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ORIGINAL PAPER

A Narrative Enquiry About Expatriates' Situated Moral Agency in Confronting Ethical Problems

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Abstract
Expatriates may have to confront ethical problems during their international assignments that are difficult to resolve. By conducting a narrative enquiry concerning expatriates' lived experiences, this study reveals the actions they understand as morally right in situations that raise ethical problems during their international assignments and how they justify those actions. We drew research data from 20 interviews with Finnish expatriates who worked in China or the United States (US). Relying on basic tenets of moral agency theory, we conducted a narrative analysis of the data to theorize the expatriates' actions and identified three forms of moral agency: "instructed moral agency", "business-based moral agency" and "stagnant moral agency". The expatriates' narrative construction of moral agency proved to be a dynamic process influenced by both rational and emotional considerations—they are not only contingent on their specific situatedness but also ambiguous, contradictory, and, at times, strategic. We propose that situated moral agency is a useful concept for theoretically and empirically examining expatriates' moral actions in the future.

Keywords Business ethics · Human resource management · Expatriate · Ethical problem · Moral agency · Situated moral agency · Narrative enquiry

Introduction

Businesses need expatriates as strategic partners to ensure smooth operations and promote knowledge sharing between headquarters and subsidiaries in foreign countries (Andersen, 2021; Caligiuri & Caprar, 2023; Dabic et al., 2015). Despite the expatriate workforce needing to be culturally agile and boundary spanners (Caligiuri & Caprar, 2023; Furasawa & Brewster, 2019), expatriates may face discrepant situations in which the host country's norms and values do not align with their own ethical attitude and understanding, which can lead to ethical problems that expatriates must manage locally (Lorenz et al., 2020; Ulusemre & Fang, 2022; van Bakel, 2019). For example, recent studies have shown that when expatriate managers have different understandings of informal networking, they cannot foresee the potential 'dark side' of their networking behaviour in the host country, which, in turn, can result in the ethical problem of favouring (Horak et al., 2022; Nie & Lämsä, 2015). In this view, if businesses are serious to absolve the ethical lapses in an international environment, they must delve deep into management systems and organisational practices on top of understanding the local cultural norms and social values (Ermasova, 2021; Ljubica et al., 2024).

Based on narrative enquiry into expatriates' lived experiences, this study examines how they exercise moral agency in confronting ethical problems during international assignments and how they justify their actions. Expatriate assignments are characterized by high autonomy, information

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asymmetry, and monitoring difficulties due to large cultural and geographical distances (Lorenz et al., 2020). Traditional business ethics theories for expatriate assignments offer three behavioural models for addressing ethical issues (Donaldson, 1996; Tobin, 2007; Enderle, 2015). First, the imperialist model resolves ethical problems by applying home country standards universally, regardless of local norms (Donaldson, 1996; Enderle, 2015). Second, ethical relativism suggests that ethical judgments should align with prevailing local standards (Spicer et al., 2004; Tobin, 2007; Ulusemre & Fang, 2022). Third, integrative social contract theory (ISCT) seeks to reconcile these approaches by proposing that both fundamental universal standards—hypernorms—and local norms should be considered, allowing expatriates to uphold universal principles while respecting local traditions.

The intersections of occurrences, derived meanings, and contexts shape ethical decision-making (Sonenshein, 2007; Stephens & Kanov, 2017), emphasizing the importance of situational and temporal conditions (Bamberger, 2008). Our research premise is that expatriates' discernment of appropriate conduct in addressing ethical problems is more nuanced than merely adhering to the imperialistic standards of their home country or unconditionally embracing the relativistic norms of the host nation (Böhm et al., 2022; Ulusemre & Fang, 2022). For example, Ulusemre and Fang (2022) illustrate the rigidity of hypernorms in practice through their study of expatriates in China, focusing on the local custom of guanxi (Nie & Lämsä, 2015).

According to ISCT, hypernorms form a necessary condition for lower-level local standards (Scherer, 2015), but the idea of universal hypernorms has been criticised as vague, arbitrary, biased, and difficult to define. Scherer (2015) contended that the standards and institutions underpinning hypernorms are often contested, emerging from power imbalances between opposing interests, as well as differing ideological and epistemic positions. Drawing on the ISCT, Ulusemre and Fang (2022) argued in their study of expatriates in China that hypernorms are less definite than the theory suggests, focusing their research on Chinese guanxi, a local informal social networking tradition (Nie & Lämsä, 2015). Our research begins with the premise that expatriates, through narrating their lived experiences, offer insights into the practical challenges and ethical problems they face. These accounts reveal the limitations of the imperialist model's cultural insensitivity, the moral flexibility of ethical relativism, and the tendency of ISCT to oscillate between positions.

In line with Clegg et al. (2007), we believe it is important for ethical topics to be investigated from the viewpoint of practice. Clegg and colleagues stressed that revealing and openly discussing the problems people in organisational life (e.g., expatriates in international companies) experience and understanding their various choices of actions regarding these problems is an important step towards ethically informed management. Instead of aiming to define normative standards (local, universal or a combination of both) to guide expatriates' actions (Ulusemre & Fang, 2022), this study seeks to explore expatriates' lived experiences through narrating and aims to address the following research question: How do expatriates make decisions and enact in practice while confronting ethical problems during international assignments?

We employ a moral agency framework as the foundation for our exploration and theorization of the topic. Moral agency refers to the capability of individuals, such as expatriates, to exercise their agency in the pursuit of ethical practice and to act in accordance with their evaluations of what is right (Weaver, 2006; Wilcox, 2012). Instead of using theories of rational reasoning, such as univocal social–psychological developmental stage models and abstract individualism, or ideas based on pure intuition in the process of decision-making, which have been common approaches in prior studies concerning people's ethical behaviour and its development (Craft, 2013; O'Fallon & Butterfield, 2005; Sonenshein, 2007), we argue that the development is multifaceted and needs to be understood in its full complexity.

This research showcases that expatriates' narratives offer valuable insights into the practical challenges and ethical problems they face, demonstrating the limitations of the imperialist model's cultural insensitivity, ethical relativism's moral flexibility, and ISCT's oscillating standards. The ethical decision-making involves individuals' capacity to discern the right course of action and to act accordingly. This process reflects their understanding of what is right, which is often embedded in complex and conflicting situations within their environment (e.g., Bentahilia et al., 2021; Hiekkataipale & Lämsä, 2019; Pasupathi & Wainryb, 2010; Sarwono & Armstrong, 2001; Ulusemre and Fang, 2022). The value of the adopted narrative enquiry lies in its ability to reveal how expatriates understand and act on ethical problems through their lived experiences, highlighting context, human experience, and reflective practice (Donaldson, 1996; Donaldson & Dunfee, 1994). This perspective allows us to fully attend to the embedded, relational, and contextual dimensions involved and reveal the constitution of expatriates' multifaceted decision-making processes.

This study makes the following contributions. First, it elucidates the intersection of business ethics and expatriation from the viewpoint of ethical problems during expatriation, particularly regarding expatriates' moral agency when dealing with those problems. We show that the moral agency as narrated can add to the literature by conceptualizing the processes of situated moral agency relative to the topic. To better understand moral agency as situated, we aimed to not merely theorize moral agency at an individual level, treating

actors as exclusively rational and judging the quality of ethical decisions against universal standards (Thomson & Jones, 2017), but to offer a nuanced view and understanding of the processual nature of moral agency considering the uncertainty and ambiguity prevalent in expatriate work.

Second, we offer insights to help human resources management (HRM) professionals prepare expatriates for facing ethical problems during international assignments. This information is useful in developing relevant training programs and support systems for expatriates and employees aiming to work abroad. In general, the number of decision-makers operating in an international work environment has increased as companies expand globally (McNulty & Brewster, 2019). Scholars have noted that organisational support and guidance from the parent company is crucial to expatriates' experiences, as it enhances their ability to navigate intercultural environments (Sarfraz et al., 2023; van der Laken et al., 2016). Finally, our study makes an important methodological contribution by applying a narrative approach to the topic, which means investigating broad occurrences over time, considering consequences and evaluating final outcomes and their meanings (Bruner, 2004; Lämsä et al., 2018; Pentland, 1999; Sonenshein, 2010).

The article is structured as follows. First, we examine research regarding the intersection of business ethics and expatriation in ethical problems arising during expatriation, as well as promote understanding of moral agency theory through a narrative approach. Next, we explain our methodological choices, followed by a presentation of the empirical results of the study. Finally, we discuss the findings and draw conclusions.

