Towards Expatriates' Ethical Adjustment: A Liminal Approach in Six Studies

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Palavras-chave:

Liminalidade; ética; ajustamento de expatriados; *organising*; dualidade

Key words:

Liminality; ethics; expatriates' adjustment; organising; duality

Categorias de Classificação da tese

3600 Industrial & Organizational Psychology

3660 Organizational Behavior

RESUMO

Os seis artigos desta dissertação constroem o conceito de ajustamento ético de expatriados liminais inseridos num contexto de mudança permanente e de *devir*. O primeiro artigo apresenta o conceito de liminalidade enquadrando-o no fenómeno organizacional. O segundo artigo estabelece a ligação entre liminalidade, *organising*, e ética ao explorar o caso da liderança ética como um processo liminal que se desenvolve em contextos de ambiguidade. No terceiro artigo, a ética empresarial e o ajustamento dos expatriados são perspectivados como uma dualidade para criar o conceito de ajustamento ético de expatriados liminais. O quarto artigo corresponde a uma investigação empírica qualitativa que foi conduzida junto de 52 expatriados europeus na África sub-Saariana com o propósito de perceber como é realizado o ajustamento dos expatriados em contextos éticos desafiantes. Foi estabelecida uma comparação entre este processo e o processo de *sensemaking*. O comportamento dos expatriados face a desafios éticos é legitimado pela idea de identidade pretendida no futuro, sendo esta limitada por variáveis contextuais e por um processo de construção de identidade. Os dois últimos artigos encerram aproximações práticas aos conceitos entretando criados. O quinto artigo introduz o conceito de *focal manager*, o gestor internacional que consegue conciliar os elementos estrangeiro e local para aumentar a sua eficácia. O último artigo apresenta um roteiro para o ajustamento ético de expatriados.

ABSTRACT

The six articles in this dissertation build the concept of ethical adjustment of liminal expatriates in a context of permanent change and *becoming*. The first paper introduces the concept of liminality and frames it within the realm of the organisational phenomenon. The second paper establishes the link between liminality, organising and ethics, by exploring the case of ethical leadership as a liminal process that evolves in contexts of ambiguity. In the third paper, business ethics and expatriates' adjustment are addressed as a duality to create the concept of ethical adjustment of liminal expatriates. The fourth paper is an empirical qualitative research conducted next to 52 European expatriates in sub-Saharan countries with the purpose of understanding how expatriates adjust to ethically challenging contexts. A comparison was established between an adjustment and a sensemaking process. Expatriates' behaviour in face of ethical challenges is legitimised by the idea of an intended future identity, which is bounded by contextual variables and a process of identity construction. The last two papers are managerial approaches to the theoretical concepts hitherto created. The fifth article introduces the concept of *focal managers* as the international managers that are able to coalesce the foreign and the local elements to increase effectiveness. The last article presents a roadmap to expatriates' ethical adjustment.

LIST OF ARTICLES

Article 1: **THE INEVITABILITY OF LIMINALITY IN ORGANISING**
Authors:
Nuno Guimarães-Costa (NOVA School of Business and Economics, Universidade Nova de Lisboa)
Miguel Pina e Cunha (NOVA School of Business and Economics, Universidade Nova de Lisboa)

Article 2: **LEADING AND FOLLOWING (UN)ETHICALLY IN *LIMEN***
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Arménio Rego (Departamento de Economia, Gestão e Engenharia Industrial, Universidade de Aveiro)
Sterward Clegg (Centre for Management and Organization Studies, University of Technology Sydney)

Article 3: **ETHICAL ADJUSTMENT AS A DUALITY: CLOSING THE GAP BETWEEN BUSINESS ETHICS AND EXPATRIATES' ADJUSTMENT**
Authors:
Nuno Guimarães-Costa (NOVA School of Business and Economics, Universidade Nova de Lisboa)
Miguel Pina e Cunha (NOVA School of Business and Economics, Universidade Nova de Lisboa)

Article 4: **A SENSEMAKING APPROACH TO EXPATRIATES' ADJUSTMENT TO ETHICAL CHALLENGES**
Authors:
Nuno Guimarães-Costa (NOVA School of Business and Economics, Universidade Nova de Lisboa)
Miguel Pina e Cunha (NOVA School of Business and Economics, Universidade Nova de Lisboa)

Article 5: **FOREIGN LOCALS: A LIMINAL PERSPECTIVE OF INTERNATIONAL MANAGERS**
Authors:
Nuno Guimarães-Costa (NOVA School of Business and Economics, Universidade Nova de Lisboa)
Miguel Pina e Cunha (NOVA School of Business and Economics, Universidade Nova de Lisboa)

Article 6: **A STRANGER IN A STRANGE LAND: BUILDING THE BRIDGE BETWEEN ADJUSTMENT AND ETHICS FOR INTERNATIONAL MANAGERS**
Authors:
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Introduction

This dissertation builds the case of ethical adjustment of liminal expatriates throughout six articles. Each article has a different contribution for the central idea that expatriates in ambiguous and confusing situations, in a context of organising and continuous change, facing ethical and cultural challenges, are not limited to either accept the local practices sacrificing their own ethical principles or reject local practices in favour of ethics, thus surrendering adjustment. Expatriates' intended future identity, resulting from the combination of a projected image and a future self, can render ethical adjustment, i.e., behaviour that combines local practices with ethical attitudes.

The unifying concept of this dissertation is liminality. This is a concept borrowed from anthropology and first introduced by Arnold van Gennep (1908/1960) to study the rites of passage associated with different stages in life – such as betrothals, weddings, or funerals – of different indigenous peoples in Africa. Thus, liminality marks the transition between two clearly defined stages or conditions, in which the characteristics associated with the old position softly disappear before being fully replaced by the emergence of new ones. Turner advanced this concept into the fields of sociology (1969, 1979, 1980) and play and drama (1974, 1982), introducing the liminal personae, i.e., the individual that is submitted to a liminal condition.

As is referred in the first paper on this dissertation – *The Inevitability of Liminality in Organising* – liminality has been sporadically used in organisational studies. Examples are Christmas parties (Rosen, 1998) or plays (Clark & Mangham, 2004), practices such as consumption (Belk, Wallendorf, & Sherry, 1989; O'Guinn & Belk, 1989; and Schouten, 1991), phenomena like power (Levina & Orlikowski, 2009), learning (Tempest & Starkey, 2004), identity (Beech, 2011), and leadership (Grint, 2010), or functions such as interim managers (Inkson, Heising, & Rousseau, 2001), temporary workers (Garsten, 1999), and inter-organisational relationship managers (Ellis & Ybema, 2010). In this article, it is argued that liminality is not only a pervasive phenomenon in organisations but also that it is inherent to organising (Weick, 1979), or organisation as a flux of organised activities that congregate actors, behaviours and situations (Tsoukas & Chia, 2002).

One of this organised activities is leadership, namely ethical leadership. As is argued in the second article – *Leading and Following (Un)Ethically in Limen* – ethical leadership is a

process that takes place in ambiguous organisational contexts. Ethical leadership is introduced as "the demonstration of normatively appropriate conduct through personal actions and interpersonal relationships, and the promotion of such conduct to followers through two-way communication, reinforcement, and decision-making" (Brown, Treviño and Harrison, 2005, p.120). However, the notion of normative appropriateness is open to discussion, not least because of the on-going discussions between relativists and absolutists (e.g.: Donaldson, 1996; Rachels, 1998). In the article, this question is framed within the concept of liminality when it is recognised the possibility of co-existence of more than one ethical context, or that ethical grey areas may emerge from the activity of organising. Moreover, the fluidity and ambiguity of organising renders leaders as liminal personae that are faced with situations in which rules are suspended or the conditions of their application become absolutely equivocal.

Therefore, in this paper ethics is framed as an organisational phenomenon that enhances the liminal characteristic of organising, thus establishing the link between liminality, organising, and ethics. These three concepts – liminality, ethics, and organising – serve as theoretical foundations for the remainder four articles of the dissertation.

In the third article – *Ethical adjustment as a duality: closing the gap between business ethics and expatriates' adjustment* – expatriate managers are introduced as relevant actors going through the liminal experience of adjustment to an ethically challenging context. It is argued that expatriates are liminal personae due to the "increasing ambiguity, uncertainty, and pressure stemming from challenges of international assignments" (Mezias & Scandura, 2005: 522). These emerge from the expatriates' efforts to adjust to work, host-country nationals, and general context (Black, Mendenhall, & Oddou, 1991) and often imply ethical consequences.

Under their liminal condition, when expatriates are found "between and betwixt" (Turner, 1969:95) two contrasting and conflicting ethical and cultural frameworks and still they are encouraged to adjust, expatriates may be convinced that they either adjust to local practices and forgo their ethical beliefs, or they stick to their ethical beliefs at adjustment expenses. This perspective of ethics and adjustment as a dualism is challenged in this article in favour of a duality, in which these two concepts appear as interdependent and mutually enabling (Farjoun, 2010). The literature on both business ethics and expatriates' adjustment is used to propose instances in which the search for adjustment fosters the adoption of ethical behaviour according to the integrative social contracts theory (Donaldson & Dunfee, 1994). Conversely, it is explored how the adoption of ethical decision-making models (e.g.: Jones,1991; Treviño, 1986) can favour expatriates' adjustment. From this duality emerges the

possibility of ethical adjustment, an attitude that, as it is suggested, fosters organisational sustainability and increases the longevity of successful expatriates' assignments.

In the fourth article – *A sensemaking approach to expatriates' adjustment to ethical challenges* – it is explored how liminal expatriates face ethical challenges while adjusting. From the qualitative analysis of 52 interviews to Western European expatriates in sub-Saharan countries emerged a pattern of response that can be compared to a sensemaking process (Weick, 1995). The ethical challenge is the surprise or disruptive novelty that must be given a meaning amongst different possibilities and cues, in order to achieve a response that can restore normality in a context of divergent ethical frameworks. The concept of intended future identity was introduced to further explain the process, namely the different responses in face of similar challenges and situational contexts.

Expatriates emerge from the analysis as liminal personae enacting their own reality (Clegg, Kornberger, & Rhodes, 2005) in an historical and situational context, and guided by the intended future reality. The intended future identity is limited by the context – which comprises expectations, intentions, perceptions, social position, and power – and by a process of identity construction, composed of personal history, self-image, future self, and image. The observed evolution of identity, the idea of identity *becoming* (Chia, 2002), are in line with the previous concepts of organising and of a process view of reality (Tsoukas & Chia, 2002) that are discussed in the previous articles.

The framework of expatriates response to ethical challenges, which results from the theoretical analysis of the data, is thus formed by a sensemaking process justified by an intended future identity. These responses can either accommodate to local practices, thus increasing the probability of unethical behaviour, or reject local practices in favour of a behaviour perceived as ethical, at the same time risking adjustment. A third option, that of ethical adjustment, in which adjustment and ethics are coalesced in such a manner that neither is sacrificed, is still open to expatriates seeking for a sustainable individual and organizational presence overseas.

The fifth article – *Foreign locals: a liminal perspective of international managers* – is a managerial perspective over the issue of liminal international managers (including expatriates and *inpatriates*). These are called focal managers because they are able to coalesce the advantages of being a foreigner with those of having to act locally. Focal managers are able to control the consequences of liminality, namely the increased permissiveness (Garsten, 1999) that stems from the ambiguity of transition, by drawing their actions from the most

favourable elements of both past and future contexts, inspired by a unifying view of foreignness and localness, and facilitated by an extended license to *experimentation*.

Four dimensions of the liminal condition are introduced in this article. A cultural dimension, since international managers move between two different although deeply grounded cultural settings; an ethical dimension, since these different cultures potentially display conflicting ethical norms or principles; an organisational dimension, given the co-existence and competing influence of the head-quarters and the local branch over the manager's decisions; and a life-balance dimension, because even when these managers are at home, they are often at a company run or owned apartment or house, sometimes sharing it with other international managers.

The last article – *A stranger in a strange land: building the bridge between adjustment and ethics for international managers* – is another managerial perspective over ethical adjustment of liminal expatriates. A framework that eventually leads to ethical adjustment is introduced. This framework combines an ethical decision-making model (Jones, 1991; Treviño, 1986) with the normative approach provided by the integrative social contracts theory (Donaldson & Dunfee, 1994) to render a most influential community in the perspective of the expatriate. It is argued then that this community sets the baseline for ethical judgement and compliance. The framework is recursive, meaning that expatriates evaluate their degree of ethical adjustment in the end of each cycle and fine-tune their attitudes in accordance with their willingness to be (un)ethically adjusted.

The listed articles are already published in the following journals:

Article 2 – *Leading and Following (Un)Ethically in Limen*: published in the Journal of Business Ethics (2010) 97: 189-206;

Article 5 – *Foreign locals: a liminal perspective of international managers*: published in Organizational Dynamics (2009) 38 (2): 158-166;

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Chapter 1 – The inevitability of liminality in organising

THE INEVITABILITY OF LIMINALITY IN ORGANISING

Abstract

We explore the role of liminality, an anthropological and sociological concept, in the context of organisations. After introducing the concept of liminality, we argue that liminality is an outcome of organising that emerges from an ongoing process of structuration. Through the identification of rites and communitas in the different processes that compose the act of organising we are able to retrieve what we call liminal elements, which are the fundamental particles of liminality in organisations. We explore both a weak and a strong process view of organising to inspect where, why, and how liminality occurs. This lenses allow us to analyse both the advantages and disadvantages of liminality to organising, as well as to propose an approach to manage its consequences.

Keywords: Liminality, rites, communitas, organising.

In 2007, the Vatican's International Theological Commission established that babies who died without being baptised would go to heaven, not the limbo, the place where unbaptised infants would spend eternity, in a state of no communion with God (www.catholicnews.com/data/stories/cns/0702216.htm, access 16-12-2008). The end of this spiritual limbo was in contrast with the persistence of other earthly forms of limbo. As reported by the *Wall Street Journal*, a state of limbo existed for a U.S. detainee, Saddiq Ahmad Turkistani, arrested in Afghanistan, transported to Guantanamo, eventually declared innocent but kept incarcerated "because the U.S. doesn't know what to do with him." The US authorities informed that they were having difficulties in getting his home country to take him back. As a result Turkistani was in limbo (White & Wright, 2008).

As these examples show, limbo or, using the anthropological term, the liminal condition manifests itself in many instances and different shapes in society. Airports (Knox, O'Doherty, Vurdubakis, & Westrup, 2007) are liminal places in which people are between two locations, senselessly passing through the security checks or waiting for the boarding signal in crowded waiting rooms. Mourning is a liminal period (Gennep, 1908/1960), in which family and friends of the deceased say farewell to the dear one while the body is still present, somehow suspended between the living and the dead. A play is a liminal situation (Turner, 1974), in which actor and character are intertwined to create a specific performance.

