their clients, which led to the identification of key factors for successful freelancer–client relationships. The relationships were subject to conflict, and so the researcher looked into sources of conflict to learn about the origins of problems as well as the freelancers' responses in dealing with conflicts. Culturally inspired conflict was related to and explained with Hofstede's framework and it was found that indeed the cultural differences hold potential for conflict.

The following sections present summaries of the analysis and interpretation for all three research questions, highlighting the key findings.

9.2.1 Research Question 1

Research Question 1 dealt with the personal and professional situation of the Filipino freelancers in order to gain a comprehensive overview of their work situations. The findings provided information that formed the foundation for a better understanding of the freelancers' perspectives. It was found that, in general, the participants displayed high levels of job satisfaction and considered freelancing to be a superior work choice. Job satisfaction was achieved through intrinsic factors (de Klerk 2014; Shields 2016) such as reliable payments, the flexibility in organisation of time, space, and work, and the ability to work from home. Extrinsic factors such as high pay rates only motivated participants to initially engage in freelancing, but not to stay in the industry.

The results, however, did not confirm Herzberg's two-factor theory. The study found that the presence of hygiene factors led to satisfaction, in contrast to the two-factor theory, which states that only motivational factors lead to satisfaction (Herzberg, Mausner & Snyderman 1959; Herzberg 1987). While flexibility can be considered to be a motivational factor, financial matters are not. This contradiction to Herzberg was explained by Hofstede's societal value of collectivism in Filipinos, where their favourable work environment (wherein they are close to their most important group, their families) impacts on the hygiene factors and amplifies their perceptions.

This explanation was in line with further findings of this study. It was reported that the closeness of family compensated for the remoteness of freelancing for 70% of participants, while the remainder of participants felt isolated. Family was considered to be the highest priority for most of the participants, and it was noted that in accordance with the relational view, clients should acknowledge the freelancers' prioritisation of family, as otherwise, freelancers will not profit from the collaboration to the degree that they ought to. The finding of the prioritisation of family is also consistent with Hofstede's collectivism societal value.

In the area of family, the research found that freelancing plays an important role for vulnerable minorities. Five participants identified themselves as minorities who considered freelancing their only option due to being home-bound for family or health reasons. It can be concluded that freelancing provides work opportunities for those who would otherwise struggle to find employment. This freelancing opportunity would seem to enable minorities to circumvent the high-power distance societal value that exists in the Philippines (Hofstede 2019c).

The work environments of the participants were their home offices, and the study revealed that while the participants were generally satisfied with their set-ups, they were fitted out sub-optimally with regard to Health and Safety considerations. Furthermore, participants confirmed how the lack of good work conditions impacted on their performance and their health. It can be concluded that there is a potential for improving work conditions, and it was recommended that clients learn about their individual long-term freelancers' set-ups in order to support them in working under conditions that promote performance. This, again, did not line up with the two-factor theory, as contrary to Herzberg, an absence of hygiene factors did not lead to dissatisfaction (Herzberg, Mausner & Snyderman 1959; Herzberg 1987). This was explained by the missing hygiene factors in freelancers' home offices being compensated for by the fact that the work set-ups were their own choice, and therefore did not lead to dissatisfaction.

9.2.2 *Research Question 2*

Research Question 2 dealt with the relationship between freelancers and clients and investigated what freelancers expect from their clients. The resulting information was used to identify key factors in successful freelancer–client relationships.

Two major expectations from freelancers were identified: that they are able to establish open, fair, and continuous communication; and that they are given clear and unambiguous instructions. Unprofessional communication style and lack of responsiveness were considered as common problems with clients that

led to conflict and dysfunctional relationships. However, in cases where good communication was established and/or sufficient instructions were provided, healthy relationships ensued. It was found that communication was impeded by several factors: the virtual nature of the relationship, physical distance, language skills and cultural barriers. Good communication was defined as that which was frequent, professional but not personal, two-sided, and collaborative; in other words, in which both parties actively worked together to achieve a common goal.

Some participants complained about clients having unrealistic expectations of freelancers, such as posting a job with minimal instructions and expecting the freelancers to work through a project and complete it successfully without any further guidance. Besides leaving the participants in very unfortunate situations, it was found that such clients reduced the chance of a project's completion as the freelancers had to work around the lack of information and did not always manage to do this successfully. It seemed as if some clients were lacking the awareness of their freelancers' capabilities and skills. It can, therefore, be concluded that clients should benefit from an active and organised approach in which they provide carefully considered instructions, hold briefings, and regularly make contact with their freelancers to ensure that the project is progressing well.

The different expectations of Filipinos and their Western clients regarding communication styles and patterns were explained by Hofstede's dimensions of power distance and individualism/collectivism. Filipinos asked for guided communication and clear instructions in line with their collectivistic culture, while individualistic Western clients preferred independent, creative, and self-supported workers (Hofstede, Hofstede & Minkov 2010; Hofstede 2019c).

Five key factors for successful freelancer–client relationships were identified. The study found that these factors needed to be present in order to build a good relationship, otherwise the relationship between the participants was at risk. The research found that these key factors were related to the different cultures of Filipino freelancers and Western clients and linked these five

success factors to Hofstede's dimensions of high-power distance and individualism/ collectivism.

Firstly, as discussed above, strong communication and the provision of clear instructions are necessary. Secondly, matters regarding financial compensation were identified as a major factor that could either strengthen or weaken a relationship. Participants found that many clients either did not manage their payment schedules well, or had doubtful payment ethics. Since participants depend on their payment in an already-insecure industry payment-wise, this was considered to be a major stressor. It can be concluded that clients need to provide clear specifications regarding their rates and payment schedules, and abide by them if they are interested in maintaining a good reputation and retaining long-term freelancers.

The third key factor was the willingness of both parties to successfully complete a project. Surprisingly, the participants often found that their clients did not display any signs of being interested in putting in the effort that was required to finish the work.

The fourth key factor was initiative, which refers to an active approach by both parties to ensure that the project is progressing and that both parties are satisfied with the work. Most participants demonstrated a high willingness to provide excellent work, being motivated by good reviews and sometimes hoping for a long-term relationship with a client. From their perspective, some clients were good to work with, but many also had unrealistic expectations, were lazy and unresponsive, or passed on excessive responsibilities to the freelancer when they should have been more involved themselves. Again, this led to a decreased chance of successful completion of a project, and it can be concluded that clients for their own good would be better advised to actively contribute to their projects and/or at least fulfil their role as guiding supervisors.

The fifth key factor identified was a collaborative outlook. This referred to a desire for the parties to work together rather than against each other. While negotiations are part of the daily work routine, participants found that some clients were not interested in a good collaboration, and this led to lower levels

of motivation in freelancers. It can be concluded that clients should strive to establish a good temporary relationship, praise good work, and maintain a friendly tone to ensure that their freelancers do not lose the incentive to provide the best possible work.

9.2.3 *Research Question 3*

Research Question 3 dealt with the role of conflict in freelancer–client relationships while considering the potential impact of the cultural dimensions of the Filipino freelancers. The sources of conflict, the strategies used by participants to handle conflict situations, and the consequences of such strategies were explored within the cultural context of the Philippines.