Theoretical Underpinnings

An Integrative Literature Review on Ethical Problems During Expatriation

Nash (1990) provided a well-known and useful definition of ethical problems in business life, describing them as two types of situations in which one is unsure of the right or wrong thing to do (also known as ethical dilemmas; p. 126) or knows that wrongdoing has occurred, and it often continues. Empirical investigations into business ethics consistently reveal the intricate and multifaceted nature of ethical problems within the corporate sphere, often presenting scenarios devoid of unequivocal resolutions (e.g., Enderle, 2015; Hiekkataipale & Lämsä, 2019; Ljubica et al., 2024).

In the field of business ethics research, expatriates' ethical problems are an emerging research trend that has sought to define the origins and nature of ethical problems (Bailey & Spicer, 2007; Banai & Sama, 2000; Fisher & Hutchings, 2013; Insch et al., 2008; McNeil & Pedigo, 2001a, 2001b; Nie & Lämsä, 2015; Tan & Wang, 2011; Ulusemre & Fang, 2022). Based on an integrative literature review, we organised the existing research knowledge on three streams that build the research understanding of this area in the following ways: (1) conceptual-definitional, (2) intercultural, and (3) justice-equitable.

The first stream of research produces essential knowledge by focusing on the definition and content of ethical problems. The conceptual-definitional studies focus on clarifying the conceptual identification of ethical problems and examining how these problems are understood in various contexts and through different interpretive frameworks (e.g., Banai & Sama, 2000; Guimarães-Costa et al., 2014; McNeil & Pedigo, 2001a, 2001b; Molthan-Hill, 2014; Spicer et al., 2004). For example, McNeil and Pedigo (2001a, 2001b) 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. Studies in this field shed light on the expatriation experience, highlighting that the perception of an ethical problem often arises from events that clash with expatriates' moral beliefs, leading to feelings of moral discomfort—response that can, in turn, result in ethical strain and psychological stress posing a risk to their well-being and job performance (Banai & Sama, 2000; Guimarães-Costa et al., 2014; Huhtala et al., 2011; Molthan-Hill, 2014; Silbiger & Pines, 2014; Spicer et al., 2004).

The second research stream fosters a nuanced intercultural understanding of the ethical problems in an expatriation with subtleties and problematizing cultural challenges differences between the home country and host country values when expatriates navigate the differing values and norms (e.g., Bailey & Spicer, 2007; Brand & Slater, 2003a, 2003b; Fisher & Hutchings, 2013; McDonald & Kan, 1997; Nie & Lämsä, 2015; Osland & Bird, 2000; Peltokorpi et al., 2021; Tan & Wang, 2011; Ulusemre & Fang, 2022). These studies offer understanding, for example, how foreignness, language, political and social milieu, and even face management impact how expatriates perceive and adjust to ethical problems in an intercultural foreign environment. For instance, Tan and Wang (2011) illustrated how international companies manage ethical expectations by integrating home country principles with local norms in host countries. They used scenario management to select an appropriate configuration of core values and peripheral components that align with the institutional environment of the host country, ensuring ethical congruence and effective operation. Nie and Lämsä (2015) highlighted the importance of quanxi (the Chinese concept of interpersonal relationships) for expatriates working in China. They emphasized that high-quality leader-member relationships, characterized by trust, credibility, and respect, are crucial.

Finally, the third research stream generates knowledge that enhances our understanding of fairness and equity for expatriates' ethical problems. A central concern within this stream lies in the enduring challenge of securing equal pay, especially regarding gender inequalities (e.g., Berry & Bell, 2012; Insch et al., 2008; Oltra et al., 2013; Shah et al., 2022; Tharenou, 2010).

These studies have revisited and critically challenged the narrow, stereotypical portrayal of expatriates as predominantly senior Western men in their late 40s or early 50s, typically accompanied by a female spouse and children. They draw attention to the persistent issues of gender discrimination and unequal opportunities for career advancement in the context of expatriation (e.g., Insch et al., 2008; Oltra et al., 2013; Shah et al., 2022; Tharenou, 2010). Furthermore, the expatriation process often involves the (re)configuration of family life, which can intersect with and intensify ethical problems related to organisational responsibilities, cultural expectations, and work-life boundaries in international assignments (Lämsä et al., 2017a, 2017b). Tharenou (2010) shows in her study that compared with men, women repatriate less often for career reasons than for family reasons. Despite their international experience, on their return, women get a lower financial return on their expatriate experience than men, suggesting that women suffer unfair, non-meritorious treatment. A lack of fairness and justice in selection, assignment, and promotion decisions is verified in studies such as Insch et al. (2008), Oltra et al. (2013), and Shah et al. (2022). A study of 135 expatriates and their accompanying spouses in foreign and local multinationals in China shows how organisational support positively influences the adjustment of spouses and children (Shah et al., 2022). According to Shah and colleagues, noteworthy results emphasise the importance of direct organisational support for the family unit beyond the expatriate, as children's adjustment impacts the expatriate spouse directly and the expatriate's adjustment indirectly.

We contend that expatriates do not universally experience ethical problems in a uniform or predictable manner. Rather, they are often embedded in complex situations where, despite their conscientious intentions, they may witness or become aware of ethical problems that lie beyond their immediate control or jurisdiction. The ethical problem, therefore, is not reducible to simplistic moral comparisons between home and host countries—such as differences in corruption indices or compliance norms but is instead shaped by the expatriate's ongoing negotiation of culturally contingent moral norms (Lu et al., 2017; Wurtz, 2018). The iterative experience of relocation, for example, prompts expatriates to engage with and often develop a sensitivity to the culturally contingent nature of moral beliefs and practices. This heightened intercultural awareness may foster a pragmatic orientation toward ethical relativism, conceived as recognizing that moral norms are context-dependent and socially constructed as a necessary lens to interpret and respond to ethical problems encountered across diverse cultural settings. While Western business ethics have traditionally privileged normative frameworks such as deontology, utilitarianism, and theories of justice (Crane & Matten, 2016; Frankena, 1973) —each aspiring to applicability—such approaches may inadequately capture the situated nature of ethical decision-making in cross-cultural settings.

In contrast, Eastern business ethics traditions propose alternatives, often grounded in religious values and communal orientations. These traditions emphasize ethical attunement to relational roles (e.g., hierarchies), cultivating virtue through habits, and a moral discernment in harmony, reciprocity, and self-realization. Rather than grounding morality in abstract rules or outcomes, such traditions view moral agency as relationally embedded and morally responsive to changing circumstances. For the expatriate, this implies that moral agency must be exercised in reference to formal organizational norms and in light of culturally embedded expectations about respect, hierarchy, and social harmony.

Demuijnck (2015) notes that relativist perspectives are frequently acknowledged in multinational ethics training, particularly within Western corporations seeking to prepare employees for ethically ambiguous scenarios. However, these trainings often lack conceptual depth and empirical grounding. As Newman et al. (2020) suggest, expatriates operate at the intersection of institutional, interpersonal, and cultural forces, where decision-making is shaped by overlapping and at times conflicting normative expectations. Consequently, the expatriate's moral agency is not simply a matter of individual ethical choice but is formed by broader cultural epistemes and organisational logics.

Despite this, much of the expatriation literature focuses on cataloguing ethical problems rather than theorising the mechanisms through which expatriates interpret and respond to them. We therefore call for a deepened theoretical engagement with moral agency that accounts for both the normative universals of Western ethics and the relational, situational ethics characteristic of many Eastern traditions. Existing scholarship tends to reproduce a Western-centric epistemology of moral decision-making, assuming rational agents operating within transparent ethical systems. This neglects the ontological and normative pluralism inherent in such varied experiences of expatriation. As Ulusemre and Fang (2022) argue, what is required is a more fine-grained exploration of how expatriates navigate ethical ambivalence and cultural contradiction—how they constitute moral selves across diverse ethical terrains. Next, we explain our understanding of moral agency as narrated in business ethics and illuminate the dynamic construction of moral agency under subjective, situated conditions of expatriation.

Moral Agency as Narrated

According to Weaver (2006), the basic tenet of moral agency is an individual's sense of being a particular kind of person to perceive and address ethical issues. This self-identity significantly influences their behaviour and decisions in morally complex situations (Peltokorpi & Zhang, 2020). As noted by Wilcox (2012), moral agency is the practice of engaging in actions that one perceives as ethical. This involves an active process of interpreting and applying one's ethical principles to real-world scenarios (Clegg et al., 2007). For example, expatriates, who often face unique cultural and ethical problems, exercise moral agency by navigating these challenges in ways that align with their ethical understanding.