In the field of organisations, the adoption of a process view of organisation brings to the surface different liminal instances, in which change and transition co-exist with the need for stability (Farjoun, 2010). Liminality emerges as a natural component of these continuously changing entities of organising (Weick, 1979), which presence does not depend of the voluntary will of the organisational members, nor is it avoidable. However, having their roots in anthropology, liminality and liminal instances have not been subject to extensive attention in the field of organisational studies. Exceptions can be found in few analysis of events such as Christmas parties (Rosen, 1998) or plays (Clark & Mangham, 2004), practices such as consumption (Belk, Wallendorf, & Sherry, 1989; O'Guinn & Belk, 1989; and Schouten, 1991), phenomena like power (Levina & Orlikowski, 2009), learning (Tempest & Starkey, 2004), identity (Beech, 2011), and leadership (Grint, 2010), or functions such as interim managers (Inkson, Heising, & Rousseau, 2001), temporary workers (Garsten, 1999), and inter-organisational relationship managers (Ellis & Ybema, 2010). In front of us lies a pervasive organisational phenomenon; about which we, in the field of organisational

behaviour and management, know not much.

Despite the scarce research, the implications of liminality can have serious impacts in organisational life. Occurrences of permissiveness and allowance can lead to new creative approaches to old problems, but can simultaneously create new problems in hitherto stable contexts. The erosion of hierarchies can create promising new bounds between different levels of the organisation, fostering innovation and adaptability through the creation of strong ties between different organisational units (Hansen, 1999), but can simultaneously generate new types of envy and new sources of incompatibility between departments or people. The communitas-like contexts that often emerge from liminal states can energise new solidarities and trigger movements of social responsibility, but can also serve as source of new complicities that legitimise unethical behaviours (Cunha, Guimarães-Costa, Rego & Clegg, 2010).

Increased knowledge of such a phenomenon in the realm of organising is thus mandatory, because only by being able to identify it, by understanding how and why it emerges, and how it evolves, is it possible to manage liminality, anticipate its emergence and consequences, and allow organisations to take advantage of the less structured periods, especially when structured times reappear. It is our purpose to explore the presence of liminality in the context of organisations. As such, our contribution to the organizational literature mainly resides in raising awareness by means of an exploratory contribution to a necessary condition of organizing: liminality as inevitability. According to that purpose, we organised the paper around four sections: first, we detail our understanding of liminality and organising; second, we explain how liminality emerges from organising; third, we explore how does it occur; and fourth, we detail when does it occur. We close the paper by concluding why liminality is important.

Liminality and Organising

Following our purpose of showing that liminality is part of organisations, in this section we start by exploring its anthropological meaning using mainly the perspective and contributions of Arnold van Gennep and Victor Turner. Our attention is mainly focused on those aspects of liminality that can be meaningfully transferred from the sociological and anthropological realms to that of organisational studies: liminal personae; rites; and communitas. Then, we introduce the concept of organisation as a process. We explore both a weak and a strong process perspective and suggest that both accommodate the inevitable

emergence of liminality.

Liminality

Liminality was first used by Arnold van Gennep (1908/1960) associated with the different "passages from one age to another and from one occupation to another" (1908/1960:3) in pre-modern societies. To this anthropologist, every such passage was associated with ceremonies or rites that enabled the transition between two clearly defined and stable conditions. These generally included rites of separation, rites of transition, and rites of incorporation. Each of these instances could have different weights and importance depending on the passage. For instances, rites of separation were more important in funerals, whereas transition rites marked events such as pregnancy or betrothal, and incorporation rites were prominent in marriages. Rites of separation and of incorporation are related with pre- and post-liminal spaces and periods, and rites of transition correspond to spaces and periods of liminality (Turner, 1969: 166).

Periods of liminality, the main focus of our paper, are typified by their ambiguity, and by the waning of the characteristics associated with the old position, including rules and obligations, before being fully replaced by the emergence of new ones. In liminal instances, old and new, past and future, are combined to generate a temporary third condition with particular rules and norms.

Liminal personae. Individuals in liminal situations "fall in the interstices of social structure; are on its margins; or occupy its lowest rungs" (Turner, 1969: 125). They become *liminal personae* (1969: 95) and suspended in between (Tempest, 2007: 821) social structures, belonging to none of them. They are freed from social obligations and given permission to act beyond the normal structural boundaries, in accordance with their state of transcendence and freedom, permitted by the suspension of both the pre- and post-liminal norms and demands (Garsten, 1999). As we have seen above, their passage through liminality is marked by rites, designed to facilitate the passage between the two states (Czarniawska & Mazza, 2003: 285).

Rites. Rites are ascribed an important role in liminality. Van Gennep observed that their "essential purpose is to enable the individual to pass from one defined position to another which is equally well defined" (1908/1960:3). Liminal rites guide individuals through the liminal period until the desired effect or outcome is achieved (Shields, 2006).

Turner (1969: 167) identified two types of liminal rites, depending on their purpose: rites of status elevation and rites of status reversal. The first accompanies the subject from a

lower to a higher position in a given institutionalized system, and is usually associated with life-crisis moments. These are transitional rites, enacted to help the subject endure the passage between the two states. They serve to destroy the previous condition or status and prepare the incumbent for his/ her future condition or status, the new responsibilities, and position (Turner, 1969: 102). In these cases, eminently individual (Turner, 1979), rites involve humbling the subjects, as if meaning and legitimacy of the post-liminal situation in the social structure was acquired during the liminal period. The hazing to which each new police recruit is submitted before s/he is fully admitted to the force is an example of this process (Albuquerque & Paes-Machado, 2004). The second type of rites refers to cyclical or calendrical occasions or to collective changes of status (Turner, 1979). Typically, these rites are associated with the masses or the structurally inferior, such as in the case of Carnival festivities (Watson, 1979), and involve periodical and regular "symbolic or make-believe elevation of the ritual subjects to positions of eminent authority" (Turner, 1969: 167). As such, rites of status reversal refer to symbolic transitions or passages, which meaning is generally grounded in a mythical past.

Turner stresses the fact that the concomitant existence of both rites in a community reinforces the sense of hierarchy and "underline[s] the reasonableness of everyday culturally predictable behaviour between the various estates of society" (Turner, 1969: 167): as we shall see next, when we introduce the concept of communitas, those at the top have to experience, through proper rites, lowliness; at the same time, those at the bottom are authorized to mimic the hierarchically superiors.

To fulfil their role, rites must follow a "performative sequence" (Turner, 1980: 160), which confers a peculiar arrangement to the liminal instance (different from the pre-liminal or the post-liminal situations) that implies a meaningful order of its components. The Christian Mass (Cressman, 1930), the Jewish Sabbath (Wax, 1960), or the Muslim Ramadan (Yocum, 1992), as well as many other religious ceremonies and celebrations are all composed of a series of different rites that together gain meaning next to believers.

Communitas. While performing the liminal rites, individuals temporarily form what Turner calls a 'communitas', an "unstructured or rudimentarily structured and relatively undifferentiated (…) community, or even communion of equal individuals" (1969: 96). While in 'communitas', individuals are bounded together by a common goal, which they face *with* (1969: 126) each other, not side by side, as one entity. Here, the concept of self-interest loses meaning, being replaced by the interest of the group of people that shares the same state.

The significance of ‘communitas’ resides in its temporary nature between two structured conditions in the continuous path between pre-liminal, liminal, and post-liminal stages. When the liminal signals the passage between two hierarchically different stages – marked by rites of status elevation – ‘communitas’ is an opportunity to experiment the low before attaining the higher. It becomes an instance of acknowledge of the low, of awareness that the low will remain, irrespective of the individual’s elevation (Turner, 1969). In the case of rites of status reversal, ‘communitas’ becomes an instance of communion between the different levels of the hierarchy, in which the low pretend to be higher and the high lower. Given its periodical nature, ‘communitas’ is in fact a recurring opportunity to sustain and stabilise hierarchies (Turner, 1969: 177): those in the upper levels can (re)learn the lower ranks’ view of reality, whereas those in the lower levels can apprehend the hardships and characteristics of those in the top.

Organisation as process

Before we proceed we have to anticipate that we share the perspective of Giddens (1979; 1984) over social actors continuously engaged in processes of structuration. In this perspective, structures are “recursively organised sets of rules and resources [that are] out of time and space” (1984: 25) with which individuals interact.

The process view of organisations comprises two distinct ontological perspectives: a weak process view and a strong process view (Bakken & Hernes, 2006). A weak process view recognises the importance of flux and change as a temporary state of things, whereas the strong view adopts an opposite position in which things and entities are but momentary conceptualisations, or “instantiations” (Chia & Langley, 2004), of processes.

Weak process view. Under a weak process perspective, organisations are composed of both moveable (processes), and stable parts (structures). Processes can thus be “conceptualised as the interaction between stable entities” (Bakken & Hernes, 2006: 1600) that is responsible for change over time in specific dimensions. In this entitative (Chia, 1999) reality, the flow defines the structure and the structure defines the flow, each one giving meaning to the other in a punctuated equilibrium (Van de Ven, 1987) between change and permanence.

The idea of organisations as self-designed systems (Weick, 1980), in which organisational agents creatively interact with the existing structure in order to deliberately generate new designs composed of new and old elements, exemplifies the weak process view perspective. The new designs, product of a “deliberate complication” (1980: 601) that

"involves some difficult managerial actions, including the management of anarchy, the encouragement of doubt, the fostering of inefficiency, and the cultivation of superstition" (1980: 603), become the structural elements that recursively feed the next contextual demands. The lack of an organised world in which *organisations* can operate steadily requires action (Weick, 1987). The results of such action, newer designs, are inscribed into structure which, once perceived and acknowledged by the actors, gives meaning to the act (Weick, 1988).

In this sense, organising (Weick, 1979) lies between the interpersonal interaction needed to respond to emerging new challenges and the structural level that is changed by the action of the members of the organisation. Organised activities, the core of organisation as a process, or organising, become the generic responses that congregate actors, behaviours and situations (Tsoukas & Chia, 2002). These activities may constitute flows, which occur within a stable structural context that provides them with meaning and shape while they work as the functioning element of the organisation (Hernes & Weick, 2007). Alternatively, these organised activities can be congregated in the creation and continuous expansion of networks "of relations between heterogeneous elements" (Hernes & Weik, 2007: 261), which are, nonetheless, connected to stabilised nods.

The organised activities constitute the recursive element that allows for the modification and adaptation – the processual aspect – of the organisation. Although analytically distinct, structure and process are, in this perspective, two aspects of the same dynamic progression that continuously feeds itself in the structure.

In all the previous cases of organising, change appears as the dependent variable in a context of static realities (Van de Ven & Poole, 2005). In this perspective, process takes place when entities interact, its role being that of mediating, or being responsible for the transition between two different levels of structure. As we discuss below, liminality is likely to emerge in such conditions.

Strong process view. In contrast with this perspective of a punctuated equilibrium, many scholars view reality as composed solely of change and process, in which entities "such as people, organizations, and ideas, are all names given to abstractions of what are identifiable and relatively constant patterns of movement extending over the whole universe" (Ford & Ford, 1994: 765).

Tsoukas and Chia (2002) argue that individuals are in simultaneous and permanent

interaction with others and with oneself, basing their decisions and actions in past as well as in current and evolving experiences. Given the multitude of parties involved, and the continuous efforts of reinterpretation to accommodate new situations, "change (…) is the reweaving of [these] actors' webs of beliefs and habits of action to accommodate new experiences obtained through interactions. Insofar as this is an ongoing process, that is to the extent actors try to make sense of and act coherently in the world, change is inherent in human action, and organisations are sites of continuously evolving human action" (2002: 567). As such, individuals not only actively participate, but they also are subject to the permanent processes of change that are, at the same time, intrinsic to the organisations to which they belong (Chia, 1999).

Because of this interaction between organisation and organisational members, Chia introduces organisation as "not a 'thing' or 'entity' with established patterns, but the repetitive activity of ordering and patterning itself" (1999: 224) that results from the need of stemming change (Tsoukas & Chia, 2002). The perceived cadence of this definition leads to the idea of *organisation becoming* (Carlsen, 2006; Chia, 1999, 2002; Clegg, Kornberger, & Rhodes, 2005; Tsoukas & Chia, 2002). This means that change and process are ontologically prior to social structure (Carlsen, 2006: 133); they explain and justify the conceptualisation of entities, not the other way around. In fact, "rather than 'existing', what we think of as an organization is the momentary apprehension of an ongoing process of organizing that never results in an actual entity" (Clegg et al., 2005: 158)

The strong process view postulates organisation as an abstraction (Chia, 2002; Clegg et al., 2005), equivalent to a snapshot taken in a moment in time at a specific location. As such, *becoming* can be understood as the transformation of that abstraction, the "mutation" (Clegg et al., 2005: 156) observed in a series of snapshots. In this case, organisation never "is", the permanence residing instead in movement, process, and change. Liminality, in this case, emerges between instantiations of process.

Liminality as an outcome of organising

Both ontologies frame organisations in a context of change and evolution. According to a weak process perspective, movement and change occur between stable conditions, the process being understood as the glue that connects these different entitative states. As such, each leap between two different states can be considered a transitional moment or occasion. Contrastingly, a strong process perspective implies the permanence of change and the

inexistence of things or stable entities. However, since individuals favour an entitative understanding of reality, there is the need for a permanent conversion of "ongoing relational processes (…) into structures, such as rules, habits, and routines" (Bakken & Hernes, 2006: 1607). This means that individuals prefer to perceive each snapshot of becoming as a different entity and are thus easily capable of conceptualising a transitional period between two (or more) of these instantiations of process. In both weak and strong perspectives, the transition between two levels of (conceptual) structuration creates the context for liminality to emerge.

Signals of liminality in organising.

Organisations are characterised as places of transition and interaction between different elements. In the organisational context, new paradigms, new challenges and new responses coexist with old ones (Bakken & Hernes, 2006) to render novel configurations, much like in liminal ones, in which elements of two contrasting situations coexist at the same place and time. Additionally, when organisations are encouraged to face their elements of doubt, anarchy, inefficiency, and superstition (Weick, 1980) they are being framed outside the boundaries of predictability, order, and structure (Lewin & Volberda, 1999). Instead, they are being understood in a context of permissiveness and allowance (Garsten, 1999) that is more akin with a context of liminality.

Organisations are places of play (Weick, 1980) in which the organisational members (or actors) are assigned to specific jobs and tasks (or performative roles) and creatively combine resources that will gradually transform and shape new structural levels (or stages). Performed actions, roles, and relationships only make sense in the context of the corresponding organisation and are hardly understood outside that context, much as Turner (1974) describes "play" in the theatrical sense, and frames it within the scope of liminality.

A strong process view brings forth additional signals of liminality in organisations. First, by means of its "gestative formation" (Chia, 1999: 222). Each moment, each instantiation of the organising process, is an immanence of the objective past that is consubstantiated in a single event selected amongst the multitude of present alternatives of action. Simultaneously, in the precise instant of its occurrence, when the uncertain options become certain action, the moment transforms itself into the objective particle that will shape and constrain future opportunities. As such, an organisation in the present is an uncertain, subjective and continuously evolving passage between a well defined past and a constrained future, i.e., it is a natural outcome of liminality.

Second, by means of the rhizomic nature of organisations (Clegg et al., 2005; Chia, 1999). According to this metaphor, each organisational component or element continuously interacts and organically generates links with any other element to create a third one that, in turn, interacts with the formers and with itself. Organisations are thus permanent occurrences of heterogeneous change. The resulting complexity increases the number of available options and meanings available to organisational members, thus enhancing the presence of liminality as an outcome of the organisational process.