The sources of conflict identified were manifold, but the three commonest sources were financial matters, misunderstandings and cultural barriers. Financial matters caused the greatest grievance in participants as they had an immediate and sometimes strong effect on their personal life. Here, the expectations regarding clients were also the highest: Freelancers expected them to have fair, transparent and ethical systems in place. In terms of misunderstandings, participants demonstrated great willingness to work through challenges and were conciliatory when misunderstandings arose. With regard to culture, it was found that culturally influenced conflicts were very common. Furthermore, it was found that Filipinos not only experience cultural prejudices but also hold them against other cultures. Australia was generally considered an attractive client destination for the participants, due to Australians being perceived as polite, professional and easy to work with. Despite the potential for cultural conflict and their experiences with cultural challenges, many participants emphasised that they enjoyed the diversity in their work relationships. The sources of cultural conflict were explained by four of Hofstede’s dimensions: individualism/collectivism, femininity/masculinity, power distance, and long/short term orientation.

It was found that conflict in relationships was inevitable. The consequences were always negative, a finding not in agreement with Pondy (1992) but in line with De Dreu (2008). However, the extent of negative consequences was

dependent on how well the conflict was handled. When conflict occurred, it was either resolved, managed, or ignored by the freelancer, and only as a last resort did freelancers withdraw from a project. Ignoring a conflict meant that participants endured a situation, for example, a very uncooperative client, yet strove to fulfil their role despite the challenge.

In most cases, conflict could be managed and/or resolved. Participants demonstrated great efforts to work towards satisfactory solutions, e.g., by actively seeking communication with their clients, by working extra hours, or by following clients' requests. Unresolved conflict leading to termination of a project was found to have adverse effects on both clients and participants (Table 9.1).

Table 9.1 Potential consequences of conflict

	Short-term effects	Long-term effects
Client	<ul style="list-style-type: none"> • Loss of freelancer • Negative review • Time delay for project at hand 	<ul style="list-style-type: none"> • Damage to reputation • Lower ranking on Upwork • Decreased chance of receiving applicants for further jobs
Freelancers	<ul style="list-style-type: none"> • Immediate loss of payment • Negative review 	<ul style="list-style-type: none"> • Damage to reputation • Lower ranking on Upwork • Decreased chance of receiving further jobs

Source: Created by the author

To avoid such consequences, participants implemented a range of strategies to either prevent conflict or to resolve it actively. The desire to avoid consequences was explained by the participants' collectivistic culture in which conflict (and losing face) is avoided (Hofstede, Hofstede & Minkov 2010). In view of this, prevention was considered to be the most important strategy and was based on their long experience as freelancers. They knew how to select the right clients, to ensure that they received the required information, and to ask about anything that was not clear. Often, participants had more negative

experiences at the start of their freelancing career. It can be concluded that long-term freelancers are likely to encounter less conflict compared to those who have just started. Furthermore, it can be concluded that the consequences of conflict can be at least partly controlled by actively seeking solutions together. It was recommended that clients acknowledge sources of conflict, know the consequences of conflict, and work towards satisfactory resolution of conflict if it arises.

9.3 Contribution to the body of knowledge

This study adds value to three main areas of interest. It contributes to business sustainability by providing information to businesses undertaking OOBPO ventures, to the knowledge base about freelancing work, and to society by promoting awareness of the issues that freelancers face so that regulators can make provisions to protect these workers. As a result, it has the potential to provide some guidance with practical information on diverse levels.

Firstly, this research promotes business sustainability. From an economic perspective, this study is tailored to reflect a very current problem, namely a shift in work arrangements from traditional to more modern approaches. Freelancing is a modern approach to work that comes with its own challenges, one of them being that despite the tenuous connection between a freelancer and their client, a functional relationship is needed to successfully collaborate. Any improvements in relationships can benefit businesses by strengthening their outsourcing undertakings. This is true for business of all sizes, but SMEs, with their limited resources and little space for error, can particularly benefit from OOBPO. However, even though SMEs are an integral part of the Australian economy and account for a significant economic contribution, SMEs are under-represented in the literature.

Secondly, this study contributes to the knowledge base. Literature in this field is only emerging and therefore limited and focuses on either larger organisations or traditional 'offline' outsourcing. Concurrently, in recent years, an emerging field of literature with a focus on peer-to-peer platforms, distributed workforces, and disruption of the economy through emerging

technologies has surfaced. This project contributes to the body of scientific literature by establishing new links between existing research subjects, particularly by filling gaps in the area of relationship management in OOBPO situations. The research identified that conflict often arose when Western clients acted in ways that were not aligned with the Filipino participants' perceptions and expectations. The study has applied Hofstede's framework to the findings and explained different expectations and culturally inspired conflict using the framework. Knowing how culturally inspired conflict is formed is useful for Western clients seeking to adapt their OOBPO strategies. It was also observed that the findings of the study largely disagreed with Herzberg's two-factor theory, and a possible explanation was delivered as to why this was the case.

There is also a lack of published research on the internationalisation of SMEs and management of intercultural OOBPO teams, and the findings of this study will contribute to the literature in this field.

Thirdly, this research makes some diverse societal contributions as follows:

- A. The study promotes better relationships between freelancers and clients, and as such is of benefit to both parties. The research discusses how work conditions are linked to performance and how it is in the interest of clients to improve these. At the same time, this study raises awareness of the sub-optimal settings of Filipino freelancers' work set-ups. The findings of this study may provide input to policymakers for regulations in matters of workplace health and safety.
- B. It raises cultural awareness by discussing sources of conflict and cultural misunderstandings. This awareness can help clients to improve their relationships with overseas freelancers by enhancing mutual understanding.
- C. OOBPO is associated with flexible working hours and allows freelancers to work from home. It thus provides opportunities for marginalised workers in the Philippines, such as mothers with young children, physically disabled people, and socially challenged people. Kitching (2016), in a report on freelancers in the UK, also highlights

mothers and elderly people above 60 years of age as significant freelancing groups. The project thus provides information that can lead to inclusiveness for vulnerable minorities.

9.4 Implications of the findings

9.4.1 *Business management practice*

This research has a number of implications for clients in OOBPO. With its focus on the freelancers' perspective, new insights into their perceptions, demographics, situations, and environments have been gained that are useful for helping clients to understand and build stronger relationships.

Firstly, the study found that most freelancers are motivated to work in the freelancing industry due to the financial advantages, higher levels of flexibility, avoiding commuting, and being able to work at home, close to family. The financial advantages relate to the higher remuneration in the freelancing sector and the avoidance of commuting in the very busy traffic in the metropolitan areas. Family was considered as the highest priority, and clients should be aware that asking favours of freelancers that coincide with family commitments may cast a shadow on their relationship with these freelancers. Knowing and appreciating the priorities of their freelancers is the first step in establishing successful collaborations.

Secondly, based on the findings of this research, clients would be well advised to learn about the home office set-ups of the long-term freelancers they recruit. The findings indicate that many freelancers work under sub-optimal conditions that hinder their performance. The home offices were equipped with faulty and unhealthy equipment, technology, furniture, and air/light/noise systems. It was concluded that, compared with Australian standards, most home offices were highly unsuitable as workplaces (Office of Industrial Relations, Workplace Health and Safety Queensland 2011). One can also argue that clients have an ethical obligation to provide a safe workplace for freelancers.

