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Moral agency of expatriates in confronting ethical problems

Abstract

Expatriates can confront ethical problems during international assignments that require complex processes to resolve. With the help of a narrative inquiry, this study increases existing knowledge about the ways expatriates understand their moral agency in situations in which they are confronted with ethical problems during international assignments. A conceptualisation of an expatriate's moral agency was developed, and research data were collected through 20 interviews with Finnish expatriates who worked in China and the US. Three forms of moral agency were conceptualised: 'instructed moral agency', 'business-based moral agency' and 'stagnant moral agency'. The expatriates' construction of moral agency was a dynamic and contextual process embedded with rational and emotional considerations. The conclusion drawn from the evidence is that expatriates' moral agency is bounded in varied ways. Moreover, the topic of bounded moral agency can be fruitful for theoretically and empirically examining moral agency in expatriation in the future.

Keywords

Business, ethical problem, ethics, expatriate, moral agency, narrative, organisation, qualitative research

Introduction

With the escalating internationalization of the business world, the need for skilled workers relocating abroad for work has seen a dramatic upsurge (Biswas et al., 2022; Baruch et al., 2016). Businesses need expatriates as strategic partners to ensure the flow of operations and to promote knowledge sharing between headquarters and subsidiaries in foreign countries (Caligiuri & Caprar, 2022; Andersen, 2021; Björkmann & Welch, 2015). Despite this type of workforce must attempt to become culturally agile (Caligiuri & Caprar, 2022), the expatriates face the situation in which the demands of the cross-cultural response is blended with own cultural understanding which can lead to ethical problems that expatriates often must manage locally (Ulumsemre & Fan, 2022). Crane and Matten (2016) noted that, paradoxically, the more global a business becomes, the more affected it is by the local environment, where moral values and practices can differ greatly. For example, a recent study shows when expatriate managers have different ideals of informal networking, they cannot foresee the potential consequences of their networking behavior in the host country, which in turn can result ethical dilemma of favoring (Horak et al., 2022).

Although expatriation has been studied extensively from multiple viewpoints (see for recent reviews Dang et al., 2022; Mello et al., 2022; Biswas et al., 2022; Andersen 2021; Noethen & Alcazar, 2020), we claim that so far there are only limited attempts to combine business ethics and expatriation research (cf. Böhm et al., 2022; Ulumsemre & Fang, 2022). In particular, little is known about the ethical problems expatriates must handle during international assignments (Böhm et al., 2022; Ulumsemre & Fang, 2022). Traditional business ethics theories can offer traditionally two different behavioral models to confront and handle the ethical dilemmas. Firstly, and often

mainstreamed is the ethical imperialism which means an ethical principle in which the ethical dilemma is solved by leaning on in one's home country standards, and by applying those standards considered as 'universal' despite differences of host countries and cultures (Donaldson, 1996). This, however, does not avoid the ethical problems as the country in which the expatriates operate is just belittled or not taken into consideration at all. Secondly, the ethical relativism as a principle signifies the cross-country variations in ethical standards, and therefore what is right or wrong should be judged according to the prevailing local standards (Beauchamp & Bowie, 2001). According to the relativist perspective, expatriates should "go native" and incorporate indiscriminately local norms into handling the ethical problems (Spicer et al., 2004). However, this might in turn lead to a situation where the expatriate is strongly disagreeing with his/her own cultural understanding on the 'preferred' ethical behavior and may involve a large amount of personal discretion but also making it prone to Western-centric bias (Lämsä et al., 2017).

In business ethics and expatriate literature, using universalistic, impersonal standards, and the existence of strong formal governance is often taken for granted (Ulusemre & Fang, 2022). Against this backdrop we argue that expatriates can confront ethical problems during international assignments (Guimarães-Costa et al., 2014) that require much more complex processes to resolve than just follow the 'usual' home country work environment or unilaterally do as in the host country (Böhm et al., 2022; Lämsä et al., 2017). As such, the present study adds to the literature that highlights ways expatriates understand their moral agency to act when they are confronted with ethical problems during international assignments and offers a more nuanced understanding of the problems *per se* encountered by the expatriates and how the rationale and agency is co-

created with own cultural understanding mixed with those of the sending organisation and the host country.