Extending the strong process view to its limits, organisation can be understood as a particular case of inverse liminality. According to this perspective, an organisation is a human attempt of stability characterised by particular norms, habits, and behaviours that are enacted to allow order and simplification in a world of chaos and change (Chia, 2002; Clegg et al., 2005); it is a "provisionally ordered networks of heterogeneous materials whose resistance to ordering has temporarily been overcome" (Chia, 1996: 51). As such, organisation is conceptualised in between multiple occurrences of chaos, as a place in which the inexistence of structure and order is suspended. We suggest the term "inverse liminality" because under this strong process perspective organisations face conditions that are inverse of those that characterise liminality: the liminal instance apparently connects two less structured conditions and confers liminal individuals the structural means to weather the unstructured reality; however, the seclusion, the inner bounds, the purpose that connects the organisational members can be said to be identical to that experimented by liminal personae.

Triggers of liminality in organising

Responding to the entitative need of organisational members, we will use the concept of structuration (Barley & Tolbert, 1997) to explore liminality in the organisational context. We use the structural elements both as entities of a weak process view and as "temporary arrestations" (Chia, 2002: 863) of flux in a strong process perspective.

In a weak process view, structuration is a comprehensive process that involves a duality between different structural elements and instances of action performed by organisational members. Structures are understood to impose constrains on action synchronically; whereas actions "become" structure diachronically (Barley & Tolbert, 1997: 100), given meaning only after their inscription into structures. Alternatively, in a strong process perspective, structure becomes past in the continuous process of structuration the moment it is enacted (Giddens, 2002). As such, it is immanent in the present (Chia, 1999:

220) in the shape of action. This, being voluntary although conditioned by the present and the past, exerts an influence on the next abstracted level of structure that is comparable to the one that is observable through a weak process perspective. In both weak and strong cases, an organisation is thus the result of a continuous process of structuration composed of a multitude of interactions between different structural elements and actions. We suggest that liminality emerges from the transition between different levels of structuration. We now explain how.

Let us conceive a single transition between "structure n" and "structure n+1" in any structural dimension (or at any level of abstraction). In order to accomplish this transformation, an organisational member has to perform an action. This transition can be seen as an opportunity for liminality to emerge/occur, since the organisational member can be immersed in a state of ambiguity, "betwixt and between" (Turner, 1969: 95) the two structural levels, without being clear what is her or his specific position or state in the organisational context. However, as we have seen above, organisational reality is composed not of a discreet passage between two structural levels but of a multitude of simultaneous passages between different levels of structure, via structuration. Consequently, there is not "a" single instance of liminality, but a complex state of comprehensive liminality, or opportunities for liminality to emerge, from the interstices of interaction between structure and action.

Liminality in organising

Liminality is signalled by the presence of rites and communitas in organisations, as well as by instances of change and transition involved in processes of structuration. Sometimes these two sources of liminality appear together, meaning that rites and communitas-like situations are associated with processes of structuration in organisations. Having discussed in the previous part the reason why we consider liminality is an outcome of organising, we now identify instances of liminality in organisation based on the occurrence of these sources.

Mainly rites and communitas-like situations. There are several organisational events in which participants are immersed in a ritual-of-status-reversal-like experience. In Christmas parties (Rosen, 1988), in corporate family-day, or in other corporate periodical festivities (Deal & Key, 1998), it is normal for employees to participate in theatrical performances intended to deride their bosses with the bosses' permission and attendance. In these occasions, the normal relationships, the existing structures, are suspended, formal hierarchies are

diminished and individuals are encouraged to enjoy the communitas-like environment.

Other organisational events can be compared with rites of status elevation, in which an individual or the organisation as a whole prepares to reach a proposed higher stage, by means of an effective transition. When an organisation celebrates a new achievement along its history, calls for humbleness and remembrance of past hardships are common features of ritualised speeches (Sussman & Belohlav, 1983). The closing of a new important deal is often accompanied by a ritualised celebration (often as simple as opening a bottle of champagne) in which hierarchies are softened to allow different organisational members to participate in equal terms (Deal & Key, 1998), and to signal the others employees that they also can achieve the same goal. Promotions and other instances that mark a career's development are often ritualised in the form of formal communications to the whole organisation or even in the form of open ceremonies (Trice & Beyer, 1984). In these instances, the organisational member becomes a liminal persona, between two hierarchical levels, without actually belonging to none of them. Again, the subject often receives the promotion with some gesture of humbleness, which is well received by her or his peers and superiors.

Other ritualised performances in which liminality is present can be found in corporate periodical general meetings (e.g.: Lane, 2008), external and internal communications, meetings, business lunches, meetings (Trice & Beyer, 1984), banquets and coffee breaks (Dandridge, Mitroff, & Joyce, 1980), or the re-start of each day of work (Moreno, 1997).

Mainly change and transition. Several examples exist when we consider instances of organisational change and transition involved in processes of structuration that can trigger liminality, or in which liminality can be found. Some of these, such as hiring and training (Hamada, 1991), performance evaluation, or integration and socialisation processes (Trice & Beyer, 1984), are centred in individuals and aim at their transformation as members of a specific organisation. While submitted to these processes, individuals are between two well structured conditions – between not employed and employed; between before training and after training; between not promoted and promoted – and they share a communitas-like situation. Taken as a whole, these processes are part of the organisational structuration process described above.

Other instances involve the whole organisation in a transformation process. Members also enjoy the communitas-like situation while actively participating in any of the processes, such as when an organisation embarks in a certification process (Arauz & Suzuki, 2004), or when it prepares to internationalise, or enter a new market. A common sense of purpose

erodes hierarchies and fosters togetherness and companionship.

In summary, all the previous examples are related with liminality insofar as organisational members, either individually or collectively, are involved in choreographed situations associated with passages between two well defined conditions, which correspond to effective transitions or instances of simple suspension of normal rules. While in transition, organisational members are likely to be immersed in a communitas-like situation in which statuses are levelled down and hierarchical differences are smoothed.

We have covered situations associated with some type of uncertainty concerning roles, functions, positions, expected behaviours; all involving liminal personae. These are the conceptual elements that confer each of the analysed cases their liminal nature. In Table 1 we isolate, summarise, and single-out each of these liminal elements in organisations in order to extend our conclusions beyond the discussed cases to include any organisational phenomenon that shares the same elements.

INSERT TABLE 1 ABOUT HERE

Conclusion

Our main purpose with this article is to discuss a phenomenon that, despite its pervasive presence in organisations, has not been subject to much academic attention. Using a process view of organisations, we suggest that liminality inevitably emerges from the activity of organising, "in betwixt and between" the interstices of structuration. We use different examples of organisational activities to agree about the existence of liminal elements, which confer liminality to the sub-processes that compose the overall activity of organising.

Why awareness of liminality is important. Despite its pervasive presence in organisations, as we have seen above, liminality and its implications have not deserved an equivalent attention from organisational studies scholars. Yet, the consequences of liminality lead to outcomes that should not be ignored, given the impact they have in the activity of organising, thus in the sustainability of organisations. Managers and organisations should become aware of liminality for otherwise they will not be able to manage it and harness its effects. Understanding liminality triggers the capacity to manage these less structured periods in order for them to produce their positive effects also in more structured, post-liminal ones.

Last comment. Like Alice and her adventures in Wonderland, organisations and its members are often immersed in confusing and ambiguous contexts or realities, in which they are faced with practices and rituals they do not quite understand. However, if they behave like Alice and learn how to manage these events – how to use the organisational mushrooms, cake slices, and tea parties – they increase the probability of coming out of the experience not only with their heads intact, but also as more knowledgeable and resilient organisations and individuals.

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Table 1 – Liminal elements of organisational phenomena

Liminal Element	Examples	Description
Events / Occasions / Gatherings	Xmas parties; Team building sessions; Annual meetings	These combine different structural elements to render new instances that present particular characteristics. They display their own rules and codes, develops their own characters and roles, while the hitherto characteristics remain suspended. They often create the conditions for the emergence of communitas-like situations or contexts. They are often associated with carefully choreographed rites, in which each participant is well aware of her or his role, and there is a general acceptance of its purpose.
Triggering actions	Private conversation between to colleagues; Exploration of the grey areas between legality and illegality (Cunha & Cabral-Cardoso, 2006)	These are actions that trigger liminality. They blur otherwise clearly distinct spheres.
Consequential actions	Speech in annual meeting; Meal in business lunch; Play in Xmas party; interview in hiring process	These are actions that were performed because of liminality. They are performed during a liminal event under the temporary structural frames provided by it. They make sense as they are presented only within the boundaries of the liminal event.
People	"Family-members" in the context of corporate celebrations with families; "Future-boss" and "ex-colleague", while being promoted; Will-be organisational members during hiring processes; "mushroomed" organisational members or "non-promotable" individuals, which are "kept in a dark place, fed manure, and left to do nothing but grow fat" (Jackall, 1988: 546).	They are between two stages or conditions, lacking well defined structures or rules. While suspended in this condition, they enjoy increased permissiveness and room for creativeness and play (Garsten, 1999). They often assume more than one role, which is ascribed by their ambiguous condition. Organisational liminal people often belong to two different worlds, which they try to combine creatively.
Places	Restaurants; coffee rooms; airports' business lounges; business hotels; outplacement centres.	Events and people evolve and move in places. These become liminal places when they are associated with liminal events. Certain places can also be intrinsically liminal, because activities performed in those places relate with liminality.
Spaces	Leadership coaching programs as defined by Kets de Vries (2005: 67): "The group leadership coaching exercise created for the members of the executive team is a 'transitional space' or holding environment aimed at understanding and resolution, a place where they were able to play and experiment safely."	Complementing the physical dimension conferred by places, liminality also displays a psychological element, which we call the liminal space. This corresponds to the condition or state of suspension in which liminal individuals are put while experiencing the liminal event.
Moments / Times / Periods	[All the examples used in this table occur in a specific period of time, during which existing rules subside in order to let new rules emerge]	Liminality occurs in "a time (…) lodged between all times" (Turner, 1980: 165), it is a moment between two better structured periods. Therefore, this moment is itself liminal. It shares the same characteristics of permissiveness, allowance, and play than the event it is associated with. The actors acquire new roles that are accepted only during that period, and rituals only make sense within the established timeframe.
Positions / Functions	Interim management (Inkson et al., 2001); External consultants (Czarniawska & Mazza, 2003); Temporary workers (Garsten, 1999); free and e-lancers, telecommuters, or short-contract employees (Ashford, George, & Blatt, 2007).	Positions or functions that are, by their own nature, liminal. These are functions that exist in between, in an ambiguous condition that makes it hard to define simple characteristics such as lines of report or scope of action.
Positions / Functions (as conveyors of liminality)	Trainers; coaches	Positions that deal, organise, or are somehow responsible for liminal events. Although dealing with the liminal, these are not liminal since it is well ingrained in the organisation structure. Although it creates the conditions for ambiguity, the function itself is not ambiguous.
Roles	Idea practitioner, those individuals who make use of business ideas to produce organizational change (Davenport & Prusak, 2003)	Roles that span more that one category, not being easily classified.
Roles (performed in liminal context)	Senior managers as hosts of corporate parties; Leaders through times of liminality	Roles performed in the context of liminality. The role they are developing is liminal insofar it requires individuals to act in between the categories of the organisation and of the social life.
Programs	Internationalisation; Quality; Certification	These programs aim at striking a balance between stability and organisational change (Hernes & Weick, 2007). During their implementation, organisational members that are somehow related with the programmes are kept in a special state of effort and alert, in a limbo between the previous known condition in terms of tasks, job description, and position in the organisation, and the unknown future, to which they meanwhile have to contribute.
Organisations	Ephemeral organisations (Lanzara, 1983)	Organizations living in the present, without a past or a future. These are "storyless" organizations, in the sense that they do not have an identity around which the construction of narratives could be made possible.
Organisations (operating in liminal)	Consulting (Levina & Orlikowski, 2009); Outsourcing (Tempest & Starkey, 2004); Temporary work (Chambel & Castanheira, 2006)	These supply their customers with external professional, who despite performing their tasks within a specific organisational context do not belong to that same context. They become almost like organisational pariahs, unrecognised both by their employers and by the companies they work for.
Organisations (existing in liminal)	Fertility companies (Spar, 2006); Aesthetic plastic surgery clinics (Schouten, 1991); Religious theme parks (O'Guinn & Belk, 1989); High-risk leisure (Celsi, Rose, & Leigh, 1993)	These organisations exist, evolve, and develop in different spaces of blurriness, in which customers undergo liminal experiences and submit themselves to the temporary structures imposed by liminality.
Organisations (in context of liminality)	During a crisis; bankruptcy; entry of a fierce competitor; change of competitive context	The organisational members share a common destiny that facilitates the emergence of communitas-like contexts. The sense of urgency inflicts change into the organisation, from which an alteration of hierarchies, of jobs, or functions, can emerge.

Chapter 2 – Leading and following (un)ethically *in limen*

LEADING AND FOLLOWING (UN)ETHICALLY *IN LIMEN*

ABSTRACT

We propose a liminality-based analysis of the process of ethical leadership/followership in organizations. A liminal view presents ethical leadership as a process taking place in organizational contexts that are often characterized by high levels of ambiguity, which render the usual rules and preferences dubious or inadequate. In these relational spaces, involving leaders, followers, and their context, old frames may be questioned and new ones introduced in an emergent way, through subtle processes whose evolution and implications may not be easy to grasp even by those participating in them.

Keywords: liminality, ethical leadership, ethical followership, ethical processes, gray areas.

INTRODUCTION

Ethical leaders and, especially, the process of ethical leadership, constitute, according to Brown and Treviño (2006), largely unexplored areas in the field of organization and management. Research on ethical leadership has mainly considered how leaders *ought* to behave, rather than *how they behave in practice* (Clegg, Carter, Kornberger, Messner and Laske, 2007; Clegg, Kornberger and Rhodes, 2007; Brown, Treviño and Harrison, 2005). The ethical leadership research agenda has also focused on the characteristics of ethical and unethical leaders, emphasizing the personal dispositions of (un)ethical leaders and the contextual factors, such as organizational culture, that foster ethical or unethical behaviors. The result of these orientations is a dual view of (un)ethical leadership: (1) a positive view, focusing on ethical leaders and organizations, which is overtly normative (i.e. focused on what leaders *should* do); and (2) a pessimistic view, considering the cases in which ethics is ignored by business leaders and their followers, which is mostly descriptive, and based on reported cases of organizational misbehavior (Ackroyd and Thompson, 1999). Both these approaches correspond to the well-known bad apples/bad barrels type of explanations, and are often based on the retrospective analysis of mainly anecdotal evidence and case studies, especially those reaching the public eye.