Thirdly, this study has highlighted that freelancers do have common concerns, and the main sources of conflict, namely financial matters, misunderstandings

and culture, were identified. It was also noted that conflict in OOBPO relationships can have severe consequences for both parties, including financial damage, career damage and termination of projects. The results of this study can be used by clients to prevent and manage conflict with the overall goal of establishing functional relationships with their freelancers. Particularly noteworthy was the finding that many clients in this study seemed to fail to fulfil their part of the relationship, as participants complained about their lack of communication, insufficient responsiveness and inability to provide clear instructions. Communication was found to be the most important freelancer expectation, and hence clients should ensure that their communication style, strategy, and channels are appropriate, as there was shown to be substantial potential for conflict in this area.

9.4.2 Policy

This research has implications for policy in at least the following two aspects:

Firstly, at the heart of this issue is the paucity of information in the area of OOBPO relationships. With the growing role of OOBPO, it would be beneficial to increase knowledge about sustainable relationship management. Clients can only benefit from relationships that are sustainable and functional, and hence both parties in a relationship need to be satisfied with the collaboration. Currently, protection for both parties is lacking. Platforms often act as intermediary and propitiatory agents and therefore hold the power in this matter. Laws and regulations are needed to ensure that both parties are protected from fraud. With an interest in protecting and supporting businesses (clients) as well as workers (freelancers), policy makers require information to develop guidelines, regulations and laws. This research has contributed with essential information on the home office set-ups, motivational factors, expectations regarding clients and freelancers' perspectives on conflict. The resulting information can be used to establish frameworks that fit the real-life conditions of both parties.

Secondly, OOBPO concerns policy makers in two locations: the country in which the client is located, and the location of the freelancers. There are many

legal grey zones in freelancing. This starts with regulation regarding the employment status of overseas freelancers and the rights and obligations of both parties. At the moment, freelancers lack rights such as health insurance, and the research found that the participants considered this to be one of the great downfalls of freelancing. Furthermore, businesses would benefit from guidelines and laws that clarify the responsibilities and allow businesses to plan their OOBPO undertakings in accordance with these. In the current situation, businesses need to invest their own resources to find suitable strategies. They also take risks as without unambiguous rules, businesses can make the wrong decisions leading to a failure of their OOBPO undertaking. It is therefore in their interest as well to know their responsibilities and rights.

Policy makers in the Philippines already acknowledge the relevance of the growing OOBPO industry and actively support OOBPO providers (Lee et al. 2014; Perera, Begley & MacGillivray 2009). Furthermore, internet connections and infrastructure are boosted by the Filipino government and funding is handed out for programs and initiatives in the field (It & Business Process Association Philippines 2015). However, to drill down to the core of the individual workers and to identify their needs, personal information is required. This research provides this required personal information about freelancers and puts it into context, providing policy makers with an additional perspective on freelancing.

9.5 Limitations of the study

The current study is of a cross-sectional research design and is subject to the normal limitations for this type of research design. For example, the findings may be relevant to the point of time the study was conducted but may not be relevant under different economic conditions or after changes in legislation in the Philippines.

OOBPO is a constantly changing and evolving phenomenon, and hence new research appearing during the lifetime of this project needed to be considered and integrated on an ongoing basis. It is likely that by the time of publication, new research will have appeared, containing new information and trends

related to the phenomenon. The same is true for the common technologies used for OOBPO, the legal situation, the platforms and the target groups; basically, every aspect of OOBPO can completely change over a short period of time. As a result, this research is necessarily a snapshot in time, presenting a situation in its specific current state.

Furthermore, since OOBPO is still an emerging phenomenon, the literature in some areas is very limited, which made it difficult to compare the findings of this study with other research. In view of this, this study needs to provide transparent and open descriptions of its methods and findings. However, this limitation can be seen as a strength at the same time, as this project can contribute to a relatively small pool of knowledge and provide new information, and by giving practical recommendations can be of use for all businesses interested in either implementing OOBPO or improving their existing OOBPO relationships.

A further limitation of the research is that it deals only with the relationship between Filipino freelancers and Australian SMEs. Freelancers can be found in most countries, and some countries are particularly well known for their near-bottomless pool of freelancers. However, there were some good reasons to focus on the Philippines, as is explained in [Chapter 2.2.3](#). One reason is that the Philippines has crystallised to be a very convenient location due to the population's overall excellent English skills, their performance-oriented culture, and the small differences in time zones. Furthermore, this narrow geo-cultural scope presents the opportunity to focus on freelancers from one culture in greater detail and depth.

This study only includes freelancers with a trackable record of more than 1,000 hours on Upwork. This does, however, mean that the study is biased towards freelancers with substantial experience. It can be expected that they experience less conflict and are better established compared to freelancers who are still in the process of gaining freelance experience and dealing with clients. While freelancers new to the industry may have more and different things to report about their challenges and experiences of conflict, for this study, more experienced freelancers provide more meaningful insights, for as

this project is interested in the various experiences of freelancers with clients and with freelancing work, experienced freelancers have a broader spectrum of experiences. Furthermore, they can discuss their own development processes and learning curves. This means they are not limited to their initial experiences but can reflect on them as well as comparing them to their current situation. Focusing on a sub-group of well-established freelancers also creates a more homogenous dataset compared to a dataset in which freelancers in all establishment phases are included.

A small-scale study, such as one prepared for a postgraduate study program, has some natural limitations. For example, the research was constrained to one researcher. An additional natural limitation is that the small sample size does limit the generalisability of the findings. In comparison, larger projects with several collaborating researchers and more extensive data sources and results could be compared against each other.

Another limitation is that only freelancers who have used Upwork were included in this study. There are other platforms where clients can source freelancers, with specific set-ups, processes and regulations. This limitation, however, is mitigated by several aspects: Upwork is one of the major and commonest platforms used for OOBPO; due to the focus on Upwork, the study can highlight and discuss specific features of the platform; the inclusion of other platforms would exceed the scope, resources, and timeframe of this study; and by the time sufficient data had been collected, it would probably be outdated. In view of this, a focus on one major platform is most suitable for a smaller-scale study such as this one.

9.6 Conclusions for clients

9.6.1 *Research Question 1*

The research leads to conclusions in three areas: the social frameworks of freelancers, the motivation to engage in freelancing, and the workplace of the freelancer.

A. Social frameworks

Firstly, clients should consider the family orientation of Filipino freelancers. The study has shown that the participants were family-oriented and had different levels of social and professional connections, leading to a feeling of isolation in some. Participants acknowledged that working from home close to their families compensated for working in an otherwise isolated space. Clients would be well advised to take the important role of family for freelancers into account when making staff-related decisions and would probably benefit from being family-oriented and respecting that family comes first for their workers. There are numerous possibilities for creating a family-oriented work atmosphere, such as flexible working-time arrangements, offering part-time jobs and catering to shift preferences. Such measures are in line with the recommendations from the CBHS Health Fund (2014), who advise employers to honour family commitments. [Appendix J](#) provides the measures of Xine's social integration efforts that have led to better team cohesion at Xine.

B. Motivation to engage in freelancing

Secondly, clients should be aware of the role of financial matters for freelancers. Freelancers displayed strong concerns regarding financial matters, an area that is entirely controlled by clients. It is recommended that clients ensure that they have a consistent and fair payment schedule as well as transparent payment systems and clear communication regarding type, frequency, currency and methods of payment. These factors would be likely to result in a more positive perception of clients by freelancers, as these issues are of major concern for many of them.