We use an in-depth qualitative narrative study and develop a theoretical conceptualisation of the moral agency of expatriates. By adopting a narrative approach, we see moral agency as socially constructed and situated (MacIntyre, 1996, 1999; Clegg *et al.*, 2007; Pasupathi and Wainryb, 2010). Indeed, in this study, expatriates described and expressed their moral agency through the active narration of events related to their particular experiences (Clegg *et al.*, 2007; Lapsley, 2010). The value of the narrative approach is the access it provides to a narrator's view of world (Bruner, 2004). Moreover, the approach offers an opportunity to tackle the complexity of ethics and morality and understand how expatriates made sense of this complexity (Lämsä *et al.*, 2018). In addition, this approach proposes a way to describe and understand an expatriate's ethical reality. This study makes the following contributions. Firstly, the study adds a business ethics viewpoint to expatriation research, particularly by showing how the theory of moral agency can add to the knowledge of expatriation and by producing a conceptualised account of situated moral agency related to the topic. Although interest in the business ethics aspect of expatriation research and international human resource management (IHRM) research has increased to some extent in recent years, integration of this viewpoint into expatriation research is still rather thin (Al Ariss and Crowley-Henry, 2013; Dabic *et al.*, 2015; McNulty and Brewster, 2020). Secondly, we offer insights to IHRM to improve expatriates' readiness to face ethical problems during international assignments.

Expatriation, ethical problems and moral agency

Based on the literature review we organize the existing research on an ethical dimension of expatriation in three streams of studies: (1) studies that have investigated the content of ethical problems to some extent (e.g. McNeil and Pedigo, 2001; Spicer, Dunfee and Bailey, 2004; Molthan-Hill, 2014; Guimarães-Costa *et al.*, 2014); (2) studies related to differences in home country and host country values (e.g. Bailey and Spicer, 2007; Nie and Lämsä, 2015; Osland, 2000; Tan and Wang, 2011; Ulusemre and Fang, 2022); and (3) research focused on social justice like a gender perspective, especially gender discrimination and inequalities in expatriation (e.g. Insch *et al.*, 2008; Myers and Pringle, 2005; Selmer and Luring, 2011; Tharenou, 2010).

Previous studies have focused on the content of ethical concerns that expatriates face during international assignments (e.g. Guimarães-Costa *et al.*, 2014; McNeil and Pedigo, 2001; Molthan-Hill, 2014; Spicer, Dunfee and Bailey, 2004). For example, McNeil and Pedigo (2001) found that ethical problems were usually related to product quality, invoice alterations, bribery and corruption, trade blocks, information and product rights, theft, violations and racism. Meanwhile, Guimarães-Costa and colleagues (2014) reported that such problems related to lack of security, poverty, social discrepancies, corruption and weak institutions.

At the same time, Spicer, Dunfee and Bailey (2004) showed that ‘hypernorms’ and ‘local norms’ (Donaldson & Dunfee, 1994) affected expatriates’ ethical evaluations and intended behaviours. In ‘hypernorm’ situations, in which universal ethical principles concerning fundamental matters of human existence are considered, national environments play a only a minor role in the expatriate’s actions. In the case of ‘local norms’ – that is, situations in which local communities have their own

moral principles concerning what is right and wrong – the moral orientation of expatriates and local residents can diverge. After conducting a cross-cultural study from an ethical viewpoint involving British and German managers, Molthan-Hill (2014) argued that British managers placed more emphasis on their moral neutrality, while German managers actively used moral arguments over financial justifications.

The differences between the values of the expatriate's home country and those of the host country are a recognised theme in the field of expatriation research (e.g. Bailey and Spicer, 2007; Nie and Lämsä, 2015; Tan and Wang, 2011). In multinational corporations, values are often borrowed from the peripheral elements of the host country culture and blended with a homemade logic into the corporation's values (Bailey & Spicer, 2007; Tan & Wang, 2011). Nie and Lämsä (2015) examined value differences in the context of Western expatriate managers and Chinese employees in China and found that ethical challenges faced by Western managers arose from the Chinese moral values related to *guanxi*, a web of social networks, and that Western and Chinese people tended to understand the morals of *guanxi* differently.