Pasupathi and Wainryb (2010, p. 65) introduce a valuable concept for our study by theorizing moral agency as narrated. Moral agency, then, is understood as a form of narration that builds on individuals' understanding and experience of themselves (and others) as agents whose morally relevant actions are based on goals and beliefs (ibid.). Moral agency, as narrated, allows individuals to interpret morally relevant experiences through language, encompassing actions, consequences, beliefs, desires, and emotions. It theorizes moral agency as socially constructed and contextually situated (Bauman, 1993; Clegg et al., 2007; MacIntyre, 1996, 1999; Pasupathi & Wainryb, 2010; Thomson & Jones, 2017; Wilcox, 2012).

This means that moral agency is not a fixed or predetermined phenomenon but an ongoing process linked to an individual's past and present contexts and actions, as well as the meanings they assign to these experiences (Bauman, 1993; MacIntyre, 1996, 1999; Pasupathi & Wainryb, 2010; Thomson & Jones, 2017). Individuals strive to build and reshape their identities through their behaviour, with varying degrees of success. Each engagement in this process deepens their understanding of their own and others' moral agency. This evolving insight enhances their grasp of situational complexities, revealing that even individuals with good intentions can commit harmful acts while still, overall, maintaining their moral integrity. Thus, expatriates' moral agency and identities within the work context are continually performed and constructed (Cunliffe, 2008; Thomson & Jones, 2017). The developmental perspective we adopt suggests that narratives not only reflect a person's existing sense of moral agency but also actively shape it, with prospective developmental effects. This process depends on the accumulation of narratives about one's own and others' behaviours rather than on any single instance.

In our theoretical lens, self-regulation—an individual's self-evaluation of her/his conduct in terms of rightness or wrongness—is a crucial aspect of moral agency (Weaver, 2006). However, understanding moral agency requires also considering the concept of moral disengagement, as highlighted by Bandura (2002). When expatriates engage in moral disengagement, they effectively detach themselves from their commitment to morality when confronted with ethical dilemmas. Bandura (2002) identified several mechanisms of moral disengagement, including moral justification, palliative comparison, euphemistic labelling, minimizing or ignoring the consequences, dehumanization, and attribution of blame. For instance, expatriates may engage in moral justification when they rationalise harmful conduct to make it acceptable to themselves and others by asserting that the conduct serves socially worthy or moral aims. Palliative comparison is employed when expatriates compare their harmful actions to more severe harmful behaviours to present the less harmful actions more positively. Euphemistic labelling involves using more respectable and appropriate language to speak of harmful conduct, such as when expatriates minimise, ignore or misconstrue consequences and/or obscure, minimise, or even confuse their agentic role in the harm they cause. Dehumanisation is demonstrated when another person is not perceived or considered human. Finally, expatriates attribute blame when they accuse circumstances of being the source of harmful conduct. According to Moore (2015), expatriates' moral disengagement includes mechanisms that disengage their moral guidelines and norms from their actions and thus facilitate potentially immoral behaviour.

In summary, the current literature's philosophical foundations often reflect a fixed entity view rather than a processual ontology (Thomson & Jones, 2017). Our research aims to address these gaps by linking individuals' sense of self-identity with their ability to perceive and address ethical issues. This connection underscores the role of identity in ethical decision-making and moral behaviour. Adopting a processual ontology, we conceptualize moral agency as an ongoing process rather than a static attribute. For expatriates to exercise moral agency, they must be recognized as legitimate actors within specific social contexts. This perspective views moral agency as continuously constructed through narrative, where individuals build and reconstruct their moral identities by narrating their actions, beliefs, desires, and emotions (Pasupathi & Wainryb, 2010). Additionally, our framework integrates self-identity and moral disengagement concepts, offering a nuanced understanding of how individuals justify both ethical and unethical behaviour.

Methodology

This research is based on narrative methodology, which is particularly pertinent for exploring expatriates' decisions, actions, and reasoning, as it provides a framework for understanding the complexity of their lived experiences (Cunliffe & Coupland, 2012; Pentland, 1999; Stephens & Kanov,

2017). This approach facilitates the examination of how expatriates interpret and reframe their experiences across different times and places, allowing for a nuanced, processual perspective on their ethical decision-making (Lämsä et al., 2018; MacIntyre, 1996; Ricoeur, 1984). As MacIntyre (1996) argued, narratives are fundamental to making sense of human experiences. They offer a means to weave disparate experiences into a coherent story, enabling individuals to create meaning from their actions and decisions. Through narratives, expatriates can achieve reflexivity and self-awareness, essential for the ongoing development of their personal and professional identities (Bruner, 2003; Sonenshein, 2010; van Hulst & Tsoukas, 2023). Following van Hulst and Tsoukas (2023), we utilized the narrative methodology for its scholarly ability to capture and elucidate the ongoing enactment of experiences and their meanings. This is particularly valuable for understanding expatriates''complex experiences by providing a continuous and detailed view of how these experiences shape and are shaped by the ongoing narrative construction (Bruner, 2004).

Firstly, narratives help us decode expatriates' experiences across various situations. They reveal how expatriates navigate and respond to different contexts, including unexpected challenges (van Hulst & Tsoukas, 2023). By exploring these narratives, we gain insights into how expatriates' actions and decisions are shaped by the unfolding events and their evolving understanding of these situations. Secondly, expatriates construct their narratives with specific purposes, integrating their immediate experiences into a broader storyline about their international assignments. This process, as noted by Bruner (2004), Cunliffe and Coupland (2012), McAdams (2008), and Pratt et al. (2012), allows them to frame their experiences in a way that aligns with their evolving identities and objectives. Thirdly, the narrative approach provides a means to explore how expatriates' accounts evolve over time. It offers a processual perspective that goes beyond static snapshots, helping us understand the temporal interconnections as well as adaptation to new situations and responses to unexpected outcomes. Supported by Sonenshein (2010), this perspective reveals the dynamic nature of narratives—how events precede, unfold, and lead to various consequences. As MacIntyre (1996), Pentland (1999), and Ricoeur (1984) have emphasized, this approach exposes the reflexive nature of narrating and provides a comprehensive view of lived experiences.

Data

The research data comprises twenty in-depth interviews (10 face-to-face and 10 virtual) with Finnish expatriates who had expatriate experience in China or the United States (US). Some participants had experience in both countries. The exploratory nature of the study led us to choose in-depth interviews as a data collection technique to secure the richest possible response from the persons who had experienced the scene (Saunders & Lewis, 2018). According to this approach, we sought out participants who had relevant experiences and insights related to our research topic and who were willing to discuss these experiences with us in detail. During the process of finding interviewees, we encountered a few situations where contacted individuals refused to participate. The two main reasons given were: first, the topic was considered too sensitive to discuss with a researcher, and second, the individuals stated that they had never encountered any ethical problems in their expatriate careers. This reluctance is echoed by Campbell and Cowton (2015), who note that businesspeople are often unwilling to discuss or are unaware of the ethical challenges they have faced in practice.

We selected purposeful and snowball sampling techniques to find respondents (Patton, 2014; Saunders & Lewis, 2018). First, adhering to the principles of purposeful criterion sampling (Bell et al., 2019, p. 390), we defined specific criteria for choosing respondents. We aimed to create a sample that encapsulated a wide range of demographic and experiential diversity, thereby facilitating the emergence of varied, context-dependent insights. Such a sample allows for uncovering viewpoints and aspects that might be missed with a more homogeneous group (Patton, 2014; Saunders & Lewis, 2018). Since Grosser et al. (2017) identified gender differences in ethical decision-making in business life, one of our criteria was to include both female and male expatriates in the sample. Moreover, we aimed to interview female and male expatriates in managerial or important professional positions that gave them decision-making responsibility and influence. Another criterion was that we also aimed to recruit both participants on current assignments and those who had returned. On one hand, we thought that those who were still abroad would have fresher and more vivid memories of the problems; on the other hand, expatriates may reflect more deeply and in a more versatile way on their experiences when some time has passed. Consequently, we considered the combination of both groups important. Additionally, since the length of tenure can cause variation in business decision-makers' ethical orientation (Lu et al., 2017), the length of expatriate experience varied among the participants.

Second, after establishing the purposeful sampling criteria, we used the authors' networks to contact expatriates and employed the snowball technique to identify interviewees (Bell et al., 2019; Patton, 2014). According to this technique, we made initial contacts with expatriates who met the selected criteria and then used these initial contacts to establish further connections (Bell et al., 2019, p. 395). The interviewees were 30–58 years old with 2–10+ years of expatriate work experience. The interviews lasted 32–111 min each

and were transcribed verbatim. Key information about the research participants is shown in Table 1.