C. Workplace of freelancers

Thirdly, clients should be aware that the workplace set-ups of their freelancers may be sub-optimal. The typical workplace of freelancers was found to be lacking in basic OHS features such as functional chairs. In view of this sub-optimal situation, this study recommends that clients engage with their long-term or recurring freelancers and find out where and how they can contribute to ensuring an improvement in their set-ups. The research showed

that participants pointed out how sub-optimal set-ups can influence their performance; and in view of this, clients would be well advised to support their freelancers not only for ethical reasons but also in the clients' own financial interest and to secure the lowest possible turnover rates.

9.6.2 Research Question 2

Three recommendations are made in accordance with the results of this study. Two of these concern communication issues and one concerns the key factors in successful freelancer–client relationships.

A. Establish good communication.

The research at hand concluded that clients who ensured frequent communication with, and availability and responsiveness to, their freelancers met the expectations of the freelancers. As communication was a major concern of freelancers, it can be expected that clients who ensure fluent communication increase their chances of successful collaborations with their freelancers.

B. Provide clear instructions.

Many participants found that clients struggle to provide the clear instructions required to complete a project. They felt that it was time-consuming and annoying to have to gather missing information. It is therefore recommended to clients to ensure that adequate instructions are given and to seek feedback regarding the clarity of their instructions.

C. Fulfil the key remaining requirements for successful freelancer–client relationships.

Clients and freelancers need to work together to ensure that the key success factors for functional relationships are managed well. To this end, both parties require a positive and proactive mindset. Key success factors other than good communication and clear instructions (as explained in 6.2.3) are a readiness to adhere to financial agreements; willingness to succeed; initiative; and a

collaborative approach. These additional key factors need to be managed to ensure that freelancer–client relationships are optimally functional.

9.6.3 Research Question 3

Based on the results for research questions three, three conclusions are drawn:

A. Acknowledging the sources of conflict

While conflict seems inevitable, some of it is unnecessary, and some can be resolved. By acknowledging the key sources of conflict, clients are more aware of the factors that can damage relationships with their freelancers. Furthermore, acknowledgement is the first step in managing those key sources, followed by actively ensuring that one's processes and behaviours promote a functional relationship rather than nurturing sources of conflict. In particular, financial matters were found to be an area in which clients tend to fail to fulfil their part of the contract, and this subject caused the highest level of frustration for the participants.

B. Knowing the consequences of conflict

Conflict can have negative effects for both involved parties. Clients should know that consequences include damaged relationships, lower freelancer performance, and negative reviews and ratings from the freelancer. In view of this, clients should weigh up the pros and cons of their conflict-handling strategies and ensure that they work towards an outcome that is as productive as possible.

C. Working towards satisfying solutions to conflict

Not all solutions of conflict are satisfying; termination of a project is a solution with wide negative consequences for both parties. For the participants, it was seen as the last resort when they found that a project could not be continued successfully. Participants reported, however, how conflicts were successfully resolved, and, in most cases, this included a willingness of both parties to work

through situations with open communication to reach that goal. It is in the interest of clients to strive for such satisfying solutions.

9.7 Directions for further research

Future research could use the findings of this study to develop a survey to investigate other subjects in the area of freelancing and client relationships. Also, future research could replicate this study with a larger sample that includes freelancers from more countries and compare the findings between different cultures. Another approach that should be considered is a longitudinal study across five years, which will capture the potential changes in the freelance market and enable, through more rigorous data analysis, findings that may be generalised across countries. Preferred outsourcing destinations change with time, and other countries may emerge that become more relevant (Palugod & Palugod 2011). Furthermore, it could be replicated using other platforms, as the freelance world, along with its technologies, is constantly reinventing itself.

Larger samples would also allow future workers to use quantitative research methods with the purpose of statistical generalisation. Quantitative and qualitative research methods not only complement each other but can lead to more meaningful results (Ivankova & Wingo 2018; Ritchie et al. 2014; Zikmund 1997).

While the study at hand focused on the freelancers' perspective, further research could investigate the clients' perspective to deepen the understanding of conflict, its sources, and strategies for managing it. Furthermore, it could test various organisational conflict strategies or compare outcomes of case studies to identify effective ways of managing conflict and of improving relationships.

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Appendices

Appendix A – Ethics approval

The research received the following ethics approval issued by USQ.

OFFICE OF RESEARCH
Human Research Ethics Committee
PHONE +61 7 4687 5703| FAX +61 7 4631 5555
EMAIL human.ethics@usq.edu.au



12 May 2017

Mrs Maren Dammann

Dear Maren

The USQ Human Research Ethics Committee has recently reviewed your responses to the conditions placed upon the ethical approval for the project outlined below. Your proposal is now deemed to meet the requirements of the *National Statement on Ethical Conduct in Human Research (2007)* and full ethical approval has been granted.

Approval No.	H17REA109
Project Title	The influence of culture on relations between online offshore business process freelancers in the Philippines and Australian SMEs who use their services
Approval date	12 May 2017
Expiry date	12 May 2020
HREC Decision	Approved

The standard conditions of this approval are:

- (a) Conduct the project strictly in accordance with the proposal submitted and granted ethics approval, including any amendments made to the proposal required by the HREC
- (b) Advise (email: human.ethics@usq.edu.au) immediately of any complaints or other issues in relation to the project which may warrant review of the ethical approval of the project
- (c) Make submission for approval of amendments to the approved project before implementing such changes
- (d) Provide a 'progress report' for every year of approval
- (e) Provide a 'final report' when the project is complete
- (f) Advise in writing if the project has been discontinued, using a 'final report'