Finally, another research stream pertains to the gender viewpoint of expatriation (e.g. Inch *et al.*, 2008; Myers and Pringle, 2005; Selmer and Luring, 2011; Tharenou, 2010). Inch *et al.* (2008) identified two types of ethical problems in this context. First, should women change their behaviour in a host country due to harmful and constraining gender expectations and stereotypes? Second, what can be done to eliminate the gender biases that exist in companies that can prohibit women from receiving expatriate assignments?

Nash (1990, p. 126) described ethical problems as situations in which one does not know the right or wrong thing to do, also called ethical dilemmas. Empirical studies in the field of business ethics indicate that ethical problems in business organisations are often multifaceted dilemmas with no clear-cut solutions (e.g. Hiekkataipale and Lämsä, 2017, 2019). Moreover, Nash's (1990) definition provides a fruitful categorisation of ethical problems. However, considered from the viewpoint of expatriates's agency, we need also to explain their motivation and performance related to the problem (Geva, 2006). Not all ethical problems existing are neither confronted by the expatriates *per se*, but there are situations when they are aware that wrongdoing occurs outside their influence.

According to Weaver (2006), moral agency refers to being a particular kind of human being as it relates to people's actions regarding ethical issues. Indeed, moral agency is practiced by actors (i.e. expatriates) in pursuit of ethical behaviour (Wilcox, 2012). Wilcox (2012) stressed that moral agency encompasses moral autonomy. Moral agency is an individual's action based on choice that tends to be preceded by a moral struggle (Lowry, 2006). A person's moral agency is connected to previous and current contexts and actions and to the meanings the person gives to them (MacIntyre, 1996, 1999; Pasupathi & Wainryb, 2010; Wilcox, 2012). Bandura (2002) argued that moral agency has dual aspects: inhibitive and proactive. The inhibitive aspect is manifested in the power and motivation to refrain from behaving immorally, whereas the proactive aspect is expressed in the power and motivation to behave morally.

Bandura (2002) identified moral disengagement as useful for understanding moral agency, making this viewpoint necessary to a complete theory of moral agency. Individuals who morally disengage

withdraw from the commitment to morality when addressing an ethical problem. Bandura (2002, p. 103) distinguished the following mechanisms of moral disengagement: moral justification; palliative comparison; euphemistic labelling; minimising, ignoring or misconstruing the consequences; dehumanisation; and attribution of blame. Individuals exhibit moral justification when they rationalise harmful conduct to make it acceptable to themselves and others by asserting the conduct serves socially worthy or moral aims. Palliative comparison is employed when individuals compare harmful actions to more severe harmful behaviours to present the less harmful actions (their own behaviour) in a more positive light and, thus, as appropriate. Euphemistic labelling involves using more respectable and appropriate language to speak of a harmful conduct. while individuals minimise, ignore or misconstrue consequences when they obscure, minimise or even confuse their agentive role in the harm they cause. Dehumanisation is demonstrated when a person is not perceived or considered as human. Finally, according to Bandura, individuals attribute blame when they accuse circumstances of being the source of harmful conduct.

Methods

We used narrative inquiry to study the topic because, as MacIntyre (1996) stressed, narratives are the primary form used to make human experience meaningful. Moreover, through this approach we were able to tackle the complexity of morals in expatriates' experiences (Jackall, 1988; Lämsä *et al.*, 2019). The research data were collected through 20 interviews (10 face-to-face and 10 virtual) with Finnish expatriates. We used the authors' networks to contact expatriates, and employed the snowball technique to identify interviewees (Patton, 2014), all of whom had completed or were engaged in an international assignment. Interviewees included Finnish female

(7) and male (13) current or former expatriates with experience acting in a managerial and, thus, decision-making position in the US or in China. The interviewees were 30–58 years old with 2–10+ years' work experience abroad. The interviews lasted 32–111 minutes and were transcribed verbatim. The key information about the research participants can be found in the table 1.