We used the critical incident technique (CIT) originally developed by Flanagan (1954) as our interview method, which involved asking expatriates to recount one or more experiences that involved an ethical problem (Butterfield et al., 2005; Hiekkataipale & Lämsä, 2019). Most interviewees (13 out of 20) focused on one lived experience involving an ethical problem, while 7 described two events. We aimed to understand details surrounding the situations, such as the conditions under which the events happened, the circumstances leading to the events, who was involved, the expatriates' feelings about the events, the way they handled the events, why they chose those approaches, and the outcomes. The participants were told to describe the events that they had experienced freely in their own words; thus, the research data were based on highly personal encounters. The CIT technique is suitable for studying ethical issues because it provides a means of tackling topics that tend to be silenced and are not easily put into words (Bott & Tourish, 2016).

The Country Contexts of the Study

To ensure a robust and varied sample, we selected two host countries—China and the United States—because their sociocultural values significantly differ from each other and from those of Finland (Ronen & Shenkar, 2013). Finland, the expatriates' home country, represents the Nordic context. In contrast, the U.S. and China exemplify different cultural clusters: the U.S. belongs to the Anglo cluster, while China is part of the Confucian cluster (Gupta et al., 2002; Ronen & Shenkar, 2013). Both China and the U.S., as major players in international business, have often been the focus of expatriate research (Meyer et al., 2020). While it is recognized that work values can vary significantly within societies and that individual-level values can predict employee behaviour, understanding the home and host country's context remains crucial (Arikan and Shenkar, 2022; Ralston et al., 2024; Scholtens & Dam, 2007). By selecting these countries, we capture a varied spectrum of values and business practices. This variety enhances the robustness of the sample by providing insights into how expatriates navigate and adapt to vastly different cultural contexts.

Building on Hofstede's influential model of cultural dimensions (), Finnish and U.S. cultures differ significantly across several key values. According to the Hofstede model, Finnish culture is characterized by low power distance, consultative leadership, and a strong emphasis on equality, honesty, trust, and employee empowerment. In contrast, a Finnish expatriate working in the U.S. may encounter a context of higher power distance and more hierarchical organisational structures, where there is a stronger emphasis on individual performance and managerial authority. Compared to their U.S. colleagues, Finnish expatriates are more likely

Table 1 Key information about the research participants

No	Age	Gender	Host country	Title/job description	Years of expatriate experience in recent location and years of total expatriate experience
1	33	Male	US	Financial controller	2 (2)
2	53	Male	China	Senior advisor and partner	3 (22)
3	30	Male	China	Project director	4 (4)
4	41	Female	China	Operational development manager	3 (3, at the time of the interview still abroad)
5	38	Female	US	Researcher	2 (no information)
6	48	Male	US	Head of technology	2 (5)
7	42	Male	China	Product development manager	6 (6)
8	37	Male	US	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	US and China	Product manager	4 (8)
12	45	Male	US and China	Senior consultant	1 (2)
13	34	Male	China	Entrepreneur	3 (3)
14	45	Male	US	Global HR manager	2 (2)
15	36	Male	US	Global sales manager	3 (6)
16	46	Female	US	Manager	1 (12, at the time of the interview still abroad)
17	49	Female	China	CEO	4 (6, at the time of the interview still abroad)
18	39	Female	China	Financial manager	5 (8)
19	41	Male	China	Head of IT	2 (11)
20	29	Male	China	Production line manager	2 (2)

to value employee inclusion in decision-making processes. While both cultures are individualistic, the U.S. tends to stress personal achievement, status, and competitiveness, reflecting its more masculine cultural orientation. The U.S. prioritizes short-term performance metrics, such as profits. By contrast, Finland's more feminine culture prioritizes well-being, caring, and collaboration. Additionally, Finnish organisations tend to emphasize clear structures and value transparent, predictable environments, whereas U.S. workplaces often demonstrate greater tolerance for ambiguity and risk-taking in the pursuit of opportunities. (Insights, 2024; Ronen & Shenkar, 2013.)

Finnish and Chinese cultures diverge particularly with respect to power distance and the individualism–collectivism dimension (Hofstede, 2011; Insights, 2024). Chinese culture is heavily influenced by Confucian values, especially hierarchical order and relational dynamics (Yang, 1993). Within this framework, and in line with Hofstede's concept of power distance (Hofstede, 2011), subordinates are likely to exhibit deference and loyalty toward authority they perceive as trustworthy—including expatriate managers, provided these managers are seen as holding legitimate authority (Nie & Lämsä, 2015). As Chen et al. (2014) observe, in China, individuals occupying higher organisational positions tend to command greater authority, which is often met with increased obedience from employees. Decision-making in Chinese workplaces is typically centralized, and communication is often indirect, aiming to preserve interpersonal harmony and avoid public embarrassment or loss of face, which may result from open confrontation. In contrast to Finland's high individualism, where autonomy and self-reliance are emphasized, the Chinese context is distinctly collectivist, characterized by the phenomenon of guanxi (Nie & Lämsä, 2015; Ulusemre & Fang, 2022), in which group affiliation is regarded as essential to personal identity and social functioning (Yang, 1993). Furthermore, ethical reasoning in Chinese organisations is often shaped by pragmatism and contextual considerations (Insights, 2024; Nie & Lämsä, 2015; Ulusemre & Fang, 2022), which may challenge Finnish expatriates' expectations of transparency, honesty, and more direct communication in the resolution of ethical problems.

Data Analysis

We used narrative analysis to analyse the narrative elements and plots in the data. Pentland (1999) stated that narrative data have surface features that are useful for description, but explanatory processes must be based on deeper structures that are not directly observable. Pentland (1999) claimed that to better understand narrative structures, analysis of narratives should not only consider their content, but also the time sequence, focal actors, narrative voice, and contextual attributes. According to Sonenshein (2010), narrative plots can be analysed as stable, progressive or regressive linear forms with respect to evaluative shifts in narration over time. Following these suggestions enabled us to analyse both the content of the interviewed expatriates' experiences and the temporal changes in their experiences (Bruner, 2004). We were interested in what drove the narratives forward from the narrators' (i.e., expatriates') perspectives and how the plots of their narratives evolved.

In practice, data analysis was an iterative, reflexive process that sparked insight and developed meaning (Saunders & Lewis, 2018). It consisted of three main phases. In the first phase, we read interview transcripts many times to properly familiarize ourselves with what was said (and not) and the different meanings the expatriates derived from it. Thereafter, we systematically coded the expatriates' comments according to different themes and situations based on the circumstances and settings in which the ethical problems occurred, what happened in those situations and what the situations meant to the expatriates. The analytical procedure and the coding are made transparent in detail in Table 2.

In the second phase, we applied an in-depth lens to the narrative elements of the data to capture processual accounts of the situations and the agentic roles of the expatriates. For this purpose, we ordered the content and narrative structures following Pentland (1999), who stressed that narration is a process and analyzed the different elements of narrative structures (i.e., event, voice, frame and context). We also paid attention to the forces that led to the problems occurring and the circumstances surrounding the situations by comparing and contrasting expatriates' descriptions to classify them into meaningful groups (Patton, 2014; Silverman, 2011).

In the third phase, we analysed how expatriates constructed their experiences concerning the various forces that led to their actions and intentions and how they were obstructed by social structures and the environment at that time. We compared the narrating to assign them to meaningful groups. The content of each group was further scrutinised to identify differences and similarities, and then re-examined with a specifically theoretical lens to understand the moral agency involved. Finally, after many revisions, we divided the narratives into three groups that constructed moral agency differently and in which the plots made a coherent whole (Pentland, 1999; Sonenshein, 2010). In the narratives, we show how the situated moral agency develops as "instructed" "business-based" or "stagnant"