We adopt a process-based view and explore the role of liminality in the process of ethical leadership/followership. The concept of liminality is borrowed from the anthropological literature to analyze how leaders may find themselves in many occurrences of organizational life, "betwixt and between", i.e. in interstitial spaces in which it is not entirely clear which things are right or wrong, black or white, ethical or unethical. In these "gray areas" (Bruhn, 2008), or "twilight zones" (Nel, Pitt and Watson, 1989), leaders have an opportunity to suspend "normal rules" and to analyze the situation in a new light. In fact, they must make a decision rather than simply apply a rule; it is only when a decision must be made that is not determined by the application of a rule that we can properly identify an ethical issue (Clegg, Kornberger and Rhodes, 2007). An emergent process possibly leading to unintended as well as intended consequences can result, which can ignite downward ethical spirals.

The occasions for downward spirals are several: sometimes leaders are led by contingencies rather than leading them; despite the call for focus and clarity, life in organizations is often marked by gray areas, where issues are not necessarily black or white; when confronted with the dilemmas associated with liminality, leaders may feel trapped

without knowing what to do; the lack of awareness of liminality and liminal states diminishes their capacity for leading ethically in these paradoxical conditions; important observers of corporate action in the press or government or regulatory agencies may assume that matters are black and white because they are presented as being so when in fact there is considerable liminality at play that is being exploited by the corporate actors in question to making matters appear to be clear-cut.

With these thoughts in mind, we analyze how leaders can find themselves in organizational spaces in which normal structures are suspended. We then build on the notion of "liminality", retooling (Kofoed, 2008) the notion in exploring the importance of this concept to leaders, their followers, and their organizations. We have organized the paper as follows: we start by reviewing the concepts of ethical leadership and followership as we introduce the concept of liminality; we then explain the meaning of this construct, and how it evolves within organizations; we continue by exploring the occasions when there is greater potential for liminality to occur, and why organization scholars and business ethicists should address it. We finish the article by expressing the challenges that the idea of liminality raises both for researchers and practitioners. We therefore contribute to the literature on ethical leadership/followership by making explicit the what, when, how, and why of liminality as related to the ethical leadership process, as well as by elaborating a number of propositions that may be further tested.

ETHICAL LEADERSHIP AND FOLLOWERSHIP AS A FIELD OF RESEARCH

Ethical leadership has been defined as "the demonstration of normatively appropriate conduct through personal actions and interpersonal relationships, and the promotion of such conduct to followers through two-way communication, reinforcement, and decision-making" (Brown, Treviño and Harrison, 2005, p.120). Unethical leadership results from deviance from the normative model in either or both of two dimensions (Treviño, Hartman and Brown, 2000): being a moral person (i.e., characterized by such traits as honesty and integrity) and a moral manager (i.e., creating and diffusing a strong ethics message).

The complexity of normative appropriateness

The notion of normative appropriateness is left out of these definitions, although it is highly relevant to qualify the ethical value of leadership. Deontological approaches center

their assessment on the means that were used to attain the leadership's proposed goals. Appropriateness would follow the tenets of the categorical imperative or, at least, of some indisputable universal rules (Brady, 1985). On the other hand, utilitarian approaches would focus their judgmental capacity on the ends, the objectives, and the ultimate purposes of leadership (Toulmin, 1950). In this case, appropriate action would be any that led to a greater good or a lesser evil (Schminke, Ambrose and Noel, 1997).

The discussion about normative appropriateness is not limited to these two approaches. Since religion, habits, culture, or even time can influence the definition of ethical norms, the debate is extended to the questions of relativism and absolutism, even challenging the very principles of deontology and utilitarianism. In the first case, normative appropriateness is defined within the boundaries of culture-time and should not be open to question by those who remain outside those normative walls (Rachels, 1998). The segregation of women and their confinement to "family and home" (Abu-Lughod, 2002: 785) is considered ethical in some regions of Afghanistan, and as such should not be condemned by strangers to that culture without some understanding of the cultural dynamics that constitute this situation: of course, understanding does not signify ethical approval but it might make for better policy interventions that need to factor in this element of social reality, no matter how reprehensible the observer might find it to be. By the same token, slavery was generally accepted five hundred years ago by many of the leading pillars of Society, Church, State, Military, and Commerce, and as a result contemporary understanding of slavery in the past should not be judged in terms of an application of contemporary moral principles (which is not the same as defending slavery today; for instance, one would not interpret contemporary slavery in the same way, as it is clearly indefensible in terms of the understandings available to its perpetrators) (Harman, 1975). An absolutist approach asserts that there is only one truth, regardless of culture or time (Donaldson, 1996). As such, appropriateness is defined by the universal principles that rule right and wrong.

Aware of the endless debate between these different approaches to ethics, Donaldson and Dunfee (1994) devised the integrative social contracts theory (ISCT), which blended community-based ethical norms with universal rules. For these authors, an appropriate norm would be (1) created within a given community of practice, (2) generally accepted by the members of that community as appropriate, (3) abided by the majority of the members of that community, who would be informed about the norm and have the freedom to leave the community in the event that they did not agree with the norm, (4) in line with universal

indisputable ethical principles “so fundamental to human existence that they serve as a guide in evaluating lower level moral norms” (1994: 265), (5) subject to prioritization by rules previously agreed upon, in case of conflict with another equally authentic and legitimate norm. Any attitude displayed by a leader that complies with these criteria is deemed as appropriate under ISCT.

Even incorporating different approaches to ethics, the above approaches to analysis of ethical and unethical leadership are certainly critical for understanding the process of ethical leadership but they illustrate only part of it. Moreover, they are essentially functionalist approaches, prescribing deviance from ethical behavior as resulting from problems of socialization into the central value system, which is defined by the ethical perspective of the observer; if managers were fully socialized there would be no problem. That problems occur, indicated by deviance from the ethical codes in practice, means that the failure is a case of individual dysfunction due to inadequate socialization. The remedy must therefore be a reassertion of the ethical code and more intense socialization in it. Typically, this results in ethics sensitivity training. The happy outcome of this response is that any future ethical breaches can be argued to be yet another individually deviant act for which the reassertion of the central value system is the remedy. Failure defines the success of the project. What this process misses is the central distinction between applying a rule and acting ethically. Even within the same ethical framework, in which ethical norms are generically shared and accepted, and the notion of right and wrong is consensual, there are significant ethical issues that emerge from those gray areas where it is not clear what rule is to be applied. Furthermore, across ethical frameworks or ethical understandings, the occurrence of these gray areas is likely to outnumber the situations in which the ethical response is clear for those involved. As Wittgenstein (1968) argues, no rule can ever account for the circumstances of its own applicability.

The dialog between leaders and their context

Realistically, leaders influence their organizations, including ethically, via role modeling, but are also influenced by their expectations, interpretations, and interactions with others, including followers (Glynn and Jamerson, 2006; Kellerman, 2004), often playing in different ethical contexts, which makes it difficult for “good people” to sometimes make “good decisions in bad situations” (Glynn and Jamerson, 2006, p. 154; see also Gellerman, 1989). Kellerman (2004) emphasized this reality, suggesting that bad leadership (including

unethical leadership) is the result of the interaction of three factors: the leaders, the followers, and the context. We add to this equation the possibility of there being more than one ethical context as well as the occurrence of gray areas whenever universal principles are not at stake (however, leaders can be confronted with situations in which other actors may challenge the universality of those principles – see Brenkert, 2009)

Seeking to explain the apparent dichotomy between the espoused values and actions demonstrated by Kenneth Lay (former Enron CEO), Glynn and Jamerson (2006) stressed that, "What seems more plausible to us is the argument in more recent publications on Enron that the decisions of the top executives were shaped within the larger context of societal and corporate culture during the 1990s" (p. 153). In this instance, what executives said was less important than what they did: their ethical attitudes were not so much expressed discursively in codes or utterances but modeled in behaviors. The process of ethical practice takes place in complex and dynamic systems involving relationality and interaction – rather than occurring in situations that are under the strict control of leaders (Glynn and Jamerson, 2006; Uhl-Bien, 2006).

Such a notion of leaders being in control is, indeed, one of the illusions of leadership: that the unpredictability of events can be controlled by the leader. Instead, we suggest that leadership emerges in practice precisely where the leader cannot control events. The adoption of such a perspective implies that organizing builds within the space of interaction rather than around the individual properties of organizational members (Manning, 2008; Bradbury and Lichtenstein, 2000) or the codes that organizations espouse (Bowie 1998). As Glynn and Jamerson (2006, p. 156) observe, "[l]eadership is inherently relational, linking a leader to followers". However, they also go on to argue that leadership is "inherently driven by some set of principles, which guide leaders as they make decisions and take actions". They miss the point that ethical leaders may be forced to premise their decisions on practice when and where existing rules or principles clash with their beliefs or are deprived of utilitarian meaning, thus not being able to guide their actions. They argue that blaming individual leaders for "weak leadership" leads to underestimating "the social nature of leadership." To remedy this situation they suggest that there is a "need for an analysis of principled leadership that includes a focus on the power of cultural schema and organizations in shaping leadership decisions and actions" (p. 159).

As such, ethical dispositions and stable organizational contexts are certainly important aspects of leadership but they may not tell the whole story. The individual leader is not merely

a cipher being shaped by extraneous factors of culture and organization, but is a moral agent freely choosing courses of action within the discursive possibilities that appear to be available, including those deemed as ethical and those deemed as unethical by the different intervening parties, all of whom are likely to have varying legitimacy and powers to enforce compliance. Interdependent relationships and intersubjective meanings may be critical for understanding the emergence, stability, and change of ethical frames (which vary according to ethical content and interpretation) in organizations.

In this sense, to view ethical leaders as people that maintain "unequivocal commitment to honesty, truth and ethics in every facet of behavior" (Fulmer, 2004, p. 312) may be a normative ideal rather than a description of actual business leaders. The ideal may be difficult to operationalize consistently, for at least three reasons: (1) we all, including ethical leaders and followers, live in an equivocal world, composed of a multitude of conflicting contexts that create their own notions of "unequivocal commitments" and therefore may render these an equivocal notion in some circumstances (see Spicer, 2009 for an interesting perspective on the normalization of corruption); (2) the understandings or the ascribed meanings of honesty, truth, and ethics may differ depending on the organizational and/or cultural context, i.e., information is interpreted and given meaning in social contexts (see Schlegelmilch and Robertson, 1995 for a study of the different perceptions of ethics across several countries); (3) although some practices undertaken by leaders can be deemed as unethical in a deontological approach, they can be justified using a utilitarian lens (Hamilton and Knouse, 2001), such as in the case of bribing to secure jobs in a corrupt country. Even if one uses the sensitive approach of ISCT, the concepts of honesty, truth, and ethics may be open to discussion, provided they are reflected in authentic and legitimate norms (Soule, 2002). In fact, as much as Kantians (Bowie, 1998) might wish to make ethics a categorical imperative, it is impossible to do so: abstractions simply do not cover all contingencies.

It is then possible that the depictions of ethical leaders found in the literature are not immune to the phenomenon termed the "romance of leadership" (Meindl et al., 1985) in which "ethical leaders" appear as infallible external observers of a reality that they can understand objectively, rather than normal human beings with limited cognitive capacity, living and managing in an ambiguous and equivocal world. As Treviño and Brown (2004) have noted, ethical leadership is not only about doing what is right, but also about deciding what is right. Obviously, the ethicality of the "choice" is more likely if the leader is virtuous (Aristotle, 1985; Flynn, 2008). However, the process continues to be highly ambiguous to

decision makers, as will be discussed below.

The unequivocality condition, as discussed above, in which ethics is seen simply as the application of a categorical imperative or rule, may be too simplistic to accommodate many situations that matter for the understanding of ethical leadership, namely those in which "normatively appropriate conduct" is not clear. There is often an assumption that clarity and transparency should be associated with organizational life, but in reality it is sometimes difficult for those subjectively immersed in a given setting to see eventful phenomena clearly. The normative perspective on business ethics tends to discount the idea that leadership emerges through the interactions of individuals over time (Lichtenstein et al., 2006). We would argue that ethical leadership concerns not only the leaders or the situations and contexts wherein they reside (Treviño, 1986) but also the relational space between them and followers as they interrelate in context (Uhl-Bien, 2006). Moreover, ethical leadership is a dynamic process, rather that a static reality: the frames that emerge from this interrelation act as *guides* to interpretation, rather than as *rules* for such interpretation, and rule-guidedness is constructed in and through interaction (Goffman, 1974). As noted by Kaplan (2008, p.730), "frames shape how actors recognize what is going on, and framing is an active phenomenon implying agency and contention."

The complexity of life in organizations occasionally puts leaders in situations in which the usual rules may be suspended or the conditions of their application are absolutely equivocal; in turn, this brings them into confrontation with very difficult choices that, relationally, may shape the frameworks within which people constitute their decisions. If we take unethical leadership as that which is deemed, at some particular time, to be morally unacceptable to a specific and relevant community (Kaptein, 2008), in the sense that Donaldson and Dunfee (1994) define a community and ensuing ethical behaviors, then it is apparent that all ethical judgments concerning actions that do not violate universally accepted norms are situationally contingent on the ways in which some actions already elapsed are treated in that community. It is evident that, at the time of action, there can never be any guarantee that the action in itself will be ethical within the boundaries of the relevant community. Different groups or communities socially construct different ways of understanding what is moral and acceptable, and have differential relations of power for fixing those judgments, thus generating different configurations of the related moral free space geography (Donaldson and Dunfee, 1994). Although bounded by the generally accepted universal rules, ethical leaders have to face uncertainty at the community level, that is, at the

level at which norms can be socially construed. If ethics could be reduced to codes of conduct clearly understood and applied there would be no deviant behavior in a world full of tutelary projects from coaches, regulatory agencies, public commentaries, audits, and consultancies.

The fluidity and ambiguity that characterizes the contexts in which ethical leaders move renders them as liminal personae (Turner, 1969), as individuals that experience liminality. In the next section, we explore the concept of liminality and relate it with the field of organization and business ethics.

WHAT IS LIMINALITY?

Liminality refers to "the condition of being betwixt and between, at the limits of existing social structures and when new structures are emerging" (Tempest, 2007, p.821). The word "liminal" derives from *limen*, Latin for threshold. The notion of liminality was introduced in the social sciences by Arnold Van Gennep (1908/1960) to explain rites of passage (e.g., from "boy" to "man"). He ascribed three main stages to any transition. The pre-liminal stage corresponds to the period immediately before the transition. Here, the individual still belongs to a specified and structured condition. It entails separation rites from that very condition. The liminal stage corresponds to the transition proper. Here, the individual does not belong to either the previous or future conditions – but at the same time belongs to both. S/he is a liminal persona who submits to transition rites. The post-liminal stage corresponds to the period immediately after the transition. Here the individual enters her or his new condition. S/he no longer belongs to the previous context, being well established in the new one. This stage entails incorporation rites.

Subsequent authors, especially Victor Turner (1969), extended research on liminality to other spheres of social functioning. In the field of management and organizations, the concept was used in research on consulting (Czarniawska and Mazza, 2003), temporary workers (Garsten, 1999), interim managers (Inkson, Heising and Rousseau, 2001), organizational celebrations (Rosen, 1988), business dinners (Sturdy, Schwarz and Spicer, 2006) and business ethics (Cunha and Cabral-Cardoso, 2007). In these works, liminality refers to events happening in the interstices of organizations, betwixt and between existing and alternative structures, rather than to the original application to the case of rituals and rites of passage.