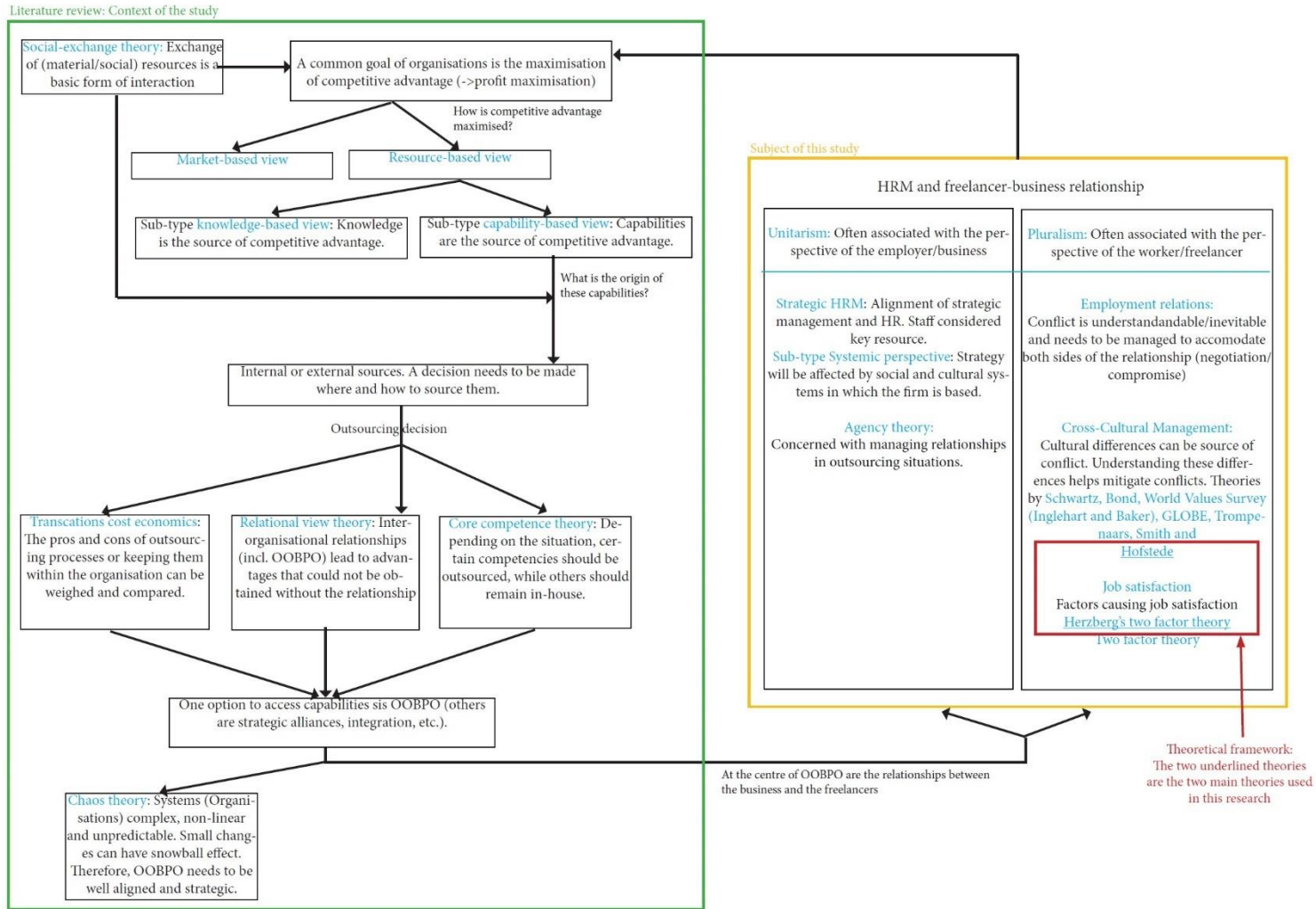
For (c) to (f) forms are available on the USQ ethics website:
<http://www.usq.edu.au/research/support-development/research-services/research-integrity-ethics/human/forms>

A handwritten signature in blue ink, appearing to read 'S.Davis'.

Samantha Davis
Ethics Officer

Appendix B – Theories related to demand for and existence of freelancing

This diagram shows further theories related to this research and puts them into context with the research.



Source: Created by the author

Appendix C – Theories related to conflict outside the scope of this study

The following theories on the subject of 'conflict' were related to the research but beyond its scope, they are therefore included in this Appendix rather than in the thesis itself.

Unitarism and pluralism theory

The basic assumption of unitarism is that workplace conflict is preventable and temporary (Abbott 2006). In this view, the source of conflict can be a product of personality disorders, inadequate recruitment or poor communication (Abbott 2006). A unitarist perspective is often associated with the business perspective, where it is expected that the goals of the organisation and the worker are aligned and in harmony (Alexander, Lewer & Gahan 2008). In recent years, however, there has been a shift resulting in a greater focus on employee cooperation and commitment (Provis 1996), and some authors acknowledge that even if workers and businesses have certain common interests, they are at least partially conflicting (Van Buren, Greenwood & Sheehan 2011). In contrast, the pluralist view assumes that workplace conflict is inevitable as businesses are made up of different interest groups (Abbott 2006; Alexander, Lewer & Gahan 2008). This vantage point is often the one of workers, as it acknowledges the rights of the various parties within the professional relationships. It acknowledges that conflict needs to be managed to accommodate the expectations in order to find common ground.

While unitarism and pluralism deal with the role of workplace conflict, agency theory refers to workplace relationships. Agency theory fits the outsourcing situation well, as it can explain the relationship and the interactions between outsourcers (principals) and freelancers (agents) (Perunovic & Pedersen 2007). It is concerned with conflict that arises in situations where the agent can make decisions on behalf of the principal (Jensen & Meckling 1976). Conflict can arise due to a variety of reasons such as different goals, lack of understanding and control of the agent's actions, and different attitudes towards risk. An agent may act in their own rather than the principal's interest, and the principal may lack

resources such as information or finances to control the agent. This may lead to moral hazard and conflict of interest (Shapiro 2005). Agency theory stipulates that agents are opportunists who will exploit their principals and therefore require effective monitoring and incentives (Miller & Sardais 2011; Shapiro 2005; Zajac & Westphal 2004).

Agency theory

Agency theory was used as a background theory in this study as it can help to explain the potential sources of conflict in an outsourcing relationship. As agents and principals are assumed to have conflicting objectives, it stipulates that freelancers need to be monitored to ensure they deliver their work as agreed. Without monitoring, freelancers can commit all kinds of betrayal such as time theft, which can cause significant financial loss for businesses, in particular when it occurs over a long term until their fraud is uncovered (Atkinson 2006).

Once conflict occurs, clients and freelancers have to deal with the consequences. Conflict within a professional relationship can have both functional and dysfunctional outcomes, and hence either boost or jeopardise performance (Robbins et al. 2011). Freelancers work in a competitive and financially unstable environment (Block 2015) where demands and pressures are high yet may result in only small financial rewards (Berg 2016; Stone 2012). These conditions are a nurturing ground for conflict. Furthermore, online platforms such as TaskRabbit, Airtasker, and Upwork create an environment in which freelancers compete against each other for every single offered project or task. High levels of pressure, however, are an unfavourable working condition.

Here, employment relations can link in, as this theory deals with effective ways to design relationships between organisations and their representatives, managers, and employees (Bray et al. 2015). It postulates that conflict is both understandable and inevitable and therefore needs to be managed to accommodate the expectations of both parties. The ultimate goal is to negotiate to find common ground.

Schartz's Cultural priorities in 40 nations

Schwartz (1999) introduced three dimensions that are partly related to Hofstede, but reflect societal values as the data was collected from teachers and students, whereas Hofstede collected this data from IBM employees, and this is notable in the questions he used for his survey. Schwartz's (1999) three dimensions are as follows:

1. *Conservatism versus Intellectual and Affective Autonomy* (Emphasis on maintenance of the status quo, propriety, and restraint of actions versus desirability of individuals independently pursuing positive experience).
2. *Hierarchy versus Egalitarianism* (Legitimacy of an unequal distribution of power and roles versus emphasis on selfish interests coupled with voluntary commitment)
3. *Mastery versus Harmony* (Emphasis on getting ahead through ambition and self-assertion versus fitting into the environment without resistance)

Countries in this research are sorted in a two-dimensional space according to their cultural priorities.