Table 2 Analytical procedure

First reading of the data: content and meanings and code numbers	Illustration of the coding in practice	Second reading of the data: ordering themes and narrative ordering and background information	Second order themes in practice	Third reading of the data: processual constitution of the narratives
Focus on content and meaning as narrated by the expatriates. Coding schema by Arabic numbers Stated values (codes 1–2): • Individual and organisational values • Ideas and presumptions about host country values Ethical guidelines (codes 3–5): • Own guidelines • Guidelines set by the organisation • Laws, norms and regulations in society Ethical problems: (codes 6–7) • The actors involved in the ethical problem • The situation at hand (what happened and how, what followed) Other contextual information (codes 8–9): • Individual-and family-related attributes • Operational and environmental attributes	In the data there were 27 events told in total. Here is an example from one event and its coding procedure *Yes, I felt it, especially in the final stages, when many people wanted to come to the office to talk to me about the two of us from the workshop side* ***(code 2/9).*** *Yes, of course, you always think about something like that… you don't always know exactly how many of them are colored stories and how many are true* ***(code 2/ 3 /8),*** *but you do think about it a bit if someone has a family to support* ***(code 4),*** *and says that he is the only person who brings money into the family and that his wife is at home* ***(code 3)*** *Well, of course, I was there physically (at the company)* ***(code 13/ 3/ 4).*** *it's like you're trying to be, of course, at some point it's probably going to show on your face that this guy is fooling you 10–0 here* ***(code 2/ 6/ 7)…*** *and then you can't do anything until the last announcement came that the unit is being closed* ***(code 9/ 7)*** *I actually felt a little bit, afterwards, that these managers had already made the decision when we were first sent there* ***(code 6/ 7/ 9)****… that they probably knew about it before… now they gave us some time to look at it and try to come up with action plans to see how it could be done* ***(code 3/ 4/ 5 / 9)*** *… but even that wasn't enough in this case, and it was an afterthought, because we weren't involved (code 8)…* *It didn't take long to say that it's going to be shut down* ***(code 8/ 9),*** *but these big managers, of course, are generally, whatever the company, have been through so much hard training that they are not bothered* ***(code 1/ 4/ 9)***	Interpretive choices to critically examine ambiguities, identified gaps, and looking for elements contributed meaningfully to the emerging narration. Ordering the content and focusing on narrative structures following Pentland (1999) 1) Event described by the expatriate 2) Time sequence 3) Focal actors in the event 4) Narrative voice 5) Context, time and space	Value clashes Perceptions of ethical problems Actors and their role in the ethical problems Own identity as a moral agent Own actions and the assessment of the situation Socio-spatial in-betweenness and cultural differences	Final constitution the narratives into an apprehensible whole by following Sonenshein (2010) regarding the formulation of plotlines 1) Interpretating the narrative voice and plotlines such as stable, progressive or regressive linear forms regarding evaluative shifts in narration over time 2) Analysing the narrated moral agency in detail and the moral disengagement (Bandura, 2002) along with the plotline

Results

Instructed Moral Agency

The following narrative extracts were obtained from interviews with nine expatriates (1, 3, 5, 9, 12, 14, 15, 17 and 18). These narratives began when expatriates encountered ethical problems related to misinformation and dishonesty—issues that run counter to the expatriate's home country cultural values, which place an emphasis on honesty and trust (Insights, 2024). The expatriates mentioned that they viewed truth and honesty differently from the other parties involved in the situations, and accordingly, they described the problem as a case of wrongdoing (Nash, 1990). They were expected to engage in behaviours they considered unethical. Thus, the narrative began with a narrative voice (Pentland, 1999) that conveyed emotional discomfort and uneasiness, reflecting the experience of ethical strain that can arise when an expatriate feels pressured to act against his or her conscience in an intercultural environment (Huhtala et al., 2011; Silbiger & Pines, 2014). The focal actors involved in this type of narrative were the expatriates themselves as company representatives, especially those who were senior managers in their home country, along with local staff and officials. The ethical problems the expatriates described involved wrongdoing relating to bribery, corruption, lying and twisting the truth. The ethical problems of bribery, corruption and lying were primarily discussed within the context of Chinese business practices, whereas in the U.S. business context, the focus was on lying and twisting the truth. In these narratives, the expatriates did not always receive honest overview and information of the problems; moreover, they sometimes received disinformation. For example, Interviewee 1 described the challenge of false information in assessing a Chinese employee's honesty, as follows:

> You don't always know exactly which stories are coloured and which are true, but you do wonder if the person has a family to support because the individual claims to be the only breadwinner in the family with a partner at home. (Interviewee 1)

One illustrative example of this was given by Interviewee 17. In China, the interviewee faced a wrongdoing related to a local employee's invoicing when the employee tried to charge extra travel costs to the company. Initially, the expatriate reflected on and evaluated the ethical aspect of the situation from the perspective of honesty, which is appreciated in the home country (Insights, 2024; Ronen & Shenkar, 2013) and required by the company. The expatriate viewed this behaviour as contradictory to the anticipated norms of the host country's working environment in China, where, according to the expatriate, minor dishonesty in invoicing was occasionally accepted. The expatriate's moral reasoning and ethical judgments were deeply influenced by the entrenched norms of their home country, which functioned as a primary reference point. These norms were further mediated by the interpretive frameworks and prescriptive directives articulated by their employing organisation (MacIntyre, 1996; Spicer et al., 2004; Wilcox, 2012). However, following further reflection on the event, the interviewee conceded that he began to engage in a more nuanced reassessment of the situation and concluded that a definitive or straightforward method for conducting a deliberate evaluation was not feasible:

> "You know that people who make 200 euros a month certainly haven't spent three euros a month on a taxi, so do you accept it or not? But then, when you put a limit on the amount of money that is acceptable, you must think about what to do in the situation." (Interviewee 17)

Mobilising their moral agency into a tactical decision-making, the expatriate focused on the employee's overall life circumstances (Beekun et al., 2010). The expatriate expressed concern about the employee's low salary and questioned whether the employee could adequately support and care for their family. As a result, a tension emerged between the value of honesty, as required by home country norms (Ronen & Shenkar, 2013) and company policies, and the sense of care and responsibility for the local employee's well-being. Consequently, during this incident, the expatriate sought to justify disengagement from the value of honesty by emphasizing concern and care for the local employee's happiness and prosperity (Bandura, 2002). Finally, after thoroughly considering the problem, the expatriate decided to act according to the instructions of the employing company in the home country. In this incident, as noted by the expatriate, the local employee's dishonesty was uncovered, leading to disciplinary action against the employee.

Another illustrative example of this type of moral agency occurred when the senior management in the home country shared misleading information with the expatriate, as reported by Interviewee 18, who worked in the U.S. The senior managers at the head office in the home country directed the expatriate to either make the local unit profitable or shut it down.

Given the economic downturn and the tough business culture prevalent in the U.S. (Insights, 2024; Ronen & Shenkar, 2013), the expatriate anticipated that the unit might face closure. Consequently, the expatriate started gathering information about the situation and the unit's staff to create the impression among the local employees that serious efforts were being made to prevent the closure, as mandated by senior management. As a form of moral disengagement,

this kind of narration can be seen as an effort to present the closure in a more acceptable way and obscure harmful conduct, which Bandura (2002) called euphemistic labeling. While navigating the moral complexities of the situation, the expatriate experienced significant emotional distress and ethical strain due to the perceived betrayal of the local staff. By distorting the truth and failing to address their needs, the expatriate felt he was undermining his responsibilities. He even described himself as a "mole" for his actions. Moreover, he said that gathering relevant, accurate information was difficult. An illustration from the data shows this:

> "Yes, it was very difficult. It's like being in Hollywood ... you act out what the management wants you to communicate while, at the same time, doing a little bit of mole work in the background ... Also, when things went forward, it of course affected the employees, but I was also concerned about my own livelihood and so on." (Interviewee 18)

Finally, as the narration evolved, the expatriate tried to disengage from what he understood to be immoral behaviour by dehumanising the local employees who would be laid off, distancing himself from caring about them and rationalising his behaviour by appealing to his duty as a responsible manager who had to follow company guidelines (Bandura, 2002, 2011). The expatriate explained that the organisation's senior management had apparently known before contacting him that the unit had to be closed despite directing him to act differently, as though operations would continue. After struggling with the ethical problem and contemplating how to balance the needs of the local staff with senior management's expectations, the expatriate decided to follow the instructions of senior managers in the home country, thereby demonstrating that he saw compliance with instructions as the appropriate way to manage the problem.

Initially, the core of this type of narrative was a clash of truths in situations of wrongdoing (Nash, 1990). In their work, expatriates encountered situations that conflicted with their understanding of ethical behaviour. However, later, the plots became intertwined with the challenges of considering local employees' human needs and caring for them. The expatriates highlighted that they felt responsible for the needs and welfare of local employees beyond how they did their work. The narrative sequence (Pentland, 1999) showed that the plots became more ambiguous when the expatriates started to consider how the employees would survive financially and take care of their families. Consequently, as the narratives continued, instead of the problems being simple cases of wrongdoing, they became ethical dilemmas for the expatriates: should they follow the courses of action that they originally believed were right, or should they turn a blind eye to dishonesty and be more concerned about the quality of life of local staff (Lowry, 2006). At this point, the narrative voice (Pentland, 1999) turned to confusion, even guilt, regarding the harmful effects on local employees. Consequently, in this phase, the structural tension in the plots (Pentland, 1999) was between the expatriates' professional duty to follow the instructions of the home company and their care for local employees' welfare.