[Table 1 about here]

We used the critical incident technique (CIT) developed by Flanagan (1954) as our interview method, which involved asking the expatriates to recount one or more of their experiences that involved an ethical problem. Most interviewees (13 of 20) focused on one experience with an ethical problem, while seven described two events. We aimed to know details surrounding the situations, such as the conditions under which the event happened, the circumstances leading to the event, who was involved, the expatriate's feelings about the event, the way the expatriate handled the event, why that approach was chosen and the outcome.

We analysed the data in three phases. First, we read the data many times to become properly familiar with the information. Then, we systemically coded the expatriates' descriptions based on the circumstances and setting of the problem. Next, we analysed various forces that affected the occurrence of the problem and the circumstances of the situation by comparing and contrasting the expatriates' descriptions to assign them into meaningful groups (Patton, 2014). We also further scrutinised the data by group for differences and similarities and re-examined them with the theoretical lens of moral agency. Finally, we synthesised the descriptions into the three narratives

(Pentland, 1999; Sonenshein, 2010) labelled ‘instructed’, ‘business-based’ and ‘estranged’ moral agency, which are presented next.

Results

Instructed moral agency

This narrative was constructed from the interviews of nine expatriates (Nos. 1, 3, 5, 9, 12, 14, 15, 17, 18). The chronicle begins when expatriates encounter an ethical problem described as a wrongdoing (Nash, 1990) related to misinformation and dishonesty and realise that they view truth and honesty differently than other actors involved understand it, as they are expected to engage in behaviour they consider unethical. Thus, the narrative begins with a tone that reflects discomfort and uneasiness.

These ethical problems that the expatriates described involved bribery, corruption, lying and twisting the truth. In this narrative only, the expatriates do not receive complete information and knowledge concerning the problem; moreover, they receive disinformation. In the narrative, the actors involved are the expatriates themselves as company representatives, especially upper management, in the host country, along with staff and officials from the local context. Respondent No. 1 described a problem situation that required assessing a Chinese employee’s honesty:

You don't always know exactly which are coloured stories and which are true, but you do wonder if he has a family to support, and he says that he is the only breadwinner in the family and his wife is at home. Yes, you think about it a little.

Expatriates evaluated the ethical aspect of situations based on values and norms they had adopted that were prominent in their home countries, and this often contradicted what was expected from them in the foreign country working environment. In other words, expatriates' understanding of what is right and wrong was linked to their home country life setting (MacIntyre, 1996; Wilcox, 2012).

The core of this narrative is the clash of truths: In their work in the host country, expatriates may encounter situations that conflict with their understanding of ethical behaviour. However, the problems are connected to other actors' human needs, for instance, a local employee's need to care for family and survive financially. As the narration continues, the problem begins to more closely resemble an ethical dilemma for expatriates: Should they follow the course of action they originally believed was right, or should they close their eyes to the dishonesty out of concern for the quality of life for local staff and, thus, take responsibility for the lives of the local staff on a broader level? Such dilemmas create moral confusion and struggles (Lowry, 2006) for expatriates; hence, the tone of the narrative at this point is confusion. One interviewee (No. 17) highlighted the struggle as follows:

'So, you know that people who make 200 euros in a month, they certainly haven't spent three euros a month on a taxi, so do you accept it or not? But then, where you put a limit (for the money that can be accepted), you must think what to do in this situation.' (No. 17)

Another ethical problem occurred when the company's upper management in the home country shared misleading information with the expatriate, as Respondent No. 18, who worked in the US, reported. Head office top management in the home country directed the expatriate to either make the local unit profitable or shut it down, so the expatriate began gathering information about the unit situation and staff. He described this experience as complicated because he felt that he was betraying local staff and not taking care of them. Moreover, he said gathering relevant, accurate information was difficult. The expatriate aligned himself with close local colleagues whom he perceived to be in the same boat, while also distancing himself emotionally from the local employees who would be laid off. The expatriate explained that the organisation's top management had apparently known before contacting him that the unit had to be closed, despite directing him to investigate another option.

After struggling through the dilemma and contemplating how to balance the needs of the local staff with upper management's request, the expatriate decided to follow the instructions from upper management in the home country, thereby demonstrating that the expatriate deemed compliance with instructions as the appropriate way to manage the problem.