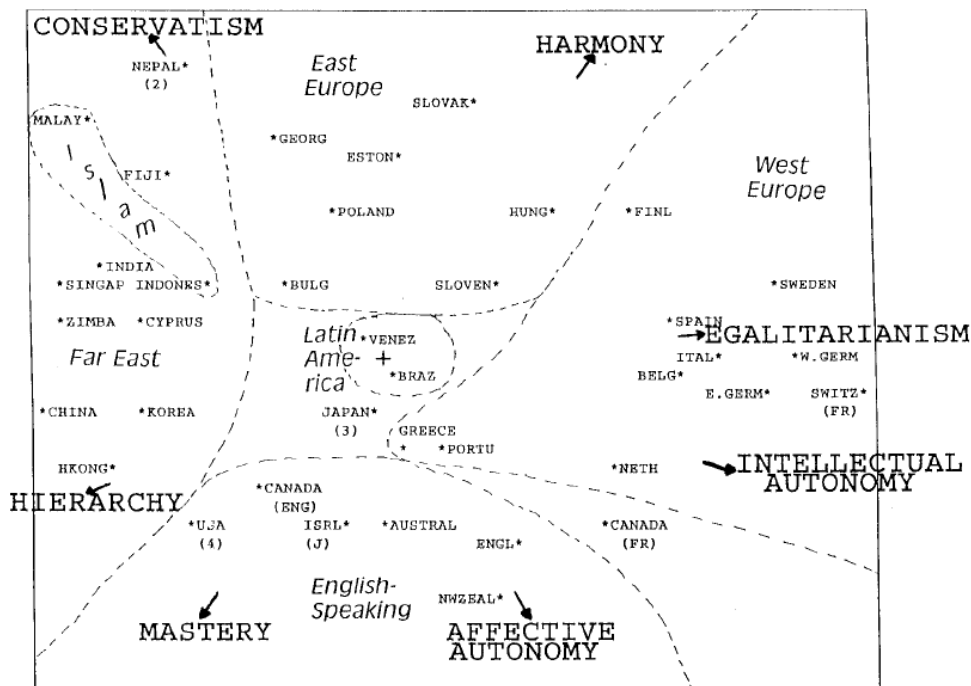


Figure 1 Appendix B. Cultural priorities in 40 nations

Source: Schwartz (1999)

Trompenaars (1993) collected data from attendees of management seminars in various countries. Smith, Dugan and Trompenaars (1996) discussed the research and compared it to the results of others, in particular to Hofstede, and suggested amendments in his dimensions. Trompenaars and Hampden-Turner (1997) introduced the following seven cultural dimensions as meaningful measures to distinguish people from different cultures:

1. Universalism vs particularism
2. Individualism vs communitarianism
3. Specific vs diffuse
4. Neutral vs emotional
5. Achievement vs ascription
6. Sequential time vs synchronous time
7. Internal direction vs outer direction.

Modernisation theory

Lastly, the World Values Survey (www.worldvaluessurvey.org) is an ongoing project since 1981 involving numerous social scientists aimed at providing information on changing global cultural values and beliefs. Its data is collected in waves, with the sixth wave from 2010 to 2014 and the seventh wave from 2016 to 2018. The World Values Survey Association is governed by an Executive Committee, a Scientific Advisory Committee, and the General Assembly. The data from the World Values Survey led to numerous applications and also served as the foundation for the research of Inglehart and Baker (2000; 2001). Inglehart and Baker (2000) focus on change and the persistence of traditional values. They find that modernisation theory requires some amendments. While Marx (1867) suggested that societies that are economically highly developed can serve as a predictor to show the future of less economically developed societies, Inglehart and Baker (2000) find that this is only partially true, and that modernisation does not follow a linear path. For example, they argue that the decline in religious beliefs is mainly true in the industrialisation phase, and religious beliefs do not necessarily die out in the long run. Furthermore, they argue that modernisation is

'probabilistic, not deterministic', which means that many factors are involved in transforming a society and no path is inevitable (Inglehart and Baker 2000, p. 49). One year later, Inglehart and Baker (2001) then pushed these ideas further and noted that while economic development may push societies in certain, predictable directions, this will not result in a homogenised world culture, or as they called it, a 'McWorld'.

Appendix D – Country backgrounds

Background information about the countries used in this research.

Australia

Australia had a population of approximately 25.2 million residents in December 2018, a GDP of \$2128.61m in 2018, and an unemployment rate of 5.3% (Australian Bureau of Statistics 2019b). Australia ranks second on the HDI⁷³ after Norway, with a value of 0.933. Most Southeast Asian countries except for Singapore ranked lower and intermediate (Appendix C, Table 1). Australia has a high average life expectancy of 82.5 years and a gross national income per capita (GNI) of \$41,524 (United Nations 2015). These figures are higher compared to the selected Southeast Asian countries, except for a higher GNI in Singapore.

Table 1 Appendix C Human Development Index 2013 (United Nations 2015)

HDI rank	Country	Value (2013)	Life expectancy at birth in years (2013)	Gross national income (GNI) per capita PPP USD (2011)
2	Australia	0.933	82.5	41,524
9	Singapore	0.901	82.3	72,371
62	Malaysia	0.773	75.0	21,824
89	Thailand	0.722	74.4	13,364
117	Philippines	0.660	68.7	6,381
121	Vietnam	0.638	75.9	4,892

Hiring businesses in the freelance world are predominantly from high-income countries such as Australia, whereas freelancers are mainly from lower-income countries such as the Philippines (Agrawal et al. 2013)⁷⁴.

There are many reasons why Australia has a need to source freelancers from other countries such as the Philippines, but no formal research has been done on this subject. Australia ranks second on the Upwork list of top countries by

⁷³ The Human Development Index (HDI) is a summary measure of key dimensions of human developments such as quality of life and education, but does not reflect inequalities, poverty, human security, or empowerment (United Nations 2015).

⁷⁴ The authors used the 2012 World Bank list of high-income countries to differentiate between high-income and low-income countries.

spend (Elance oDesk 2014), demonstrating that OOBPO has not only arrived in Australia but has become a business concept that can no longer be ignored.

Southeast Asia

Southeast Asia spans the area east of the Indian subcontinent and south of China. It consists of mainland and archipelagos. Broad commonalities among people in this area have been recognised and justify its being a definable world region (Leinbach 2008).

The Australian Government provided an estimated \$66 million to Southeast Asia in 2015–16, including about \$31.3 million to DFAT's South-East Asia Regional Economic Growth and Human Security program to promote peace and economic growth (Department of Foreign Trade n.d.). One increasingly important country in Southeast Asia in regard to OOBPO is the Philippines.

The Philippines

The Republic of the Philippines is an archipelago with 7,107 islands and a population of 107.6 million people (in 2014), about half of them living in urban areas (Lee et al. 2014). Having been colonised by the Spanish for about 300 years, the Philippines were also a US colony from 1898 to 1946. Two official languages are present, Filipino and English, the latter being spoken with a slight American accent. This accent distracts from the fact that workers are located in Southeast Asia when they do phone or video calls with clients, a feature that can be very attractive to Western businesses. Accents can be an issue as they can be associated with poor customer service and communication. For this reason, call centres in India provide speech training to cover local accents (Cowie 2007; Nadeem 2011).

The Gini is an index developed by the statistician Corrado Gini that measures the income and wealth distribution of a country.⁷⁵ The Philippines had a Gini index of 46.05% in 2012 (Philippines Statistics Authority 2012) and an employment rate of 93.6% in April 2015 (Philippines Statistics Authority 2015). Australia had a Gini

⁷⁵ A Gini index of zero refers to perfect equality with all values being the same. A Gini index of zero could refer to a country where everyone has the same income.

index of 33.7% and an employment rate of 73% (15–64-year-olds) in 2017 (OECD 2018). In the Philippines, inequality is higher, but the employment rate is higher as well. The high employment rate is related to the changes in the economy during recent decades. BPO first came into the Philippines in the 1980s through SPi Global, and since then has made a considerable impact on its economy, with a significant growth spurt after 2000 led by call centres (Lee et al. 2014). The BPO industry's sales revenues are constantly increasing. According to the OECD (2013), the key economic priorities for the Philippines are (i) job creation, (ii) improving resilience against natural disasters and climate change, and (iii) promoting the development of the country's poorer regions, in particular the island grouping of Mindanao. Natural disasters such as earthquakes, flooding, and typhoons are common and need to be in the mind of Australian businesses engaging with the Philippines, as emergency and alternative planning in such cases will be needed.