For the purpose of our discussion, what is most relevant about the concept of

liminality is that it blurs, fuzzes, merges, and amalgamates the structures of organizations. People who find themselves in a liminal space are temporarily outside "normal" normative structures. In other words, they are in limbo and experience the tension between established rules and the limitations of these rules for their experience (Turner, 1969). We consider that these liminal spaces are part and parcel of organizational life, rather than exceptional deviations from normality. First, as discussed by Max Weber, with his notion of "official secrets", there are things happening in the organizational backstage that do matter and serve relevant functions (1920, in Sturdy et al., 2006). This does not mean, however, that these functions are acknowledged formally and explicitly, even by those promoting them. Second, rules are abstractions whose application in specific settings requires an effort of translation (Czarniwaska, 2008). In other words, people may have to ask themselves about the meaning of a rule in a particular setting and consider the difference between "what is" and "what can or will be" (Cook-Sather, 2006). Such a translation exercise may be equivocal due to the inherent complexity of real contexts and the ambiguity they often involve. Hence Maguire et al.'s (2006) reference to the difficulties associated with "*achieving intersubjective agreement on fundamentally interpretive issues*" (p.171, italics in the original), for example, the meaning of a general rule in a specific context.

The need to develop intersubjective agreements under conditions of ambiguity is a fundamental correlate of liminality (e.g. Cook-Sather, 2006, p.110; Tempest and Starkey, 2004). We thus argue that liminality is inevitable in complex organizations, in which general values, rules, and norms need to be interpreted in and translated to specific contexts. Before proceeding, it is important to distinguish liminality from ethical dilemmas. An ethical dilemma "is a situation in which the person does not *know* how to act because of conflicting beliefs about what is axiologically required" (Lurie and Albin, 2007, p. 196; italics in the original). Liminality is a three stage process where (1) confusion and ambiguity (pre-liminal phase) resulting from conflicting sources of (ethical, social, etc.) judgment are followed by (2) a tolerance stage of less than ethical behaviors (liminal phase), and (3) a normalization/justification stage (post-liminal phase) where "less than ethical" behaviors are justified as being ethical and normalized. Ethical dilemmas may occur in the first stage, but not necessarily. For example, one leader may have no doubt about what should be decided in ethical terms, but experience confusion and ambiguity due to social pressures and/or economic constraints. Liminality may be experienced at the individual and collective level, as well as at the intersection between both. In the following section we discuss signs of

liminality in organizations, and how they should be interpreted.

HOW DOES LIMINALITY BECOME MANIFEST?

For both researchers and practitioners the presence of liminality may be difficult to recognize and investigate, in part because it is an unfamiliar concept. Therefore, it tends to go unnoticed as people relationally construct their situations and move in and out of the liminal condition. We suggest that the exploration of liminality's presence in the process of ethical leadership may consider three signs of liminality in the making: confusion and ambiguity (in the pre-liminal phase), tolerance of less than ethical behaviors (during the liminal phase), and normalization/justification (in the post-liminal phase). Other signs do certainly exist, but these exemplify the type of ethical issues raised by the liminal process.

Pre-liminal sign: confusion and ambiguity

A first sign of the possibility of liminality refers to conditions of confusion and ambiguity. Some decisions and courses of action made questionable *ex post* unfold in conditions of ambiguity and confusion. Because dealing with ambiguity requires intense communication and a collective process of sensemaking, people may come to push each other to accept solutions that would not be acceptable individually, which is characteristic of liminal conditions. In such circumstances, phenomena such as groupthink breed an internal logic that may be difficult for outsiders to understand. Also, this type of interpretation, that results from an internal logic created in fluid space-time (Tempest and Starkey, 2004) and, in the end, may be in opposition to outside rules and norms of business ethics, is facilitated by the interstructural condition of liminality.

Liminal sign: tolerating less than ethical behaviors

A second sign of liminality in the making refers to how less than ethical behaviors are tolerated within the organization. The relational process that leads to the progressive acceptance of actions otherwise deemed unethical is conducive to the collective redefinition of ethical frames, which eventually facilitates the creation of new understandings or degrees of acceptance of right and wrong, which become valid within the boundaries of a specific community. There is evidence of the application of this type of process in a formal way, such

as in the extreme case of socializing individuals to become torturers (Haritos-Fatouros, 1988) or to play the role of ruthless prison guards (Glynn and Jamerson, 2006; Zimbardo, 2004). When this happens informally, in an emergent way, we are in the presence of another sign of liminality. The process is a step-by-step induction that reframes individual beliefs by becoming increasingly tolerant to a set of behaviors that most people would not accept without socialization and the liminal experience. This is the case of organizations that act unethically, from an outsider perspective, although internally their members may be unaware or convinced otherwise.

Post-liminal sign: normalization and justification

A third sign of the presence of liminality refers to the normalization and justification of less than ethical behaviors. When people engage in unethical processes, they will make an effort to justify why their behaviors are not only acceptable, but also morally sustainable. This can be partially justified by the presence of liminality. The function of the liminal period is precisely to open up new forms of understanding and interpretation. The interactions taking place during this period may facilitate the emergence of new frames which will be validated and institutionalized in the post-liminal phase, during which the way people think about what is ethical and what is not may have changed significantly, even though the ethical quality of the associated acts remains unaltered. Research has shown that people may engage in unethical behavior and normalize and justify it in a sequence of group activities that could be aimed at protecting or benefiting the organization (Pinto et al., 2008). In other words, people rationalize their previous choices and justify their existence with moral arguments in a process that has been described as a spiral toward moral decadence (Den Nieuwenboer and Kaptein, 2008).

After having described the conditions that may signal the presence of liminality in organizations, we explore six specific possibilities in which there is a greater potential for liminality to emerge.

WHEN DOES LIMINALITY HAPPEN?

To explore those occasions in which a liminal condition is likely to be triggered, we consider three organizational factors supporting ethical conduct in organizations (Brown and Treviño, 2006, p.601): rules (formal policies), norms (collectively legitimized, informal forms

of behavior), and examples of ethical leadership (the observed and interpreted behavior of leaders). The importance of these dimensions has been the subject of both theoretical and empirical work (e.g., Mulki, Jaramillo and Locander, 2009). We consider that when two of these dimensions collide, liminality is bound to occur: the lack of consistency in what is supposed to be consistent provides an opportunity for people to reinterpret habitual mindsets. Based on this reinterpretation, and the ensuing ethical challenges, leaders become more exposed to the possibility of unethical behavior. The summary of possibilities discussed below and summarized in Table 1, at the end of the section, is the result of the combination among these three variables.

Possibility 1: Rules collide with rules

A situation in which the occurrence of liminality and of ethical conflict is most likely is when one set of rules collides with another. Many people working in bureaucracies have experienced a situation in which formal policies are in opposition, due to the proliferation of rules (Masuch, 1985). As an extreme example of how rules may collide, the Greek government decided, at some point in time, to pay doctors a fictitious overtime (overtime work not actually performed) in order to circumvent constitutional constraints on medical doctors' salaries (Ballas and Tsoukas, 2004). This legal decision, in opposition to the Constitution, suggests that what is adequate or not may actually be less than clear. People confronted with this situation experience a condition that is difficult to reconcile with expectations about the management of the state and that have a potential for the sort of interpretative ambiguity associated with liminality. If fictitious overtime may be created by the state, then other fictions can also be created by its agents. What once was unethical and undoable may have become reinterpreted as unethical but normal. The case can be even more radical when a leader acts with two sets of rules, as happens with expatriates. Consider the following example:

> "decisions need to be made concerning (again, for example), employee theft. Does one call the police, as company policy in the West might dictate? Managers, who in the past have done so, sometimes find that from a cultural perspective, the punishment far outweighs the crime. Stone (2002), for example tells of an American manager in China who (because of company policy) notified the police that he had fired an employee for theft. Later, he was horrified when told that his ex-employee had been executed" (Wright et al., 2003, p. 186).

Working between ethical frames may put people in an ethical limbo, where the previous order needs to be reconsidered. Although the above examples portray situations in

which the ethical content of each rule is disputable, i.e., in which there can be disagreement concerning the ethical value of at least one of the options, the collision of rules with identical ethical value can also trigger liminality, and thus leave room for unethical behavior (or at least action that will be perceived as such by some). This is the case of Microsoft in China, in which the rule that asserts abiding by the freedom of speech and the rule that stipulates respect for the sovereignty of different states collide on entering the attractive Chinese market (Dann and Haddow, 2007).

Therefore we suggest that:

Proposition 1: People confronted with the collision of rules will be likely to experience a liminal condition and thus to be faced with ethical challenges.

Possibility 2: Rules collide with norms

One of the documented liminal situations in organizational life is the purposeful creation of spaces where usual structures are suspended in such a way that being between organizational and non-organizational spaces leads to the neutralization of existing rules and the creation of norms that are viewed as convenient and acceptable by those involved in their making. The process can be seen in Sturdy et al.'s (2006) study of the role of corporate meals in consultancy projects. During these interactions in *limen*, leaders of the consulting firms may receive instructions with regard to the results "expected" by the client firm. The business meal works as a liminal occasion, where formal professional relations are redefined in a space of informality and stabilized in the post-liminal period. The occurrences taking place in these spaces may be questionable and may stimulate the discomfort of those experiencing them, due precisely to the "ethical concerns" they may raise (Sturdy et al., 2006, p.949). Other examples of interstitial spaces where formality is partly suspended have been observed by Crozier (1963) and Orr (1996), who showed that groups can quietly cultivate informal norms that contradict formal policies or rules. The process of norm creation possibly involves some form of liminality. If, in these cases, the post-liminal space can still be described as remaining within the boundaries of ethicality, in other cases new norms may neutralize rules and fall into the space of corruption (Den Nieuwenboer and Kaptein 2008).

Again, both rules and norms need not have different ethical values. For instance, a company with a policy of no facilitation payments or gift giving can be confronted with a local norm of gift exchanges as tokens of good will (Steidlmeier, 1999). The rule appears to

be ethically indisputable, while the norm also appears to violate no ethical principle, yet the confluence of the two puts the individual into a liminal situation and risks unethical behavior. From this we derive our second proposition:

Proposition 2: Formal rules colliding with informal norms will be likely to manifest the liminal phenomenon and thus to favor the emergence of ethical challenges.

Possibility 3: Rules collide with leadership example

Another situation that may lead to the emergence of liminal spaces and to ethical strain is when rules collide with leadership example. In this case, the formal rules may not be followed, which leads to a state in which the suspension of policies may be perceived as acceptable by followers, because it has been demonstrated as exemplary action by the leader. There is a well-documented literature on this gap (e.g., Clark, 2006; Glynn and Jamerson, 2006; Kellerman, 2004; Sims and Brinkmann, 2003), which suggests that formal ethical policies may be ignored by leaders, and subsequently by their subordinates, since employees often imitate leader behavior and look to leaders for cues on appropriate behavior (Sims and Brinkmann, 2003), or try to avoid clashes of values with those in positions of power (Gordon, Clegg and Kornberger, 2009). The ethical strain emerges when ethics is viewed as amounting to nothing more than window dressing, as seems to be the case when Chief Ethics and Compliance Officers are created for institutional reasons of compliance with imposed norms or to mask hidden aspects of organizational life (Clark, 2006).

Enron provides an example of ethics as window-dressing: a low level of ethicality in the organization's culture, which was expressed in leadership behavior, combined with a strong presence and marketing of formal business ethical tools. Leaders setting unrealistic financial targets and "turning a blind eye" (Ashforth et al., 2008, p.673) to less than ethical behaviors, supported, as in Enron's case, by the larger context of societal and corporate culture during the 1990s (McClean and Elkind, 2004; Eichenwald, 2005), may trigger the process of liminality that eventually reduces the cognitive dissonance (Festinger, 1957) felt by those living with mutually inconsistent formal policies and leadership behaviors (Sims and Brinkmann, 2003). Hence:

Proposition 3: Formal policies colliding with leader example will be likely to lead to the liminal phenomenon and thus to the emergence of ethical challenges.

Possibility 4: Norms colliding with other norms

Liminality and ethical challenges may also take place when norms collide with other norms. It is possible that norms favorable to ethical behaviors clash with a strong pressure for results – which leads to the idea that good guys come last. Both sets of norms may even be substantiated in formal policies. It may be difficult, however, to find a healthy tension between the two. When such a synthesis is not enacted, people may find that it is the primary values stressing the need to deliver that mold the understanding of what is and what is not ethically acceptable. As a result, one set of norms may shape the content of another to induce fit. The case of Enron indicates that pressures for ethical behavior may be difficult to reconcile with "the pressure to make the numbers" (Byrne, France and Zellner, 2002: 37). It is also known from this iconic and well-documented case that internal discussions helped to establish standards and to validate emerging frames on the appropriate methods of corporate valuation: "There were endless meetings fighting about how this deal should be valued", participants remarked (France and Zellner, 2002: 35). Discussions on how to make sense of and to tackle seemingly incompatible norms may be conducive to liminality and the subsequent loosening of ethical standards. In the end, one set of norms may provide the legitimacy for the deteriorating group norms, for example, by suggesting that some bad things need to be done for the sake of a greater good – for example, for reaching an important goal (Barsky, 2007; Ordóñez, Schweitzer, Galinsky and Bazerman, 2009).

A process with some similarities to the one described above occurs in the case of companies running operations in different countries. Expatriated leaders may find themselves having to cope with disparate cultural and ethical frameworks (Beekun, Stedham, Yamamura and Barghouti, 2004; Chung, Eichenseher and Taniguchi, 2008; Hendry, 1999; Newman, Bhatt and Gutteridge, 1978), as sources of informal norms within the boundaries of the organization. The often-conflicting sets of norms compete at the same level for the expatriated leaders' attention, thus leading to the enactment of individual strategies that seek to accommodate different normative strains within decision making processes (Feldman and Thomas, 1992). One solution for these cases of conflicting authentic and legitimate norms, would be applying the prioritization rules suggested by Donaldson and Dunfee (1994). This would solve the ethical problem and terminate the liminal period. However, before that occurs, the leader is indeed subjected to a period of liminality during which he is able to reflect on the conflict with no interference from outside frames and decide to adopt unethical processes

When organizations with different cultures merge, the embedded norms of one partner may collide with other norms that are taken for granted in the partner organization; and the same thing can happen when a change of culture leads a company to a collision with its own past. This is the case of some financial institutions in the build up to the recent global economic crisis. Former norms that required parsimony in lending and cautiousness in evaluating risk were gradually replaced by more prodigal norms that facilitated credit and seamlessly led to the subprime crisis and to bankruptcy (Bianco, 2008) in a liminal context of permissiveness and allowance (Garsten, 1999). A close look at the present financial institutions' policies and norms leaves no doubt that the process is now returning to the prudence phase of this "roller coaster" – a return that certainly is leading many leaders and other organizational members into the liminal space once again. From this, we derive our next proposition:

Proposition 4: When different sets of norms collide it makes it likely that the liminal phenomenon will ensue, as will ethical challenges.