We call this narrative 'instructed moral agency' in this study. Expatriates construct themselves into agents whose morally appropriate action is based on instructions and rules (Pasupathi and

Wainryb, 2010). Even though the expatriates sometimes may feel misled by the instructions, in this narrative they emphasise that their agency is directed by the instructions received from the home country. Thus, they minimise their own agentive role in the potential harm (Bandura, 2002) that the situation may cause to locals.

The tone of this narrative becomes more certain at the end, the certainty promoted by the expatriate's decision to follow company instructions as an appropriate way to address the problem. In this narrative, expatriates' agency in the pursuit of ethical behaviour – a crucial feature of moral agency (Bandura, 2002; Weaver, 2006; Wilcox, 2012) – is constructed as directed by their duty as a professional manager committed to instructions and rules, that is, the 'local norms in the home country' (Donaldson and Dunfee, 1994) dictated by a higher organisational authority in the home country. In this narrative, expatriates used the instructions they were ordered to follow to justify their actions. They placed the possibility of being free moral agents (Pasupathi and Wainryb, 2010; Wilcox, 2012) within the instructions; thus, their moral agency was bounded in this way. The tone of this narrative, then, changes from discomfort to confusion and, finally, to certainty that following the home country upper management's instructions is the right way to address this ethical problem. The expatriates, thus, finalise construction of their own moral agency, which they evaluated as relatively positive in this narrative.

Business-based moral agency

This narrative was conveyed through eight interviews (Nos. 4, 6, 7, 8, 10, 17, 19, 20). As with 'instructed moral agency', this narrative begins when expatriates perceive an ethical problem of

wrongdoing. The expatriates mentioned an employee's illegal behaviour, workplace bullying, lack of safety, employee discrimination and corruption as ethical problems encountered, and they identified the expatriates themselves, local and Finnish staff and local stakeholders as the actors involved. One expatriate (No. 8) described the following situation in which a local employee committed an unethical act:

'Of course, workplace bullying occurs in Finland, too, but it appears in a more concrete way here in the US. Some tricks were played in the workplace that some may find humorous, but in truth, they were not funny at all. For instance, an employee working the night shift greased the underside of a day shift employee's table. The day employee arrived at work wearing light trousers; he sat down and soon after noticed that his trousers were stained with a dirty red substance. Of course, all the other employees knew who had played this trick. I had to take drastic measures to tackle the problem so that our warehouse operations could continue successfully.' (No.8)

In this narrative, unlike in the 'instructed moral agency' narrative, the expatriates are not hesitant or uncertain of their actions in the situation. The respondents stressed that, despite these problems, local operations in the host context had to run smoothly so the business succeeds. Thus, the expatriates placed priority on making clear-cut decisions that ensured business operations would continue successfully. Although expatriates may negotiate with trusted local or Finnish colleagues on how to proceed to implement their decided actions, still, they were certain of the appropriateness of the decisions themselves.

For instance, an expatriate (No. 17) discussed a situation she faced in which a Finnish employee had gotten into trouble with local authorities for paying for sex. The expatriate knew that paying for sex was not only illegal in China but also strongly prohibited by company instructions. She described negotiating with her close Chinese colleagues, the office manager and chauffeur. She first acknowledged that paying for sex in China is a criminal, punishable offence. Then she advised her colleagues that this is the type of situation that should not be shared with anyone else in the company. Contrary to the company instructions, she recounted that this kind of sensitive issue cannot be discussed and made visible in the organisation because doing so would damage the business and the company reputation.