The narrative voice of these plots became more certain and progressive towards the end (Pentland, 1999; Sonenshein, 2010), prompted by the expatriates' decisions to follow company instructions, which they understood as an appropriate way to address the problems. The expatriates' agency in the pursuit of ethical behaviour—a crucial feature of moral agency (Bandura, 2002; Weaver, 2006; Wilcox, 2012)—was constructed in terms of their duty as professional managers committed to abiding by instructions and rules (i.e., the norms) of the home country (Donaldson & Dunfee, 1994) dictated by a higher organisational authority. To build their identities, the expatriates used the instructions they were ordered to follow to justify their actions. In the narration, the expatriates framed themselves as free moral agents (Pasupathi & Wainryb, 2010; Wilcox, 2012) within the constraints of company instructions, thereby rendering their moral agency somewhat tactical. The narrative, initially marked by emotional discomfort, strain, and confusion, ultimately shifted to a sense of certainty that fulfilling their duty to follow company instructions was the right way to address the ethical problems. Consequently, the expatriates affirmed their moral agency, ultimately evaluating it as relatively positive.

Taken together, our analysis demonstrates that this type of narrative relies on "instructed moral agency". Expatriates constructed their identities as agents whose ethically appropriate behaviour was guided by their duty to follow the instructions and rules of their employing companies (Pasupathi & Wainryb, 2010). Despite this, through complex narration, the expatriates sometimes felt misled by these instructions and underscored that their agency was directed by directives from their home country. In their narratives, the expatriates disengaged from moral agency regarding actions they perceived as potentially harmful employing rationalization, euphemistic labelling, and dehumanization (Bandura, 2002, 2011), thereby reframing their moral agency in relation to the situation of local workers.

Business-Based Moral Agency

This type of moral agency was demonstrated by eight interviewees (4, 6, 7, 8, 10, 17, 19 and 20). As with "instructed moral agency" the narratives began when expatriates perceived an ethical problem regarding wrongdoing (Nash, 1990). The expatriates mentioned an employee's illegal behaviour, workplace bullying, safety hazards, employee discrimination, and corruption as the ethical problems

they encountered, and they also identified the focal actors besides themselves as the local and Finnish staff and local stakeholders.

Interviewee 8 described the following situation in which a local employee committed an unethical act by engaging in workplace bullying of another employee. The forms of bullying were prominently highlighted in this incident, reflecting the harsh work culture and competitive environment in the U.S. (Ronen & Shenkar, 2013). The expatriate explained how he acted in the situation to solve the problem and expressed satisfaction with his agency:

> "Of course, workplace bullying occurs in Finland, too, but it appears in a more concrete way in the US. Some tricks were played in the workplace that were intended to be humorous, but in truth, were not funny at all. For instance, an employee working the night shift greased the underside of a day shift employee's chair on a day when the employee arrived at work wearing light trousers. He sat down and soon noticed that his trousers were stained with a dirty red substance." (Interviewee 8)

In these narratives, unlike in the "instructed moral agency" narratives, the expatriates were not hesitant or uncertain about acting morally in the situations. The interviewees stressed that despite the wrongdoings that occurred, local operations in the host context had to run smoothly so the business could succeed. In this incident in the U.S., the interviewee stated that "all the other employees knew who had played this trick" and emphasized the need for "drastic measures to tackle the problem" to ensure that warehouse operations could continue smoothly. This smooth running was considered important, and the narrative voice was positive, justifying and endorsing the expatriates' own actions (Pentland, 1999). Thus, in their narration, expatriates prioritized making clear-cut decisions that ensured that business operations would continue successfully (Bentahilia et al., 2021). The narratives emphasized that, although expatriates may have consulted trusted local or expatriate colleagues on how to proceed to implement their actions, they remained certain of the moral rightness of their actions.

Another illustrative example, given by Interviewee 17, was a situation in which a Finnish employee who paid for sex in China had trouble with local authorities. The expatriate stated that paying for sex was not only illegal in China but also strongly prohibited by company instructions. An excerpt from her interview highlights this:

> "Buying and selling sex is a criminal offence in China. However, the office manager said to our chauffeur, this is a matter about which you will say nothing to anyone. A very personal matter. But I said that our employees need help." (Interviewee 17)

In her narration, she described negotiating with her close and trusted Chinese colleagues, the office manager and the chauffeur. She first acknowledged that paying for sex in China is a criminal, punishable offence. Then, she advised her colleagues that this situation should not be shared with anyone else in the company. She disengaged from being an honest and rule-abiding person through palliative comparison (Bandura, 2002, 2011), implying that honesty and following company rules were more harmful actions than ensuring the problem was kept confidential. In other words, contrary to company instructions, she argued that such sensitive issues should not be discussed but silenced within the organisation, as doing so could damage the business and the company's reputation—particularly since maintaining public reputation is crucial for business in China (Insights, 2024). In this case, the expatriate appears to draw on her official authority, which is positioned higher in the organisational hierarchy compared to the Chinese employees, to persuade them to remain silent about the problem (Chen et al., 2014). It is plausible that invoking a shared commitment to silence between herself and the local colleagues fostered a collegial atmosphere grounded in mutual secrecy and cooperation in the wrongdoing—an example of unethical social functioning, or what Nie and Lämsä (2015) refer to as unethical guanxi.

One example from the US involved flouting company instructions to successfully manage a business situation involving corruption. This was explained by Interviewee 6 as he was pointing out difficult but often subtle issues to decide. He said that often the difficulty comes when you know that, in this business, it is usual to offer the customer something like lunch, or taking company stakeholders to a sporting event. He said that however, in company regulations these are not allowed. This example illustrates that also that even minor issues such as petty corruption, which challenge the correctness of decision-making, play a role in shaping moral agency. The expatriate clearly recounted this in defiance of the organisation's policies and rules, claiming that such payments were "acceptable" because the other companies also engaged in them, as highlighted in the following excerpt:

> "Then, you see what competitors do. They buy entire enclosures and rent them out, inviting large numbers of people. In a way, it's tolerated, and it's easier to get some big decision-makers in there, and the atmosphere is different from a meeting, of course. However, the actions are reasonable and resemble what other businesses do, so it feels funny if your own company doesn't allow them." (Interviewee 6)

The expatriate continued to claim that ensuring smooth business operations and successful results requires "extra supportive" efforts beyond following company rules. He was also clearly aware that such actions conflicted with the organisation's rules, but he justified his behaviour by making a palliative comparison (Bandura, 2002, 2011): deviation from the company rules was "acceptable" because other companies acted likewise and because such behaviour was useful for facilitating successful business operations.

In this narrative, the narrative voice (Pentland, 1999) was one of certainty, meaning that the expatriate engaged in noncompliant actions, believing them to be justifiable on business grounds (Bandura, 2002). The expatriate played a centre-stage role, as his main responsibility was to ensure smooth business operations and business success in the host country. Consequently, when an ethical problem occurred, he solved it by referring to this business-based responsibility. Expatriates' business-based actions sometimes result in ethical behaviour, as in the case of workplace bullying. However, if necessary, the expatriates chose unethical options, such as corrupt behaviour, to ensure successful business results. In such cases, the expatriates disengaged themselves from ethical behaviour by making palliative comparisons (Bandura, 2002, 2011), deeming external and situational pressures and customs so powerful and important that no other action to achieve the desired business results was "possible".

In this narration, the expatriate's identity was framed as an agent whose actions are considered appropriate if they contribute to achieving business success (Pasupathi & Wainryb, 2010). Overall, expatriates' decisions about addressing ethical problems, which they perceived as being rooted in the cultural habits of the host country, were based on their estimations of the pros and cons for the business and its operations. This reflects a utilitarian approach to business ethics, where right and wrong are defined by the outcomes of business actions (Beekun et al., 2010; Frankena, 1973). The expatriates made it evident that they justified their actions in solving ethical problems as being necessary to fulfill their responsibilities of ensuring smooth operations and business success. This led them to take actions they considered ethical, but which could cause them to breach home company regulations and even local law. The narratives ended with the expatriates emphasizing the primary relevance of smooth operations, successful business results, and economic responsibility for determining their actions.