Appendix E – Questionnaire

This questionnaire was part of the data collection and supplemented the interviews.

Questionnaire

This questionnaire collects some basic information that is used to inform the researcher of the demographics of the interview participants.

Project Details

Title of Project: The influence of culture on relations between online offshore business process freelancers in the Philippines and Australian SMEs who use their services

Human Research Ethics Approval Number: H17REA109

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Form

Please fill out the following questionnaire:

ID	#
First name	
Gender	
Age	
Primary language at home	
Education/profession	
Years of work experience	
Years of work experience in virtual environment	
Main platforms used to source work	
Type of jobs you usually do	
Number of different jobs usually done over a month	

Please fill out questions on next page.

1. The list below contains different factors that can cause conflict. How often did you or your colleagues experience conflicts that were caused by each of these factors? Please insert X in the boxes that applies.

	Never	Rarely	Sometimes	Regularly	Often
Cultural differences					
Communication					
Technology					
Flexibility (leave, working hours, deadlines)					
Behaviour of supervisor					
Behaviour of colleagues					
Company philosophy					
Work conditions					
Lack of training					
Hourly rate/pay					
Payment methods					
Performance level					
Time differences					
Working hours					
Internet connection					
Language					
Misunderstandings					
Different levels of work commitment in team					
Unclear client objectives					
Unsatisfying reward/bonus system					
Expectations of client					

2. If you could choose, what would you prefer: Insert X in the box that applies (only tick one).

Work more hours at your current hourly rate (more income, less free time)	
Work fewer hours at a higher hourly rate (same income, more free time).	

3. If you could choose between two employers, which one would you choose? Insert X in the box that applies (only tick one).

Cosy, pleasant place to work, cordial colleagues	
Clear targets and structures, professional colleagues	

4. The list below contains different attributes of a team manager / supervisor. Think about your own experience and select the three attributes that you find most important in order to build successful supervisor-team member relationships. Select three attributes by adding an X in this column.

	Insert THREE X
Open communication	
Professionalism	
Commitment	
Clear expectations and rules	
Trust	
Honesty	
Integrity	
Fairness	
Friendliness	
Consistency	
Generosity	

5. What gives you more satisfaction:

b) achieving personal goals at work?	
b) achieving team goals at work?	

Thank you for taking the time to help with this research project. Please return this sheet to the researcher.

Appendix F – Coding

The coding approach used was that described by Richards (2008).

1. **Descriptive coding.** Demographic information about the participant (such as age, gender, family composition, etc.). This information aided in comparing interview participants and added to the data collected in the questionnaires and from Upwork directly.
2. **Topic coding.** This relates to all information that could be categorised into certain topics and sub-topics. Topics were either closely linked to the questions asked or could also be newly emerging topics. Having data sorted into topics allowed the researcher to reflect on how the data were linked. Topic coding was done in cycles: While the first cycle led to vague and broad topics, the next cycles led to more precise topics. In each cycle, the codes were adjusted, dropped, renamed, or new ones added, until in the last cycle the final codes were selected.
3. **Analytical coding.** This refers to the last step of coding. Once data were categorised into topics, new ideas appearing from those topics could be examined. These ideas served as a foundation for the discussion and were also used to develop strategies to improve relationships between freelancers and clients.

Appendix G – Interview information and demographics of participants

The participants' demographics overview is provided in following table created by the author using the questionnaires and acquired data.

No.	Worked hours	Age	Gender M/F	Duration (min)	Primary language at home	Education/profession	Years of total work experience	Years of work experience in virtual environment	Type of usual jobs	No. of different jobs usually done over a month***
1	>1,000	43	F	54.43	Cebuano	Bachelor of Science in Computer Engineering / VA – Project Manager	10 years	9 years	Administrative/project management/recruitment	3
2	>1,000	33	F	57.54	Cebuano	BSIE/Freelance Virtual Assistant	11 years	4 years	Admin assistance, reports, business process documentation and improvements	2
3	>1,000	30	F	53.29	Hiligaynon	Bachelor of Science in Nursing	8 years	2 years	Sales, data collection, data entry, customer service, Web research	1–3
4	3,264	43	M	81.31	Tagalog	BS Mechanical Engineering/Freelancer – home-based	10 years	7 years	Proofreading, data entry, Web research, chat support	1
5	4,575	33	F	32.56	Hiligaynon/English	College degree and freelance Virtual Assistant	10 years	>5 years	Appointment setter	2
6	1,831	43	F	40.35	Tagalog	Freelancer (formerly Call Centre Agent)	12 years	2 years	Telemarketing, virtual assistance	3
7	4,270	36	F	39.38	Filipino	Bachelor's in Secondary Education	12 years	4 years	Virtual assistance, transcription, support	3
8	>1,000	40	F	N/A	Filipino	College Graduate	12 years	3 years	Data entry, Web research, calendar management, email handling, travel booking, etc.	8
9	>1,000	24	M	42.39	Visayan/Cebuano	College-level	3 years	18 months	Project management, Web content writing	1
10	13,836	40	F	50.51	Tagalog	Units in Master's in Public Administration	20 years	7 years	Project management, virtual assistant, customer support	10
11	>1,000	31	F	35.37	Tagalog/Filipino	Bachelor's Degree in Information Technology	11 years	6 years	Project management and QA	4
12	4,087	46	M	N/A	Filipino	College Undergrad – 2nd year	10 years	7 years	Data entry, Web research	2
13	19,527	35	F	39.13	Filipino	AB Psychology	15 years	7 years	Customer service, social media management, research, executive assistant	2
14	3,098	25	F	42.42	Filipino /Tagalog	Registered Nurse	3 years	1 year and 4 months	Customer support, virtual assistant	2
15	>1,000	22	F	24.48	Tagalog/Filipino	Graduate of BS in Information Technology/CSR/TSR	1 year and 6 months	1 year	Cold calling, customer service representative, technical support, sending email to clients, language transcription	2
16	2,124	30	F	32.57	Filipino	Senior Manager	4 years	3 years	Managing, social media marketing	2
17	7,978	22	F	N/A	Tagalog	College Undergraduate	4 years	3 years	Data entry, Web research, product listing	3