Another example related to choosing not to follow company instructions in order to successfully manage a situation involved corruption:

'I think that difficulty comes when you know that, in this business, it is ordinary to offer customers something, such as lunch, to take customers to a sport event, to buy tickets, to pay for them to get in, and to pay them in general, and so on. But in practice, according to our company regulations, this is not allowed. But then, you see that the competitor does this. The competitor buys entire enclosures and rents them out and invites many people to events. This is tolerated here [in China], and makes it easier to get a big business deal. An atmosphere becomes different from a formal meeting, of course. However, I think that these manners are reasonable and similar to what other companies do. So, it kind of feels funny that your own company regulation doesn't allow this.' (No. 6)

The expatriate continued to explain that ensuring smooth business operations and successful results requires some 'extra supportive' efforts. He was also clearly aware that such actions conflict with the organisation's instructions and rules, but he justified the behaviour that deviated from the rules as 'acceptable' because other companies did the same and because such behaviour was useful for facilitating successful business operations. In this example, the expatriate engaged in noncompliant actions believing the action was justified on business grounds (Bandura, 2002).

In this narrative, expatriates define themselves as playing a centre stage protagonist role, as their main responsibility was to ensure smooth business operations and business success in the host country. Consequently, when an ethical problem occurred, they solved it by drawing on this responsibility. Expatriates' business-based actions may result in ethical behaviour, as was the case concerning workplace bullying. However, if necessary to ensure successful business results, expatriates may choose unethical options, such as corruptive behaviour. In such cases, expatriates disengaged themselves from ethical behaviour by deeming external and situational pressures and customs so powerful and important (Bandura, 2002) that no other action to achieve the desired business results was possible.

In this narrative, expatriates construct themselves as agents whose right action is based on business success (Pasupathi and Wainryb, 2010). Furthermore, expatriates' decisions on how to address ethical problems are based on their estimations of the pros and cons for the business and its operations – an interpretation of a utilitarianism approach in business ethics that assumes that wrong and right are defined by concentrating on the outcomes of actions (Crane and Matten, 2016). The expatriates made evident that they justified their actions in solving ethical problems as

necessary to fulfil their duty to ensure smooth operations and business success. This can lead to taking what they consider to be ethical actions but may also lead them to act against home company regulations and even local law. Expatriates may feel some hesitation about the rightness of their actions in the latter case; nevertheless, the narrative ends with the expatriates emphasising that smooth operations and successful business results are of primary relevance in determining their actions and, thus, the right norm to follow to manage the problem, emphasising their economic responsibility for promoting successful business operations and results in the host context.

In general, after the initial discomfort in this narrative when expatriates become aware of the ethical problem, the tone becomes neutral, certain and even positive. The neutral tone is related to the ethical problem itself – it needs to be solved. The positive tone reflects the satisfaction the expatriates feel in being certain about the appropriateness of their actions to address the problem from the firm's viewpoint. Hence, they do not exert too much energy considering the problem in a more complicated way. As in the 'instructed moral agency' narrative, the expatriates' moral agency becomes constructed as finalised in this narrative. Their moral agency (Pasupathi and Wainryb, 2010; Wilcox, 2012) was established and bounded within their economic responsibility and the smooth business operations of the company.

Stagnant moral agency

The 'stagnant moral agency' narrative was detected in five interviews (Nos. 2, 10, 11, 13, 16). The narrative starts as expatriates identify persistent and severe ethical problems in the host country context that are beyond the expatriates' control. Thus, this narrative differs from those of

‘instructed moral agency’ and ‘business-based moral agency’ as the expatriates do not understand themselves as free agents, even within specific parameters (i.e. company instructions and business success); instead, they argued, they were unable to influence the problems.

The problems mentioned were related to large-scale environmental and social issues deeply rooted in society, which affected the daily life and operations of the company and society in general. The expatriates noted that the actors involved in these problems were expatriates, their family members, local employees, authorities, legal representatives from the local context and people in general. The overall tone of this narrative is powerlessness, and the tone remains stagnant throughout the narrative. The problems in the host country context that the respondents described concretely related to environmental hazards like air pollution, deeply rooted discrimination and the widely accepted custom of misusing organisational benefits. Therefore, the problems in this narrative can be seen as breaking universal ethical principles, or ‘hypernorms’, concerning human existence, equality, protection of the environment and human life and duty over personal rights (Donaldson and Dunfee, 1994).