It is peculiar here that the narrative voice (Pentland, 1999) reflected dissatisfaction when the expatriates became aware of the ethical problem, but the tone soon became certain, neutral, or even one of satisfaction with the relief about solving the ethical problem. At the end of narration, the positive tone and progressive plots (Sonenshein, 2010) reflected satisfaction since the expatriates felt certain of the appropriateness of their actions to address the problems for the company's business success. This narration emerged in both contexts, China and the US, shaped by the expectation that the expatriate experience would yield fulfillment and prosperity. The pressure to achieve business results in foreign settings, where local practices may conflict with the expatriates' ingrained moral values, led them to rationalize dubious actions. By distancing themselves from their own moral self-sanctions, expatriates may engage in unethical behavior, such as exploiting local labor laws, corruption, or turning a blind eye to misbehavior, all in the name of business success. Hence, they did not approach the problem in a more complicated way. As in the 'instructed moral agency' narratives, the expatriates' moral agency in this narrative was constructed as being rooted in their economic responsibility to ensure smooth business operations (Pasupathi & Wainryb, 2010; Wilcox, 2012).

Stagnant Moral Agency

The "stagnant moral agency" narratives were provided by five interviewees (2, 10, 11, 13 and 16). The narratives started with expatriates identifying persistent and severe ethical problems in the host country contexts, which they described as being beyond their control. Thus, the narratives differed from the "instructed moral agency" and "business-based moral agency" narratives because the expatriates did not see 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 related to large-scale environmental and social issues deeply rooted in society, which affected the daily lives and operations of the company and society in general. The expatriates' accounts, imbued with a pervasive sense of powerlessness and frustration, underscore the complexity of navigating these entrenched dilemmas. The expatriates noted that the focal actors involved in these problems were expatriates, their family members, local employees, authorities, local legal representatives, and people in general. The overall narrative voice (Pentland, 1999) reflected powerlessness and frustration, and the plots (Sonenshein, 2010) remained stagnant and negative throughout. The problems in the host countries that the respondents described concretely related to environmental hazards, such as air pollution, deeply rooted discrimination, and the widely accepted custom of misusing organisational benefits. This was particularly pertinent in the business environment of China. Therefore, the problems described in these narratives can be seen as breaching ethical principles regarding human existence, equality, protection of the environment and human life, and exercising personal rights (Enderle, 2015). The ethical problems tended to involve a mix of dilemmas and wrongdoings. The stagnation and negativity

that pervade this narration can be interpreted as a strategic impasse faced by expatriates, who are confronted with issues that are deeply entrenched and resistant to straightforward solutions.

One example of this type of narrative was a problem concerning air pollution, particularly highlighted 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 expatriates' work. Interviewee 10 explained that pollution existed everywhere and that breathing polluted air affects all aspects of life. Pollution was acknowledged as an ongoing systemic problem that individual expatriates seemed helpless to tackle this kind of issues alone. This was also highlighted by Interviewee 2:

> "In China, the problem is that when I look out the window, the pollution here is absolutely shocking. What is difficult for the Chinese economy is that, like all Western and Chinese companies, we are experiencing a growth spurt, but the system here is creating a bigger and bigger environmental disaster." (Interviewee 2)

Interviewee 11 referred to the widely accepted and deeply rooted Chinese custom of organisational prosperity being used for private purposes, meaning that people take little responsibility for personal obligations. The expatriates described specific cases of expatriates using company-owned vehicles for leisure activities during their international assignments. According to Interviewee 11, this has been a common practice for some time, but one year, the travel expenses were exceptionally high, leading the company to investigate employee vehicle usage. The investigation uncovered that one car driver, who was responsible for completing a travel diary, marked non-existent trips in the diary and charged twice the expenses. The expatriate said that the local management fired the driver, but many other employees were known and allowed to follow the same practice and were not actively disciplined for infringement. The expatriate claimed that the driver was not the villain in this incident and explained:

> "The driver was dismissed. Everyone else washed their hands of the issue and said that we had 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." (Interviewee 11)

In this case, the expatriate felt unable to delve more deeply into the problem to reveal the systemic unethical practice of corrupt behaviour. Unique to this narrative is that the problem was not described as an individual ethical problem but as a persistent, systemic, ongoing problem across society.

As the narratives continued, concern about the environment, expatriates' family members and employees became more evident. The expatriates used ethical arguments based on care and empathy for people to reflect on the problematic situations. Although they said that they were worried about the problem, they perceived themselves as unable to change the situations and eliminate the problems. This can be interpreted as a shifting of blame and a distancing from responsibility by expatriates regarding external conditions in the host society, which minimized their own role in the conditions (Bandura, 2002, 2011). This led expatriates to choose inactivity despite constantly facing these problems, thereby leaving the problems unresolved. The outcome of this attitude was a highly situated moral agency. At the end of the narratives, the expatriates seemed exhausted by these problems, but they emphasized that they had no agentic space within which to take what they understood to be the appropriate actions. In summary, the narrative tone was negative (Pentland, 1999) and the plots remained stagnant (Sonenshein, 2010); powerlessness was the overall narrative voice, and the narratives had no clear ending.

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., 2017a, 2017b; McNeil & Pedigo, 2001a, 2001b; Molthan-Hill, 2014; Spicer et al., 2004), that expatriates can confront complex ethical problems during international assignments. As shown herein, some such ethical problems pertain to minor local micropractices in the workplace, while others relate more broadly to organisational customs in the home and host country locations, and even to large-scale, macro-level societal problems in this study. Furthermore, it illustrates how moral agency, as a fluid concept that requires the constant recalibration of one's moral position, is emerging through intercultural tensions and ethical ambiguity within shifting landscapes of practice and meaning.

Based on previous conceptualisations of ethical problems in business (Geva, 2006; Nash, 1990), we argue that conceptualisations, especially regarding expatriation, would benefit from a multifaceted viewpoint. In previous business ethics literature concerning ethical problems (Geva, 2006), the agency tends to be seen from an agent's motivation perspective. Moreover, these studies reflect a general dichotomy of wrongdoing and ethical dilemmas (Nash, 1990). Based on our findings, agents' (i.e., expatriates') understandings of their capability, power and opportunities to act regarding ethical problems seem to be fruitful viewpoints to add to the

conceptualisations. We found that capability mattered and seemed to depend, at least partly, on the level and intensity of the problem. This point has not received much attention in prior conceptualisations (Geva, 2006; Nash, 1990) and merits further research. Further development of advanced theorizing is needed regarding moral agency, which tends to evolve and shift over time and emerges within contexts that illuminate social in-betweenness and the complexities faced by expatriates (Böhm et al., 2022; Noethen & Alcazar, 2020).

Theoretically, our primary aim, with the help of narrative enquiry (Bruner, 2004; Cunliffe & Coupland, 2012; Lämsä et al., 2018; MacIntyre, 1996, 1999; McAdams, 2008), was to take the situatedness seriously and illustrate the constitution of processes related to moral agency. This was done by identifying three forms of situated moral agency: "instructed moral agency", "business-based moral agency" and "stagnant moral agency". We found that expatriates' moral agency lacked stability and varied at different levels. "Instructed moral agency" occurred particularly when an expatriate's moral agency transitioned from a close, emotionally laden, care-based ethical approach in social relationships with other participants (needs of local employees in this study) to a more neutral, professional level. At this professional level, the expatriates distanced themselves from the emotional viewpoint and relied on their duty in their professional position as decision-makers, obeying the instructive rules of the employing company in their decision-making. Consequently, the process of moral agency transitioned from care ethics to duty ethics. With "business-based moral agency", moral agency shifted from addressing ethical problems as culturally embedded at the social relationship level to resolving them at the business organization level. In this process, cultural habits were accepted as appropriate principles to be followed when deemed beneficial for business success. The ethical relativism observed in expatriates' agency was reinforced by utilitarian reasoning, emphasizing the importance of company-level benefits, particularly smooth operations and business success. Finally, "stagnant moral agency" manifested at the societal level, where ethical problems were perceived as impersonal constructs, and expatriates' experience of their capability to exert moral agency in these matters was severely restricted, making their experience of influence on the problems nearly impossible. Therefore, at this societal level, we think that expatriates' capability in moral agency can be referred to as moral powerlessness—a severe and enduring limitation that prevents them from exercising the right action due to external societal constraints beyond their control. The following Table 3 summarizes the findings of the study.

In line with MacIntyre (1999), we think that the construction of moral agency is a dynamic and contextual process imbued with rational and emotional considerations. The expatriates we interviewed exhibited no single process of moral agency; instead, how they constructed their moral agency is shaped by various intensities and parameters, and for example not only the nature of the problems but also the levels of the problems such as the social relationship level and the organisational and wider socio-cultural levels. The social proximity of the ethical problem imbued strategize in the process of constituting moral agency. There are resonances here with the issue-contingent model of Jones (1991) and contextual approaches to ethical decision-making (e.g., Clegg et al., 2007; Hiekkataipale & Lämsä, 2019; MacIntyre, 1996, 1999; Weaver, 2006), especially regarding expatriation. In general, in line with our starting point, the empirical findings of this study support a growing body of literature stressing that business ethics (in this case, moral agency in the field of expatriation) is highly contextual in practice (e.g., Clegg et al., 2007; Enderle, 2015; Hiekkataipale & Lämsä, 2019; MacIntyre, 1996, 1999; Pasupathi & Wainryb, 2010). Our study provides partial support for Demuijnck's (2015) observation that expatriate decision-makers may rely on ethical relativism. However, this study shows that this is just one tendency among others detected.