Possibility 5: Norms colliding with leadership example

Another case that may lead to liminality and to the emergence of ethical conflicts is when norms collide with leadership example. Illustrations would be where leaders are acting ethically in mainly unethical settings, and unethically in predominantly ethical settings. In multinational organizations, for instance, expatriated leaders may conceive of themselves as bearers of a deep cultural heritage (Knight, 1939) but it is one that has to be knowledgeable and receptive toward an equally enforcing, pervasive, and distinct host-country culture (Tung, 1998). Several authors refer to such a possibility when discussing the "cultural separation" experienced by expatriates in Russia: what is tolerable from the local workers' ethical point of view may be considered intolerable by the expatriate managers (Beekun, Stedham, Yamamura and Barghouti, 2004; Camiah and Hollinshead, 2003; Puffer and McCarthy, 1995). This led Camiah and Hollinshead (2003) to propose that both Russians and expatriates must learn and unlearn several issues (i.e., develop a liminal space) in order to establish a "new cross-cultural order" (p. 258).

In these non-mediated encounters between culturally (thus, ethically) different leader and followers, both have to negotiate an order where the two ethical dimensions can be articulated. The initial lack of consistency provides a platform for liminality, in the sense that

people will be working in the space between two distinct frames. Together, leaders and followers will possibly engage in a process where differences will have to be discussed, and a shared understanding achieved, which may even include the adoption of unethical behaviors. Thus:

Proposition 5: Informal norms colliding with leadership example will be likely to lead to the liminal phenomenon and thus to the emergence of ethical challenges.

Possibility 6: Leadership example collides with leadership example

Finally, the absence of consistency may occur at the level of leadership behaviors. Some leadership examples may collide with other leadership examples. Leaders acting ethically may co-exist with leaders acting unethically in the same company. Leaders who follow the "ethics of responsibility" may experience attrition with leaders who espouse the "ethics of conviction" (Enderle, 2007). When this happens, the leadership message is not consistent throughout the organization. A governmental prime minister or president might stress the importance of open government while concealing politically sensitive information that, once becoming public, by virtue of it not having been distributed, undercuts the ethicality of the previous claims. The consistency of leadership example across an organization, or the lack of it, may be more important than has been acknowledged. In fact, the shared influence of multiple leaders is a recent topic in leadership research (Yukl, 2009), and its impact on ethical leadership is a theme yet to be explored. People in organizations have access to a multitude of leadership examples that may display distinct degrees of ethicality.

Issues concerning the consistency of leadership may be observed at different points within the organization, including the ethical homogeneity of top management teams, the consistency between one's immediate supervisor and more senior leaders, including the CEO, the consistency between leaders' and followers' values, and the consistency between the ethicality of one's leader and his/her peers in other parts of the organization. Different disciplinary formations and different management portfolio responsibilities will often generate a different rank ordering of ethical priorities. When leadership examples diverge, there is (liminal) space for people to negotiate the meanings of such concepts as "ethicality" and "example". Previous ethical frames may be challenged and new ethical understandings and levels of ethical acceptance be adopted in light of observed behavior. "Framing contests" (Kaplan, 2008) of leader's example may be more likely in times of uncertainty, when the

strategy changes and, with it, the previous meanings of business ethicality and leadership example may be reinforced or questioned. From this, we build our final proposition:

Proposition 6: Lack of between-leader consistency will be likely to lead to the liminal phenomenon and thus to the emergence of ethical challenges.

Table 1 about here

WHY DOES LIMINALITY MATTER?

Existing normative approaches already address the black and white areas of ethics. This is the case of deontology and of the universal principles, the case of utilitarianism and the greater good, as well as the already cited case of ISCT. Contrastingly, liminality matters for understanding the process of ethical leadership because it clarifies the important role of the "gray areas" that tend to be obscured by the dominant normative approaches. It is possibly in these gray areas that ambiguity places leaders betwixt and between clear frames for making decisions, and that the risks of unethical leadership are most relevant, as we saw in the previous section. In this section, we discuss some possible reasons why the study of ethical leadership in *limen* should be included in the business ethics research agenda. We consider five motives: (1) avoiding "black and white" views of ethical leadership; (2) adopting a process/relational approach to ethical leadership; (3) avoiding dispositional and situational deterministic explanations; (4) presenting ethical leadership as a social construction; and (5) incorporating the role of ambiguity in the process of ethical leadership.

Avoiding black and white views of the ethical leadership process. The clear cut opposition between ethical and unethical leaders and leadership is, in our view, limiting. In a paper on the leadership lessons of Nelson Mandela for *Time* magazine, Richard Stengel wrote that "nothing is black or white" (Stengel, 2008). Mandela could be seen as the public face of a terrorist organization, a freedom fighter or a political prisoner – all at the same time. The need to consider gray areas, rather than relying on absolute distinctions, has been defended by authors from the area of complexity theory: "there is no black-and-white answer, which in

itself indicates that context is critical" (Richardson et al., 2001, p.10). And the same authors pointed out that all "contexts should be considered "gray". As such, new perspectives must be tailored to "fit" the new context" (p.16).

Although we recognize that, in ethical terms, there are indeed black and white areas, in which right and wrong are clear concepts that can be applied to concrete situations, the static simplicity of the bad apples/bad barrels explanations does not mirror the subtleties of most of the real world convincingly; hence the need to consider the role of liminality in the constitution of gray areas, especially where cultural worlds overlap, entangle, and collide: in the Mandela example, the entanglements of Afrikaans hegemony and African liberation; trade and politics; international sport and apartheid.

Adopting a process/relational approach to ethical leadership. The reading of ethical leadership as a process that is both multidirectional and interactive (Ashforth et al., 2008), as reflected in the liminal view, may add texture and richness to future research on the topic. Such a view aligns with emerging models of complexity leadership that depart from mechanistic models in which linear causal relationships are predicted. The ways in which leaders deal with moral dilemmas may also benefit from consideration of liminality. A moral dilemma is "a situation in which people judge that morally they ought to do one thing (A) and morally ought to do another thing (B), and sometimes a third (C), or even a fourth thing (D) as well, however they cannot perform all of these mutually exclusive options together" (Lurie and Albin, 2007, p.195). The ambiguity inherent in these situations may put decision makers in the liminal condition and influence the way they tackle these dilemmas.

Avoiding dispositional and situationally deterministic explanations. The presence of liminality brings to the fore that ethical leadership is a process that, as such, can be explored and researched beyond the two established forms of understanding, represented by dispositional and situational views. By offering a dynamic and relational view of the leadership process, liminality enriches our understanding of the collective constitution of ethical leadership by leaders, followers, and their circumstances.

Presenting ethical leadership as a social construction. Liminality strengthens the argument that the ethical content of leadership is a product of social interaction. Some studies

have already advanced the implications of considering leadership as a social construction. For example, Izraeli (1988) showed that followers who have observed others performing unethical behaviors are more likely to engage in unethical behaviors themselves. Liminality, with its room for negotiation and openness to novel perspectives over well known phenomena, favors, as we have seen above, the emergence of new understandings and degrees of acceptance concerning ethics, which eventually is reflected in the quality of ethical leadership. As Kellerman (2004, p. 226) pointed out, "leaders and followers literally cocreate, coconstitute, leadership", thus socially confirming or creating, in a context of liminality, existing or new types of ethical leadership.

Incorporating the role of ambiguity in the process of ethical leadership. The study of ethical leadership in *limen* provides a meaning for the role of ambiguity in the social construction of organizational ethicality and unethicality. The clarity often associated with representations of ethical leadership (e.g., Ardichvili et al., 2009) may constitute a normative ideal, but the complexity of real situations renders the world less clear or unambiguous. It must be a concern of both academics and practitioners to provide further depth to the explanation of otherwise inexplicable violations of existing ethical precept. The consideration of liminality as a state betwixt and between suggests that the appreciation of the interstices may render the adoption of unusual research methods necessary, as discussed next.

CONCEPTUAL AND METHODOLOGICAL CHALLENGES

The discussion of the role of liminality in the process of ethical leadership raises a number of methodological challenges for researchers. First, they will need to define what a liminal space is in reference to ethical leadership. Liminality was originally studied with reference to rituals and rites of passage, processes whose boundaries (temporal and spatial) are perhaps clearer than those of leadership processes in organizations. Here people move from one state of being to another. Today, in ethical terms, we are more likely to see liminal situations occurring where different cultures interpenetrate each other. In Australia, for instance, anthropologists are widely used in negotiations over land rights and mineral rights and hired and read avidly by indigenous peoples, administrations and business seeking to negotiate access of one kind or another. A complex ethical reality is being translated and interpreted between the law of indigenous lore, the Dreaming, of a particular people and the

formal law of the nation, in which vast profits are at stake for business and for the indigenous people, a complete way of life.

Second, once defined, the liminal states should be studied as they unfold, inviting the adoption of naturalistic approaches in order to avoid the bias of retrospective justification, and to diminish the potential for social desirability and impression management. Third, considering the above points, established techniques, such as questionnaires and surveys, may at this stage not be appropriate to build theory about liminality in organizations due to the scarcity of cumulative knowledge on the topic. There is also the possibility that much of the action will unfold in contexts where such devices would be useless, such as the Australian outback, or the Papua New Guinea Highlands. The experience sampling method (i.e., asking participants to stop at certain times and make notes of their experiences, feelings and behaviors in real time; Larson and Csikszentmihalyi, 1983) provides an example of a promising research approach; it is very much what applied anthropologists have to do in complex negotiations.

The issues raised above also suggest that researchers may pursue the study of the role of liminality in ethical leadership as participant observers, namely in those contexts to which they do have open access. Firsthand experience in university settings (Cabral-Cardoso, 2004) and ethnographic studies (Schwartzman, 1993) may be adequate to explore how liminality plays its part in the ethical behavior of leaders and followers, but the challenges of the liminal experience may also stimulate the elaboration of research approaches more suited to the particularities of this type of experience. Authors such as Bargiela-Chiappini (2007) and Knox, O'Doherty, Vurdubakis and Westrup (2007) suggested that liminal processes may be especially salient in liminal organizations, such as restaurants, airports, and monasteries, points of passage that may facilitate the understanding of liminality by rendering it more salient. The menu of research approaches for studying relationality suggested by Bradbury and Lichtenstein (2000) seems particularly suited for the exploration of relationality in *limen*. Ethnographies, action research, reflective practitioner methodology, insider/outsider team research, active interviews, and other qualitative methods that tend to be only marginally used in management studies, are examples of research approaches appropriate for exploring liminality in ethical leadership/followership.

CONCLUSION

We suggested that the understanding of ethical leadership as a relational process may benefit from the consideration of the hitherto neglected role of liminality – ignorance and neglect probably resulting from the preference of dominant theories of organization for clarity over ambiguity (Chen, 2008). Liminality thrives on ambiguity rather than on clarity. It refers to the fluid processes where normal order is suspended and a new order, based on emerging frames, is under construction (Sturdy et al., 2006). We discussed how the suspension of normal order may be unsettling and difficult to manage and how it may, as a consequence, be a favorable ground for unethical leadership because it helps to build the frames that will later be used to justify different understandings of ethical leadership, regardless of their real ethical value. Our work complements, for example, research on decision making showing that ethical lapses may result from lack of decision making quality, rather than from unethical intentionality (Bazerman and Chugh, 2006). The liminal view of ethical leadership represents it as a process rather than as a state, and considers the role of the collective social construction of the meaning of ethicality in organizations. As a result, as Masuch (1985, p.30-31) suggests, "what is a vicious circle for one party, then, is a virtuous circle for another."

Ethical leaders and followers and their organizational contexts are often assumed, implicitly, to be static, homogeneous, and unambiguous. This is expressed, for example, in the notion that unethical leadership/followership has a dispositional base or results from rotten cultural foundations comprising (un)ethical cultures. We consider these views to be simplifications of life in and around organizations resulting in the domination of normative views and difficulties in describing and understanding ethical collapses without falling into the "bad apples/bad barrel" type of explanations. One of the potential advantages of the inclusion of the notion of liminality in the research agenda relates to the need to search for explanations of business ethics that are sensitive to the influence of interactions over time and space. In this sense, our work belongs to the same domain as other texts focused on the dynamics of organizational ethics, as reflected in notions such as cycles (Masuch, 1985), spirals (Den Nieuwenboer and Kaptein, 2008) and practices (Clegg, Carter, Kornberger, Messner and Laske 2007; Clegg, Kornberger and Rhodes, 2007; Brown, Treviño and Harrison, 2005).

In conclusion, the paper may be read as an invitation for management researchers to explore the meaning and role of liminality in the leadership process. Considering existing ethical leadership research divisions between static individual traits and stable organizational

contexts, the inclusion of liminality may shed light on what is dynamic, fluid, ambiguous, unstable, confusing, and dubious in this process. In turn, this may facilitate a better articulation across levels and contribute to explaining why decent people can end up engaging in morally questionable practices – even if they are virtuous and prudent individuals who need to make a choice after weighing respectable but conflicting values, interests, or goals. If they opt to align with unethical pressures rather than, for example, finding another job in a decent organization, it means that some subtle yet powerful force is possibly in place to influence them. We suggested that liminality may be part of the explanation.

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Table 1

Liminality and ethical leadership and followership: Illustrations

	Pre-liminal stage	**Liminal stage**	**Post-liminal stage**
Proposition 1: **Rule vs. Rule**	A new rule is introduced. It clashes with another, pre-existing rule.	The leader and the team are confronted with the need to accommodate two opposing rules.	An order emerges out of the dilemma. One rule may be ignored or reinterpreted in such a way that the dilemma is tackled in a way that contradicts the previous order.
Proposition 2: **Rule vs. Norm**	An existing rule is challenged by some organizational members	The rules and norms are confronted. A shared norm may be viewed as legitimate from the group's perspectives, because, for example it protects the group from inadequate rules.	The norm is viewed as legitimate and takes precedence over the rule.
Proposition 3: **Rule vs. Example**	A leader acts in a way that goes against a rule.	The resulting dissonance needs to be addressed. Which is wrong, the leader's behavior or the norm?	People may end up accepting, for example, that leader's behavior is as legitimate or more than a rule.
Proposition 4: **Norm vs. Norm**	An ethical leader enters a group with norms that are ethically questionable.	The leader must change or be changed.	If the group is strong enough, the leader may end up accepting its norms as adequate, given its past adequacy.
Proposition 5: **Norm vs. Example**	A leader tries to challenge norms of ethical practice that obstruct high performance.	Leader and group members engage in reinterpretation of norms in face of dissonant leader example.	Norms may be redefined in such a way that unethical practice becomes tolerated to the extent that it contributes to the bottom line.
Proposition 6: **Example vs. Example**	A leader adopts a practice that contradicts previous or coexisting leadership models.	Leader and members engage in the discussion and reinterpretation of practices.	New practices may be adopted, that contradict previously accepted practices.

Chapter 3 – Ethical adjustment as a duality: closing the gap between business ethics and expatriates' adjustment

ETHICAL ADJUSTMENT AS A DUALITY: CLOSING THE GAP BETWEEN BUSINESS ETHICS AND EXPATRIATES' ADJUSTMENT

Abstract

Given the condition of being between two contrasting ethical and cultural frameworks, expatriates are often faced with situations in which they apparently have to choose between adjusting to local unethical practices or remaining loyal to their own ethical principles. In this article we argue that a compromise between adjustment and ethics is possible if these are seen as a duality instead of a dualism. First, we explore how ethical decision-making can benefit adjustment, then we look at expatriate's adjustment process to investigate how these can enhance ethical outcomes. Finally, we introduce ethical adjustment, as the result of the interplay between ethical behavior and expatriate's adjustment.