No.	Worked hours	Age	Gender M/F	Duration (min)	Primary language at home	Education/profession	Years of total work experience	Years of work experience in virtual environment	Type of usual jobs	No. of different jobs usually done over a month***
18	2,259	28	F	34.23	Filipino/Visaya	Home-based Virtual Assistant	8 years	2 years and 5 months	Virtual assistant, customer support, marketing, WordPress, SEO, sales, social media manager	N/S (Changing)
19	13,403	37	M	29.51	Filipino	College	10 years	5 years	Virtual assistant	3
20	7,299	29	F	46.24	Filipino	Tertiary/Freelancer	4 years	3 years	Virtual assistant: customer service like email or call vendors and users, data entry, billing, quality assurance or quality check proofreading/review editing and management	2
21	1,477	47	F	38.2	Filipino	AB Economics/VA – Writer	27 years	7 years	Blog/article writing, website content updates ()	3
22	2,685	33	M	N/A	Filipino	BSc in Computer Science/Email Marketing Specialist	17 years	9 years	Email marketing related jobs	4
23	6,832	31	F	36.16	Visayan	College Graduate/Professional Teacher	7 years	5 years	Customer-service jobs	1
24	4,073	33	F	52.34	Filipino	College graduate/Registered Nurse	11 years	2 years	Customer support/ virtual assistance	6
25	6,085	23	F	44.12	Filipino	Freelancer	5 years	4 years	Customer service	2
26	3,473	31	M	36.14	Filipino	N/S	9 years	6 years and 5 months	Content writing, editing, proofreading, team management	1
27	5,925	40	F	32.07	Tagalog	Virtual Assistant	15 years	2 years	Amazon customer support manager, amazon book marketing, human resource and social media managing	3
28	6,191	23	M	22.42	Filipino	Computer Technician, Data Entry Professional	3 years	2 years	Data entry and Web research	3
29	2,538	42	F	57.27	Filipino	Graduated – BSc in Management	15 years	5 years	Research, data entry, English tutorial	2
30	1,774	37	F	37.49	Tagalog	College Undergraduate/Customer Service	10 years	1 year	Customer service – email	1
		Range: 22–47 yr. Mean: 33.67 Mode: 33 Median: 33 (Calculated with Excel)	25 Females 5 Males	Total: 1091.92 min Mean: 41.99 min Median: 39.25 min Mode: Not applicable Standard deviation: 12.41 (Calculated with Excel)		No. of freelancers who have a BSc or higher: 11	Range: 18 months to 20 years	Range: 1 to 9 years		Range: 1 to 10

Appendix H – Quality of transcripts

This Appendix explains how a high quality of interview transcripts was ensured.

1. Interview checks for accuracy of transcription

Audio files

The interviews were carried out in English. The interviewer speaks English fluently with a slight German accent and has communicated with Filipinos for many years. Most of the interviewees had excellent English skills. On some occasions, an interviewee did not understand a question but that was more related to the phone connection. The Skype connection was good most of the time. In cases where the connection was choppy, either questions were repeated, or a new phone call was made. In general, the audio quality of the files was good. In some interviews, there was background noise from the interviewee's end.

Transcript checks

- All transcripts checked: Two samples per transcript (from subsequent questions) and one sentence were checked in each sample. Only responses from participants were sampled (as questions did not vary a lot).
- Accuracy calculation: Errors divided by number of words in sample.
- Samples taken: Random from first question, then second, third, etc. The exception was when the answer was too short, such as a simple 'yes' or 'I see'.
- Not considered as errors: Not recording 'emmm', leaving out repetition of words, or when the transcriptionist left out an interviewee correcting themselves because of a mispronounced word.
- The note 'Minor!' means the transcriptionist did not write down additional words, or left them out, but that this does not influence the text, change its meaning or flow in any way. E.g., most commonly, several freelancers said 'You know' frequently, and the transcriptionist did not always write that down. Minor also refers to situations when interviewees stuttered.

Outcome

The transcripts were accurate and only some minor errors were found, none of them changing the context of the text in any way. Not a single major error was found. The English was very good, and no spelling errors in the transcribed text were found (as assessed by the researcher's language skills). Accuracy was calculated with an average (mean) of 98.90%

2. Checking of all highlighted words/sections (by transcriptionist) in transcripts

The transcriptionist left highlights in the transcripts whenever he felt he did not fully understand a word or section. All highlights were counted in each transcription (each highlighted section was counted as one independent of the number of words) and compared to the audio file by the researcher, who had also carried out the interviews. The highlights were removed in all cases. In most cases, the solution was very obvious, as the researcher either remembered the section from the interview, recognised her own voice better, or could clarify the words/sections from the context. If it was not obvious, the researcher's understanding of a section was considered superior, the best possible option chosen, and the highlight removed.

Outcome: A total of 161 highlights were checked, 138 (86%) of which did not require amendment. The remaining 33 highlights were easily corrected as they were obvious to the researcher.

Appendix I – Xine

The following information serves as an introduction to Xine, an Australian SME that the investigator of this project has been working for since 2009 ([Chapter 1.4](#)). Her involvement with Xine was a motivator for this study as she was involved in establishing relationships with freelancers from all over the world, including the Philippines.

Information about Xine

Xine is a small business that was established in regional Queensland (Toowoomba) in 2006 and relocated to Brisbane in 2016. It is an Australian-based, privately owned business with currently about 80 full-time employees and a few hundred part-time contractors. Xine offers translations, interpreting, and marketing services in over 150 languages and dialects, including indigenous, emerging, and rare languages. It is a well-known brand in the area of high-end certified translations and has established solid business relations with legal practitioners, law firms, and medical firms. It also holds several contracts with government departments and official authorities, such as the Federal Police.

Xine employs NAATI-certified Australian-based translators and interpreters and has an office for administrative staff in Brisbane. However, for all other business areas, staff from overseas are hired (OOBPO) as freelancers on a contract basis. This includes project management, quality management, business administration, customer service, design, website programming, and SEO. The business has used OOBPO extensively in many functional areas, and sourced freelancers in a broad range of countries for the last 12 years.

The vision statement of Xine reads as follows:

‘Our vision in the division of certified translations is to be the Australian market leader.’ (Xine 2012).

The mission statement reads as follows:

‘Our aim is to help people successfully handle their international affairs by providing a high-quality translation service. Our primary stakeholders are government departments, legal practitioners, businesses and non-profit organisations that are exposed to foreign-language documents. Reliability, honesty and diligence are our core values that enable us to make a positive contribution to the affairs of our clients. It is our sole core purpose to facilitate our clients’ lives by providing a reliable documents translation service – on time, on scope, on budget.’ (Xine 2012)

Appendix J – Xine’s social integration efforts

This information is based on the researcher’s knowledge and experience at Xine and explains how Xine aims to improve the integration of its freelancers.

Communication

Xine uses Slack as an internal communication system. This messaging app allows the administrator to create groups for certain topics in which meetings take place or certain topics can be discussed as well as one-on-one chats or meetings with certain workers. The members of the chats can be selected by the administrator and can be easily added to or removed from a group.

There is a free and a paid version of Slack. The paid version is costly and Xine has calculated that in their case it would add up to about \$3,000 per year. However, they successfully use the free version, which is able to send 10,000 messages, but the older ones are removed and files can only be saved for 1 day. This is sufficient for a small company like Xine, although large companies may need the paid version or a different app.

In their Slack chat system, Xine has integrated a chat room called ‘watercooler’. While all other chat rooms serve strictly professional communication purposes, this room is intended to work like a watercooler in a traditional office; here, workers can gather to have a quick chat and exchange news or friendly words. It is well used by Xine workers, and it is not unusual to see photos of new family additions or pets here.

Hierarchy

Xine employs a full-time dedicated team manager whose key tasks include communicating with the team, solving team-related problems and misunderstandings, and fostering interactions and open communication.

Xine has established a hierarchy in which workers are grouped into smaller teams with a team leader as a point of contact, to ensure that workers have a superior they can talk to if any issues arise. These points of contact are trained to act on behalf of their team members and to escalate any issues. However, all workers at all times have the option to contact the senior team manager or management directly. If workers contact management with suggestions to optimise processes that are then put into practice, they usually receive a reward that is proportionate to the benefit their suggestion has to the company. This has led to many improvements over the years.