Air pollution was cited as a major problem in China. The expatriates considered it a serious ethical problem not only for locals but also for themselves and their families, and they felt especially guilty about its impact on the well-being and health of their family members, who had moved to China because of the expatriate’s work there. One respondent (No. 10) mentioned this problem, explaining that pollution existed everywhere and that breathing polluted air affected all aspects of life. Pollution was acknowledged as an ongoing systemic problem that individual expatriates could not tackle alone. This problem was highlighted by interviewee No. 2:

'In China, the problem is that when I look out of the window, the situation here is absolutely shocking in terms of pollution. What is difficult for the Chinese economy is that, and this applies to all Western and Chinese companies, we are in a growth spurt, but similarly, this system is creating a bigger and bigger environmental disaster.' (No. 2)

Another respondent (No. 11) told of a widely accepted and deeply rooted custom in China that organisational prosperity can be used for private purposes, thus the 'hypernorm' concerning responsibility for personal obligations tended not to be respected. The expatriate described a specific case concerning expatriates' right to use company-owned vehicles during international assignments. In this case, the car was used for work purposes but also for leisure activities. According to the respondent, this was a common practice for some time, but one year the auto expenses were exceptionally high, and as a result, the company investigated employee vehicle usage. The investigation uncovered that the driver of one car, who was responsible for completing a travel diary, marked non-existent trips to the diary and charged the money twice. The expatriate said local management fired the driver, but many other parties were generally known and allowed to follow the same practice, yet these parties were not actively pursued for the infringement. The expatriate was sure the actual villain in the problem remained an open question:

'The driver was dismissed. Everyone else washed their hands and said that now we caught a big crook. Surely, the driver performed the least criminal act. There were more people involved in this situation than one driver just faking a few miles.' (No. 11)

In this case, the expatriate felt unable to delve more deeply into the problem to reveal the systemic unethical practice. Unique to this narrative is that the problems were not incidental ethical problems but persistent, systemic, ongoing problems that existed across society at large. When the narrative continues, especially regarding concern about the environment, the expatriates' family members and employees become more evident. Consequently, the expatriates use ethical understanding related to care and empathy (Crane and Matten, 2016) to reflect the problematic situation. Although they are worried about the problem, their ability to change the situation and to eliminate the problem is constructed as non-existing. This can be interpreted as a shifting attribution of blame and distancing responsibility from the expatriates themselves to external conditions in the host society and diminishing their own role in affecting the conditions (Bandura, 2002). This can lead the expatriates to choose not to act, despite constantly facing these problems, thereby leaving the problem unresolved.

The outcome in this narrative is completely bounded moral agency. In the end of the narrative, the expatriates may feel some exhaustion because of these problems, but they emphasise that they had no agentic space within which to take what they understood to be the appropriate action. The narrative is negative and stagnant by nature, powerlessness is its overall tone, and includes no clear ending point.

Discussion and conclusion

This research showed, in line with the results of previous studies (e.g. Böhm *et al.*, 2022; Guimarães-Costa *et al.*, 2014; Lämsä *et al.*, 2017; McNeil and Pedigo, 2001; Molthan-Hill, 2014; Spicer, Dunfee and Bailey, 2004), that expatriates can confront complex ethical problems during international assignments. As shown here, some such ethical problems pertain to minor, local micro-practices in the workplace, while others relate more broadly to the customs and culture of an organisation in the home and host country locations. Moreover, large-scale, macro-level sociocultural problems were detected in this study. From the perspective of the previous conceptualisations of ethical problems in business ethics (Geva, 2006; Nash, 1990), we argue conceptualisations of the problems, especially in the field of expatriation, would benefit from adding a new viewpoint. In the previous business ethics literature (Geva, 2006), an agency perspective tends to be seen from an agent's motivation and intention viewpoint. Moreover, a general dichotomy of wrongdoing and ethical dilemma is used in the studies (Nash, 1990). Based on our findings, agents' perspectives, such as expatriates' understanding of their capability to act in the problem, seem to be fruitful viewpoint to add to the conceptualisation. We found that the capability mattered and seemed to depend – at least partly – on the level of the problem. This viewpoint has not received explicit focus in prior conceptualisations (Geva, 2006; Jones, 1991; Nash, 1990). We suggest this topic merits further research. In general, more advanced theorising concerning ethical problems in expatriation needs to be developed.