Key words: expatriates' adjustment; business ethics; dualism; duality; liminality.

Sent from their home-countries to foreign locations, Western expatriates inhabit a space in between two different cultures and ethical frameworks. They become liminal individuals (Gennep, 1908/1960), in transition between their own, deeply ingrained cultural and ethical norms and a novel but equally enforcing context characterised by still unknown habits and rules. Responsible for fostering their companies' expansion internationally, by increasing the knowledge about host-countries, by exploring new market opportunities, and by securing a permanent liaison between home- and host- countries operations with the purpose of achieving high levels of performance (Mol, Born & van der Mollen, 2005), expatriates often balance between these two contrasting worlds. However, this can become especially challenging when home- and host-countries are culturally and ethically distant.

If expatriates choose to accommodate to the generally accepted practices of the host-country, they risk being perceived as unethical by those that do not share the same moral principles; yet, if expatriates decide not to forgo their ethical beliefs, they risk being unable to adjust.

Conversely, the literatures about expatriates' adjustment and ethics have contributed for advancing our understanding of each subject. Scholars concerned with expatriates' adjustment have promoted a consensus concerning the relevant variables (Hechanova, Beehr, and Christiansen, 2003; Shaffer, Harrison, and Gilley, 1999; Takeuchi, Tesluk, Yun, and Lepak, 2005; Yavas, 2001), the modes (Selmer, 2001a; Van der Zee, Ali, and Haaksma, 2007) and the degrees (Harrison and Shaffer, 2005; Lazarova, Westman, and Shaffer, 2010; Takeuchi, Shay, and Li, 2008) of adjustment. Scholarly contributions in the field of business ethics have focused on the clarification of the meaning of ethical behavior in the context of business (e.g.: Carroll, 1989; Donaldson, 2003; Kahn, 1990), and has pointed the challenges that oppose it (Krueger and Ding, 2009; Lovett, Simmon, and Kali, 1999), including in an international context (e.g.: Steidlmeier, 1999). Each literature has thus followed its own research agenda, buttressing the dualistic understanding of both topics that can be inferred from the previous paragraph.

However, this dualistic approach has to coexist with the likelihood of expatriates finding ethical problems while seeking adjustment (Spicer, Dunfee, and Bailey, 2004) and, at the same time, encountering some barriers to adjustment imposed by local factors (Shaffer, Harrison, and Gilley, 1999) when they intend to abide by their own ethical beliefs. As

Holopainen and Bjorkman stress: “With the globalization of the business world companies increasingly struggle with challenges (…). As a result, the use of expatriates has increased, and successfully managing expatriation has become an important operation in multinational companies. Considering the high costs of expatriates and the many challenges that foreign assignments entail, there is an obvious interest among practitioners and academics in identifying factors associated with expatriate job performance” (2005, p. 37). To contribute to this discussion and solve the apparent dilemma between adjustment and ethics, we propose an alternative view over the issues of ethical behavior and expatriates’ adjustment. Instead of a dualism, we argue that ethics and adjustment are in fact a duality, two interdependent and mutually enabling concepts (Farjoun, 2010).

The contribution of this article is to advance the understanding of adjustment when expatriates are faced with ethical dilemmas, namely by reinterpreting both literatures to identify those elements that being peculiar to one concept enable or contribute to the emergence and consolidation of the other. This perspective complements the existing literature by promoting new understandings about ethical and adjustment outcomes, eventually benefiting organizations and expatriates by proposing new approaches to known problems and exploring the possibility of ethical adjustment.

We have organised this paper as follows. First, we review the literatures about expatriates’ adjustment and ethical behavior. Second, we introduce the arguments that have led to a dualistic interpretation of expatriate's adjustment and ethics. Third, we propose our alternative view of ethics and adjustment as a duality. The remainder of the article explores this alternative view, by explaining how the reinterpretation of expatriates’ adjustment processes can foster ethical behaviors and how ethical processes can contribute to expatriates’ adjustment. We conclude by exploring the concept of ethical adjustment, which emerges from this new perspective, as the core of the axis of sustainable reinforcement, compared with what we shall call the axis of impending unsustainability.

Definitions of Key Concepts

Given the purpose and scope of our paper, we have to agree on the definitions of ethical behavior and expatriates’ adjustment before we proceed.

Adjustment of liminal expatriates. We adopt Black and Gregersen’s definition of expatriates’ adjustment as the individual’s feeling of comfort with the new setting (1991). Expatriates’ adjustment has been understood as “the vital construct underlying the rewards

and costs of expatriate experiences to individuals, their families, and their firms." (Bhaskar-Shrinivas, Harrison, Shaffer, and Luk, 2005, p. 257). Most scholars agree that adjustment is a multi-dimensional construct that encompasses work, interaction with host-country locals, and integration with the general environment (Black and Gregersen, 1991a; Black, Mendenhall, and Oddou, 1991; Gregersen and Black, 1992; Harrison and Shaffer, 2005; Hechanova et al., 2003; Takeuchi et al., 2008), and with family or partners (Lazarova et al., 2010). Repatriation (Black et al., 1992; Kraimer, Shaffer, and Bolino, 2009; Shaffer and Harrison, 1998), spouses (Black and Gregersen, 1991a; Andreason, 2008), career stage (Yan, Zhu, and Hall, 2002; Kraimer et al., 2009), and more recently the importance of networks in terms of adjustment (Fahr, Bartol, Shapiro, and Shin, 2010), share with the previous research the intention of facilitating expatriates' adaptation and permanence in a foreign setting, given the ultimate purpose of effectiveness or performance (Fang, Jiang, Makino, and Beamish, 2010).

The "increasing ambiguity, uncertainty, and pressure stemming from challenges of international assignments" (Mezias & Scandura, 2005: 522), leads us to frame expatriates as liminal individuals (Turner, 1969/1995), experiencing a liminal situation and thus temporarily lacking the normal classification they are usually ascribed elsewhere. This is a concept introduced in anthropological and sociological discussions by Arnold van Gennep (1908/1960), to explain the transition or passage between two well-defined stages, such as puberty rites marking the passage from childhood to adulthood, betrothal rites separating singlehood and marriage, or funerals as meeting points between live and death.

Liminality can adequately be applied to expatriates for at least four reasons that concern the adjustment dimensions described above. First, they are in transition between a robust, firm, and familiar ethical tradition, of which they are inheritors, and a likewise robust and complex, albeit strange, ethical framework, which they may find difficult to understand (Mendenhall & Oddou, 1985). Second, they are between two different organizational structures (home- and host-country), not being clear to which informal network they belong to (Yan, Zhu, & Hall, 2002). Third, while expatriates are considered to be part of the formal structure of their companies, they often are excluded from the informal networks that could connect them to the inner political circle of the organization (Schein, 1978), thus being simultaneously in and out of their own organizations. Fourth, the ambiguous balance between work and out-of-work life (Caligiuri & Lazarova, 2005; Harvey, 1997) further confers a liminal condition upon expatriates.

We are able now to extend Black and Gregersen's definition of expatriates' adjustment

to *the level of comfort in the different dimensions of adjustment; felt by an expatriate that is immersed in a liminal condition due to the stressing transitions s/he has to endure.*

Ethics and ethical behavior. The business ethics literature is founded in the philosophical traditions of morals, and burgeoned after several corporate scandals erupted in the West (Boling, 1978). Research can be classified according to three main streams, namely (a) the discussion of concepts, (b) the creation and discussion of decision-making models, and (c) the description, assessment, and discussion of anecdotal cases or situations. The first stream is fundamentally philosophical. Topics covered include the discussion of the role of ethics in business (Brady, 1985; Moors, 1916; Worthy, 1958), ethical restraints on the use of power in organizations (Cavanagh, Mober, and Velasquez, 1981), and the importance of integrating ethics in the business practices (Kahn, 1990; Saul, 1981).

The second stream reveals an attempt to bridge normative concerns with empirical ones, by discussing not only what actors in a situation ought to do, but also which real factors shape the ethical decision and subsequent action. Its main purpose is to favor ethical outcomes by means of the identification of proper ethical processes (Bommer, Gratto, Gravander, and Tuttle, 1987; Donaldson and Dunfee, 1994; Hamilton, Knouse, and Hill, 2009; Jones, 1991; Treviño, 1986). These include the social contracts approach (Boatright, 2000; Donaldson and Dunfee, 1994, 1995, 2002; Dunfee, 2006; Douglas, 2000; Philips and Cramer, 2006), the behavioral and cognitive perspective (Bommer et al., 1987; Casebeer and Churchland, 2003; Gaudine and Thorne, 2001; Harrington, 1997; Reynolds, 2006), and the social-interactionist perspective (Brass, Butterfield, and Scaggs, 1998; Camilleri and Conner, 1976; Jones, 1991; Rest, 1986; Schweitzer and Gibson, 2008; Thorne and Saunders, 2002; Treviño, 1986).

The last stream is fundamentally empirical, and can be sub-divided into two main types of contribution. In the first, the scholars' purpose is to explore the comparison between two or more ethical frameworks (Bailey and Spicer, 2007; Buller, Kohls, and Anderson, 2000; Dubinsky, Jolson, Kotabe, and Lim, 1991; Kohls and Buller, 1994; Schlegelmich and Robertson, 1985). Often, this is done with no judgemental intention, the conclusions being drawn with the concern of anticipating the ethical confrontation (Nyaw and Ng, 1994; Pedigo and Marshall, 2009). The second type is mainly centered on the discussion of specific cases that have occurred in a business context, in an attempt to draw conclusions about ethical behaviors (Brenkert, 2009; Dann and Haddow, 2007; Eweje, 2009; Hamilton, et al., 2009; Smith and Reney, 1997; Trotter, Day, and Love, 1989).

Amongst the different scholar proposals, we find the integrative social contracts theory

(ISCT) (Donaldson & Dunfee, 1994) as the one which is most adequate to the specific case of expatriates because it discusses ethics in a context of conflicting communities. Therefore, for the purposes of our arguments in this paper, we adopt the ISCT definition of ethical behavior as the one which is grounded in norms that: (a) are generated by the local community, and are recognized as valid by its members, who not only disapprove of violations to it but also act according to its precepts; (b) are well known by the members of the local community, who are free to leave it if they do not agree with the norms; (c) are limited by the hypernorms or generally accepted and universal ethical norms; and (d) are subject to prioritization rules in case of conflict, and prevail after applying these rules. Hypernorms are defined as norms that "entail principles so fundamental to human existence that they serve as a guide in evaluating lower level moral norms" (1994, p. 265). The authors suggest "core human rights, including those to personal freedom, physical security and well-being, political participation, informed consent, the ownership of property, the right to subsistence; and the obligation to respect the dignity of each human person" (1994, p.267) as illustrative examples of hypernorms. Summarizing, behavior is ethical whenever it is supported by authentic and legitimate norms that do not conflict with each other.

Adjustment and ethics as a dualism

The discussion about dualism and duality can be traced back to Descartes and his division between body and mind. This discussion has persisted until today (Buckham, 1944; Drake, 1917; Levin, 1995; Lovejoy, 1932; Lycan, 2009), and led the way for the use of these concepts in the field of social sciences. The main purpose of researchers in this field has been to explore the consequences of interactions between hitherto separate and contrasting realities, be they between individuals and groups (Breiger, 1974), capital and labor (Berger and Piore, 1980), trust and control (Mollering, 2005), or even the nature of society (Giddens, 1984) and its social and economic institutions (Jackson, 1999). In the specific sub-field of organization theory new insights were tried by investigating the interactions between, among others, stability and change (Farjoun, 2010), technology and organization (Orlikowksi, 1992), and structure and agency (Reed, 1997).

The difference between dualism and duality is the nature of the relationship between the different parts of the phenomenon under scrutiny. In dualism, no interaction exists between the different parts of the whole; these are independent and disconnected, self-existent to the extent of their nature and purpose. Each part is mutually exclusive and incompatible with all the others, a situation made visible by a clear cut and decisive contrast (Farjoun, 2010, p.203)

among them. In the case of a duality, the parts are integrated and interrelated, maintaining between them a fruitful interdependency. For instance, in his study of the relationship between stability and change applied to high reliability systems, Farjoun (2010) uncovers situations in which in order to secure stability, change has to be allowed (i.e. adaptation), but simultaneously change is assured by making the system stable (tamed change).

In our case, adjustment and business ethical behavior have been perceived as a dualism because of the liminal condition of expatriates, mainly when they are found "between and betwixt" (Turner, 1969:95) two contrasting and conflicting ethical and cultural frameworks, which facilitates the perception that on one hand, abidance to the host-country practices might jeopardize home-country ethical principles, and on the other hand, in order to keep home-country ethical principles, adjustment has to be sacrificed.

The growing integration of business across the globe (Doz, Santos, and Williamson, 2001) and the shifts in some centers of power and decision-making, triggered a competing set of equally abiding "normal moral rules" when compared with the Western canon. An ingrained culture and a deep perception of rights and wrongs (not necessarily similar to those of the West) also shape these new decision-makers' actions. Consequently, more than one ethical framework can be perceived as "normal" by just one integrated, albeit loose and diverse, business community. Expatriates can thus be faced with requests that conform to local norms and are deemed unethical only by one of the parties (Spicer, Dunfee, and Bailey, 2004). By refusing to accommodate to those norms, expatriates risk adjustment; conversely, if they accept, they risk being perceived as unethical wherever the imposed norms are not accepted.

Adjustment and Ethics as a Duality

Instead of a dualism, we reinterpret the relationship between expatriates' adjustment and ethics as a duality. Displaying an ethical behavior, as we define it above, remains different from being adjusted to a foreign setting, but through this new perspective we are able to identify the features of each process that actually facilitates the successful achievement of the other.

Before we proceed, an additional note about liminality is due. As we have seen above, the liminal condition of expatriates not only triggers the conflict between adjustment and ethical behavior but also promotes the perception that these phenomena are a dualism. However, in ill-defined situations, such as those in which expatriates are found, in which the

concept of normality is at dispute between home- and host-country, and there is a notion that generally accepted rules are suspended, the actors involved will be less demanding when assessing the other's ethical behaviour, extending their limits of acceptance. The "unusual license" (Rosen, 1988: 477) given to the actors of liminal situations allows for the "transcendence and play" (Tempest and Starkey, 2004: 504), vital to creative, and otherwise unacceptable, responses in the context of ambiguity experienced by expatriates. As such, expatriates will have more time to apprehend the characteristics of the new environment (Selmer, 2002), choosing to adopt only those attitudes they feel comfortable with (Lee and Larwood, 1983: 659), and benefiting from valued characteristics of the two conflicting situations. This is possible because the transitional facet of the liminal situation diminishes the influence of all the former social structures (Ruben and Kealey, 1979), leaving expatriates freed from habitual social constraints. Consequently, liminality facilitates the cross-reading of ethics and adjustment, which is fostered by the duality approach.