Seen from the viewpoint of HRM practice, the results of this study can help organisations and their HRM professionals adopt proactive measures and support systems to prepare expatriates for encountering complex ethical problems in their work in different locations (Sarfraz et al., 2023; van der Laken et al., 2016). Intercultural training is generally valuable not only for expatriates but also for local staff, as it fosters trust and mutual understanding in interpersonal and professional relationships. However, aligning with Crane and Matten (2016) and supported by this study's findings, such training should explicitly include an ethical component. This equips individuals with conceptual tools and practical strategies for addressing ethical problems, while also enhancing their capacity to engage in open and constructive dialogue about ethical concerns. Experiential methods—such as role-play, drama techniques, case studies, and simulations—can be particularly effective in supporting ethical learning in multicultural contexts (Lämsä et al., 2017a, 2017b). Their impact is amplified when combined with ethical frameworks, company codes of conduct (Crane & Matten, 2016), and a strong organisational ethical culture (Huhtala et al., 2011; Kaptein, 2011).

We suggest that from the perspective of "instructed moral agency"—where the emotional tone linked to ethical stress and strain is evident (Silbiger & Pines, 2014)—expatriates may benefit from socio-psychological support, both as a preventive resource and as a reactive coping mechanism. For example, peer-support mentoring systems in either the home or host country that provide expatriates with a safe space to discuss and share ethical concerns—while also exposing them to diverse perspectives—can be especially valuable in

Table 3 Situated moral agency narratives

Situated moral agency	Instructed	Business-Based	Stagnant
Narrator(s)	Expatriates Nos. 1, 3, 5, 9, 12, 14, 15, 17, 18	Expatriates Nos. 4, 6, 7, 8, 10, 17, 19 & 20	Expatriates Nos. 2, 10, 11, 14 & 16
Over-arching plot	Dynamic and tactical	Positive and justifying	Negative and stagnant
Narrative voice	Turning from discomfort to confusion to certainty	Turning from dissatisfaction to satisfaction	Consistently powerless and frustrated
Ethical Problems (what happened?)	Ethical problems related wrongdoings such as bribery, corruption, and deceit	Ethical problems related wrongdoings such as employee's illegal behaviour, workplace bullying, safety hazards, employee discrimination and corruption	Ethical problems tended to involve a combination of dilemmas and wrongdoings such as large scale environmental and social issues
The setting	Lack of complete or honest overview and information of the problems; sometimes disinformation	Ensuring smooth business operations and business success in the host country	Severe ethical problems existing descbired as being out of control and unable to have an impact
Focal actors (who was involved?)	The expatriates themselves as company representatives along with local staff	The expatriates themselves as company representatives as well as the local and Finnish staff and local stakeholders	The expatriates themselves, family members, local employees, authorities, local legal representatives and people in general
Tension (what and how those actors did?)	The tension arises from the challenge of evaluating ethical conduct based on incomplete or misleading information. This tension deepens as expatriates strive to reconcile the rigid values of their home country with the urgent need to address the welfare of local employees	The tension arises from the expatriate's challenge of balancing the responsibility for achieving business success in the host country. In their pursuit of business success, they sometimes resorted to unethical practices, such as corruption, in order to meet their instrumental business goals	The tension arises when they feel the powerlessness to address the systemic environmental and social issues which led to a distancing from responsibility and inaction. Unresolved problems and a sense of exhaustion without effective means to take action
Purpose (why did it happen?)	Expatriates' moral agency was framed by the duty to adhere to the prescriptive norms and directives imposed by their home country organization	Moral agency was framed by the expatriates' utilitarian assessments of the benefits and drawbacks for the business and its operations	Moral agency was framed by limiting the expatriates' own autonomy in response to external conditions

helping them reflect on stressful ethical dilemmas they might not have fully considered on their own. We believe that peer support could have the potential to develop ethical awareness in a temporal sense among expatriates, a topic that tends to be overlooked by business decision-makers (Campbell & Cowton, 2015) and within organisations' ethics practices (Enderle, 2015). This form of moral agency also poses a challenge to an organisation's ethical culture (Kaptein, 2011), particularly in fostering the organisational virtues of transparency and managerial integrity in the relationship between expatriates and upper management. According to previous research, these kinds of virtues can support individuals' occupational well-being and reduce the ethical strain they experience at work (e.g., Huhtala et al., 2011).

In the "business-based moral agency" perspective, expatriates approached ethical problems with the belief that business outcomes justify the means. This agency is linked to expatriates' acceptance of questionable norms in the host country (Böhm et al., 2022; Nie & Lämsä, 2015; Ulusemre & Fang, 2022). To help prevent potential misconduct, the development of ethics management policies and practices is recommended (Crane & Matten, 2016). Clear codes of ethics and regulations that explicitly define acceptable conduct in expatriation, along with regular monitoring systems such as reporting and auditing, can be beneficial (Kaptein, 2011; Ljubica et al., 2024). In ambiguous situations, it is also important to provide expatriates with the support and opportunity to consult HRM or upper management when navigating ethical problems.

In the case of "stagnant moral agency" expatriates faced severe and persistent large-scale ethical issues that they perceived as beyond their control. To support expatriates in coping with such challenges, we suggest that HRM provide clarity and a sense of meaningfulness regarding the expatriate's professional role, including responsibilities and boundaries, through training before departure and throughout the international assignment. This role clarity helps prepare expatriates for ethically unfavorable conditions in the host country (Shaffer et al., 2012; Guo et al., 2021). At the same time, encouraging modest, contextually grounded actions—such as recycling, caring for one's environment, and demonstrating personal role modeling—can support the maintenance of active moral agency in response to such problems. Finally, psychosocial support mechanisms—such as counseling and mentoring—are essential for addressing ethical strain and stress associated with a perceived stagnation in moral agency (see van Laken et al., 2016). Finally, we suggest that HRM's role, long-term effects of HRM and managerial interventions and inhibiting and fostering effects on individuals' (expatriates' and other professionals') moral agency is a topic that requires further research.

This study has some limitations that should be considered. Our investigation focused on specific country contexts. This allowed us to present a nuanced description of the topic, but a more diverse sample would be beneficial in future studies. Although, in qualitative research like this, the interest is in meaning-making and statistics are less important than providing a novel understanding of the topic under investigation (Bell et al., 2019), we propose that other (e.g., quantitative) methods could be useful in future studies. For example, researchers could develop measures of expatriates' situated moral agency as theorised herein and study their appropriateness and validity. One limitation of this explorative study is the generalizability of the results. However, the purpose was not to make empirical generalizations concerning the moral agency of all expatriates based on this research. In other words, the interviewed expatriates are not meant to be representative of the entire expatriate population. Instead, as highlighted by Bell et al., (2019, p. 375), in a qualitative study like this, it is important to provide meaningful theorizing on the subject. Consequently, this study offers one conceptualization of its topic within the study context. The results can be understood as a meaningful proposal, which can be investigated and developed further in subsequent studies.

We conclude that expatriates' moral agency is situated in various ways. In this study, expatriates justified their moral decisions through various frameworks, including care ethics, professional duties to follow company directives, the need to achieve specific business outcomes, acceptance of cultural practices, and the pressure to adapt to broad societal issues. Collectively, these factors influenced the expatriates' moral agency, revealing it to be a dynamic interplay between rational thought and emotional response. Their moral agency is not only contingent upon their specific context but is also characterised by ambiguity, contradiction, and, at times, strategic navigation. We suggest that the idea of situated moral agency can be useful for theoretically and empirically studying moral agency in expatriates' intense experiences in the future. In future studies, other forms of situated moral agency during expatriation might be identified and compared to our findings (Noethen & Alcazar, 2020). Finally, from a practical viewpoint, we think there is a need to promote cooperation between and understanding of different traditions to advance agile intercultural relationships, as well as responsible HRM practices and responsible leadership in general.

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Data availability The data are not publicly available due to privacy or ethical restrictions.

Declarations

Conflict of interest The authors declare that they have no conflict of interest.

Human and Animal Rights All procedures performed in studies involving human participants were in accordance with the ethical standards of the Finnish National Board on Research Integrity (TENK) and the University of Jyväskylä ethical guidelines.

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