Theoretically, our primary aim, with the help of a narrative approach (Bruner, 2004; Lämsä *et al.*, 2019; Lapsley, 2010; MacIntyre, 1996, 1999; Pasupathi and Wainryb, 2010), was to produce a conceptualised account of moral agency in ethical problems that expatriates confront during international assignments. Three forms of moral agency were conceptualised and presented:

‘instructed moral agency’, ‘business-based moral agency’ and ‘stagnant moral agency’. Expatriates’ moral agency was shown to lack stability, but as suggested, for example, by MacIntyre (1999), the construction of moral agency is a dynamic and contextual process embedded with rational and emotional considerations. We suggest that expatriates did not exhibit any one, single form of moral agency; instead, the form and occurrence of their moral agency is shaped by various factors, especially the nature of the problem but also the situation and the organisational and wider sociocultural contexts. This finding supports the issue-contingent model of ethical decision-making (Jones, 1991) and contextual approaches to ethical decision-making (e.g. Clegg *et al.*, 2007; Hiekkataipale and Lämsä, 2019; MacIntyre, 1996, 1999; Weaver, 2006) especially in the field of expatriation. In general, in line with our starting point, the empirical findings of this study support a growing body of literature that stresses that the concept of business ethics – in this case, in the field of expatriation – is contextual by nature (e.g. Clegg *et al.*, 2007; Jackall, 1988; Lämsä and Hiekkataipale, 2019; MacIntyre, 1996, 1999; Pasupathi and Wainryb, 2010).

We conclude that expatriates’ moral agency can be bounded in varying ways. In this study, professional duty to follow company instructions, the need to achieve certain business results and pressure to adapt to large-scale societal problems were found to be bounding factors that formulated the expatriates’ narrative judgments of their moral agency. We suggest that the idea of bounded moral agency can be fruitful to theoretically and empirically studying moral agency in expatriation in the future. In future studies, other forms of bounded moral agency in expatriation can be compared to our findings. In empirical studies, more versatile samples are needed.

Seen from the viewpoint of practice, the results of this study raise awareness of ethical problems in expatriation. This knowledge helps organisations and their IHRM practices to adopt proactive measures, such as training, coaching and mentoring, to prepare expatriates for encountering the problems they are likely to face in their work in different cultures. Moreover, organisations need to develop measures such as corporate and HRM responsibility strategies, value statements, ethical codes and instructions and process definitions on how to deal with problems appropriately in different locations (Crane and Matten, 2016). Finally, we must promote cooperation between and understanding of different cultures to advance both good intercultural relationships as well as responsible IHRM practices and responsible business in general.

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Table 1. Key information about research participants

No.	Age	Gender	Host country	Title/ Job description	Years of expatriate experience in recent location and years of expatriate experience in total
1	33	Male	U.S.	Financial Controller	2(2)
2	53	Male	<u>China</u>	Senior advisor partner	3 (22)
3	30	Male	China	Project director	4 (4)
4	41	Female	China	Operational development	3 (3, at the time of the interview still abroad)
5	38	Female	U.S.	Researcher	2 (no information)
6	48	Male	<u>U.S.</u>	Head of technology	2 (5)
7	42	Male	China	Product development manager	6 (6)
8	37	Male	U.S.	Project manager	1,5 (1,5)
9	45	Female	China	Global technology manager	3 (3)
10	43	Female	China	Communications specialist	4 (4, at the time of the interview still abroad)
11	58	Male	<u>U.S. and China</u>	Product manager	4 (8)
12	45	Male	U.S. and China	Senior Consultant	1 (2)
13	34	Male	China	Entrepreneur	3 (3)
14	45	Male	U.S.	Global HR manager	2 (2)
15	36	Male	<u>U.S.</u>	Global sales manager	3 (6)
16	46	Female	<u>U.S</u>	Manager	1 (12, at the time of the interview still abroad)

17	49	Female	<u>China</u>	CEO	4 (6, at the time of the interview still abroad)
18	39	Female	<u>China</u>	Financial manager	5 (8)
19	41	Male	<u>China</u>	Head of IT	2 (11)
20	29	Male	China	Production line manager	2 (2)