The duality perspective allows us to explore how and with what consequences the two processes can be interconnected and explain each other's outcomes. These relationships can be organized according to the model that already exists in the literature (Farjoun, 2010), and are summarized in Figure 1.

INSERT FIGURE 1 ABOUT HERE

In Quadrant 1, ethical processes are enacted with ethical concerns alone, ultimately excluding the possibility of adjustment in order to reach an ethical outcome. In Quadrant 4, adjustment processes are enacted with adjustment purposes, even if ethics is sacrificed. Quadrants 2 and 3 refer to the duality perspective and reflect the instances in which ethical processes also consider adjustment and adjustment processes also consider ethical outcomes, respectively. In the following sections we explore these last two quadrants in order to build the concept of ethical adjustment.

Q2 – ETHICAL PROCESSES PROMOTING ADJUSTMENT

As we have stated before, ethical challenges stem from any of the adjustment dimensions: work; family; interaction with host-country nationals; and general issues. In this section, we detail how the academic knowledge about ethics can advance the understanding of

expatriates' adjustment and favor scholarly contributions for ethical adjustment.

Contributions from Ethics-related Literature

After reviewing the literature on business ethics and expatriates' adjustment we can conclude that some adjustment challenges indeed raise ethical questions. An expatriate in Luanda has to adjust to the generalized practice of the *gasosa* (Matz, 2008), small facilitation payments to obtain things and favors raging from gasoline to a favorite spot in a restaurant. In China, one's inclusion in a *guanxi*, or network of favor-exchange, can make the difference between being successful or unsuccessful in a business transaction (Koenh, 2001). In Russia, the use of *blat*, or personal favors, is commonly used as a way to facilitate a deal (McCarthy and Puffer, 2008). In all previous examples, expatriates are faced with questions that can easily lead to the adoption of unethical behavior, i.e., behavior that does not comply with ISCT, as defined above.

If we interpret expatriates' adjustment challenges as a set of ethical issues awaiting for a decision, then we are able to reframe adjustment within the scope of ethical decision-making. There is a common understanding and acceptance among scholars (Bommer et al., 1987; Harrington, 1997; Jones, 1991; McDevitt et al., 2007; Thorne and Saunders, 2002; Treviño, 1986) that ethical decision-making somehow comprises five distinct stages: assessment of situational context; recognition of the moral issue; supported moral judgement; delineation of moral intent; and engagement in moral behavior. Challenges faced by expatriates in a context of situational and individual constraints are thus fitted to these stages and a proper path to solve those challenges is created. We now detail such perspective.

Assessment of situational context. The first stage of the ethical decision-making process entails the analysis of situational variables with the goal of better framing the ethical question. Situational variables comprise factors as distinct as the political context, the organizational culture, or the family influence over the ethical decision-maker (for a review of the situational variables involved in ethical decision-making, see O'Fallon and Butterfield, 2005). These variables are relevant because they interact with the expatriate's individual characteristics at the cognitive level to provide a response to the ethical issue (Trevino, 1986, p. 602) triggered by the need of adjustment.

The expatriate's liminal condition, discussed above, increases the scope and complexity of the situational variables relevant for the four dimensions of adjustment. Concerning the family dimension, the integration of its members, including spouse satisfaction (Wang, 2008),

and the existence of health and education infrastructures (Birdseye and Hill, 1995), are important factors that can influence and thus explain the expatriate's ethical response.

At the level of the work dimension, expatriates are often exposed to an ambiguous and contradictory influence of the organization that stems from contrasting characteristics between headquarters and the subsidiary. As such, organizational culture (Loe, Ferrell, and Mansfield, 2000), corporate values (O'Fallon and Butterfield, 2005; Trevino, 1986), and ethical climates (McDevitt et al., 2007) that affect the expatriate constitute an additional layer of complexity to the expatriate's decision-making process. Other organizational factors, such as structure (McDonald and Kan, 1997; Newman, Batt, and Gutteridge, 1978), reward and sanctions systems (Ferrell and Gresham, 1985), the quality of management (McDevitt et al., 2007), and the relationship with colleagues (Jones, 1991) can all influence the ethical response. Externally, the quality and profusion of business-friendly institutions such as the judicial system (Bommer et al., 1987), laws and regulations systems (McDevitt et al., 2007), or the financial system (Dharwadkar, George, and Brandes, 2000), also influence the final ethical decision.

At the level of the interaction and general dimensions, the existence of a liminal condition characterized by intermingled contexts exerting their influence upon expatriates implies that features of the home-country are still relevant for decision-making (Robertson et al., 2002), including the differences between home- and host-country (Thorne and Saunders, 2002), while the host-country is already imposing its norms. In the host-country, expatriates are likely to find challenging cultural aspects (Hamilton and Knouse, 2001), compounded by a strange values system (Bommer et al., 1987; McDevitt et al., 2007) that legitimizes a different ethical climate (O'Fallon and Butterfield, 2005; Victor and Cullen, 1988). Also, being at work even when outside of work – since they are in the host-country, detached from their habitual contexts, because of work – liminal expatriates are influenced by their relationship with host-country nationals in their daily affairs (Van Vianen, Pater, Kristof-Brown, and Johnson, 2004), which, together, have the capacity to shape or alter the ethical response.

Recognition of the moral issue. The second stage of the ethical decision-making process concerns the recognition of the moral issue. Ethical issues, in our case, can be any question with ethical implications that must be faced by expatriates in the comprehensive context of adjustment in any of its four dimensions. There are four relevant attributes of the ethical issue, which must be considered in the case of expatriates to better understand the ethical content of their behavior towards adjustment.

First, whether the issue is ethical or merely different when compared with the normal practices of the home-country (Hamilton and Knouse, 2001). For instances, if we consider the case of the Chinese *guanxi* and the inherent exchange of favors or gifts among acquaintances (Fan, 2002) it is possible to argue that it does not differ from Western relational marketing (Wang, 2007), and that the exchange of favors or gifts is by not exclusive to Chinese business practices (Yeung and Tung, 1995).

Second, whether the question violates generally accepted minimum moral standards (Hamilton and Knouse, 2001). i.e., its degree of universalism. Despite the on-going debate about the idea of universal ethical principles (Boatright, 2000; Donaldson, 1996; Douglas, 2000), the assessment of the ethical issue *vis-à-vis* what the expatriate perceives to be a universal principle may provide a useful indication of its ethical content. Although the idea of child labor, particularly the definition of child and of the eligible age to start working, are disputed across cultures (Robertson et al., 2002), the recognition that child labor can violate a universal principle (Ruggie, 2004) is a good indicator that the ethical content of that practice is high.

There is a third attribute characterizing the ethical issue. It concerns the centrality to both expatriate and locals of the values associated with the question, in the sense that the more important the values are to one's understanding of reality, the more central they become (Kohls and Buller, 1994). The rationale of this third attribute is that, when in doubt, central values in the perspective of the one making the judgement prevail over peripheral ones. Let us use the case of Shell and the Ogoni people in Nigeria to illustrate our point. In this case, the Ogoni people, and notably Saro-Wiwa, an Ogoni human-rights advocate and journalist, complained about the environmental impact of Shell's oil extraction in the Niger delta (Buller et al., 2000). Eventually, the journalist was arrested, prosecuted, and executed by the Nigerian authorities. If we consider that respect for human rights are more central than profit in the Western perspective (Kohls and Buller, 1994), then the former should not have been neglected in favor of the latter.

The final attribute is the question's moral intensity, introduced by Jones (1991). The author argues that any ethical decision is dependent on the moral intensity of the issue in question. This can be evaluated across six dimensions: magnitude of consequences, social consensus, probability of effect, temporal immediacy, proximity, and concentration of effect. Consequently, expatriates´ ethical dilemmas can be assessed along these dimensions, and their ethical content evaluated. The case of Nestlé's infant formula in Africa (Post, 1986), in which

the local constraints (poverty, difficult access to potable water, illiteracy) were ignored while marketing its powdered milk formula, serves as a good illustration of moral intensity. Regardless of the legitimacy of using a utilitarian approach when a child's health is at stake, if the moral issue had been assessed, one would have concluded that the magnitude of negative consequences outweighed the positive ones, that there was no social consensus in undernourishing infants, and that the probability of the negative consequences was high. These three measures should have been sufficient to render the action unethical, and thus enough to redirect the decision.

Supported moral judgement. In the larger situational context, and having recognized the moral issue, expatriates formulate their moral judgement – is the issue ethical or not, and how serious is it – in the third stage of the ethical decision-making process. According to what we have stated before, we propose ISCT as the adequate framework to judge the moral issue. However, expatriates must have the capacity to make such judgement, i.e., their moral development must be adequate.

For this purpose, we revert to Kohlberg's work, whose "influence is found throughout most of the research on the individual and moral development" (Bommer et al., 1987, p. 273). Having been developed in the context of psychology, "Kohlberg's empirically defined cognitive moral development stages may be used to characterize the stages of managers' reasoning regarding ethical dilemmas in organizations" (Trevino, 1986, p.607). According to this model, the moral judgement of an individual, her or his cognition about what is right or wrong, varies according to six increasingly complex stages. In the first two stages, the prime concerns triggering the ethical assessment of a given fact refer to obedience, punishment, and reward. In the third and fourth stages, concerns shift to interpersonal acceptance and reciprocity and to social compliance and adequacy. The fifth stage refers to the recognition of a social contract that binds individuals and defines individual's rights. In the last stage, ethical reasoning is justified by a set of chosen principles that are observed without consideration to existing laws. Consequently, expatriates at different stages of moral judgement can be expected to display different attitudes when faced with the same ethical problem.

Compliance of the expatriate's behavior with the precepts of ISCT appears to be possible only if s/he is at least on the third stage of Kohlberg's (1969) scale, since this is the first stage in which individuals appear to be aware of the existence and the need to abide by a kind of social contract (Treviño, 1986: 605).

Delineation of moral intent. After having concluded about the ethicality of the

imposed challenge, expatriates establish their moral intent. This means that expatriates decide what to do based on their evaluation and prioritization of moral values against all the other values possibly involved (O'Fallon and Butterfield, 2005). Although this stage is not common to every ethical decision-making model, we follow Hunt and Vittel's (1986) justification of an intermediate stage between judgment and behavior. The authors suggest that moral behavior does not always reflect the previous ethical judgment because of a "teleological evaluation" (1986, p. 9) that is eventually translated into moral intent, or intentions.

In fact, "[a] decision about what is morally 'correct', a moral judgment, is not the same as a decision to act on that judgment, that is, to establish moral intent" (Jones, 1991, p. 386). This implies a projected outcome that is aligned with the individual's purpose with a specific action, and is a better predictor of behavior. In the case of expatriates, intent incorporates their teleological aspiration of adjustment. This relationship elicits an important contribution of a theoretical formulation of the ethical decision-making process to the outcome of an expatriate's adjustment. In fact, by including the purpose of adjustment as a variable of the process, this formulation is forcing the ethicality of adjustment itself. Conversely, it confers a purpose, that of adjustment, to the whole ethical decision-making process. As we shall discuss below, this formulation forces expatriates to search for ethical adjustment instead of adjustment only.

Engagement in moral behavior. The last stage of the ethical decision-making process is the engagement in moral behavior. This "involves acting on a person's moral intentions" (Jones, 1991, p. 387). The normative approach of ethical decision-making models implies that behavior at this stage is considered ethical or, at least, subject to ethical assessment before entering a new cycle of refinement toward ethicality. Consequently, following our expatriates' adjustment perspective, this is the stage in which expatriates act ethically or, at least, in which their behavior is assessed before finding the need for a new cycle of refinement.

Therefore, we can conclude that if ethical decision making is taken into consideration while expatriates are adjusting to the new context, the quality of adjustment is not diminished; on the contrary, the opportunity for ethical adjustment is reinforced, namely because of a better understanding of the ethical dimension of adjustment.

Q3 - EXPATRIATES' ADJUSTMENT PROCESSES PROMOTING ETHICS

If we revisit our previous definition of ethical behavior, we verify that in order to be

ethical, behavior must be grounded in norms that comply with ISCT precepts. In this section, we explore Quadrant 3. We reinterpret different aspects of adjustment processes in order to identify and investigate how these contribute to explain ethical behavior as it is defined here, i.e., how expatriates' adjustment processes can consolidate ISCT's principles.

Community Awareness

Several authors have agreed that ethical attitudes are somehow influenced by the communities in which they exist. Donaldson and Dunfee (1999) argue that any group or community involved in economic transactions must be given the freedom to create micro-social contracts that reflect their cultural, ideological, or religious nature. In the context of cross-cultural ethics, these communities are generally understood as the opposing pairs of host- and home-countries, or smaller communities within these. ISCT inspired several contributions (Bailey and Spicer, 2007; Boatright, 2000; Philips and Cramer, 2006; Soule, 2002; Spicer et al., 2004) that together established the community as a legitimate source of ethical norms that should be followed, under the conditions already described, by its members. However, due to the liminal condition of expatriates, their perception of the host-country characteristics, their new community becomes a complex task (Jun, Gentry, and Hyun, 2001) due to the lingering influence of the home-country norms. We argue that the process of adjustment contributes to facilitate the interpretation and subsequent understanding of the relevant aspects of the host-country in terms of ethics, thus increasing community awareness and facilitating ethical outcomes.

Some of the individual characteristics selected as important to adjustment, such as openness to experience (Ones and Viswesvaran, 1999) or sociability (Caligiuri, 2000) are important for the correct perception of the community limits and the corresponding ethical norms. These traits facilitate the interaction with host-country nationals who, in turn, work as conveyors of local practices (Johnson, Kristof-Brown, Van Vianen, De Pater, and Klein, 2003), including the ethical ones. Selection mechanisms proposed with the aim of identifying adequate expatriates (e.g.: Selmer, 2001b; Tung, 1998) can be extended and adapted to include among the relevant criteria of an expatriate the capacity to recognize and perceive the community as a generator of ethical norms. The significance of previous experience and the importance of obtaining information and training about the host-country, recognized by the expatriates' adjustment literature (Hechanova et al., 2003), are of equal meaning for the consolidation of the idea of community, its limits, and its subsequent capacity to create ethical norms. Similarly, the role ascribed to the expatriate's family, as a conveyor of host-country

practices, can be used in this context of community awareness.

The process of adjustment affords both ethicists and practitioners the possibility of increasing their levels of community awareness, which, as we mention above, can contribute to a comprehensive understanding of ethical behavior and to a better ethical practice, respectively.

Authentic Norms

ISCT asserts that ethical behavior must be supported by authentic norms. To be authentic, norms must be given informed consent by community members, who are free and capable of leaving the community in the event that they do not agree with them.

Informed consent. For informed consent to exist, norms must be recognized, approved, and acted upon accordingly by the majority, who disapproves deviance (Levi, 1997). Recognition of norms is facilitated by the acquisition of formal knowledge about the host-country's ethical norms, which can be supported by the same adjustment mechanisms we have seen for community awareness, namely pre-departure training about the host-country, socialization with host-country nationals, and family as a conveyor of local practices.

By the same token, approval implies that norms are known and, at least, are not in disaccord with one's beliefs. Overall, awareness of the host-country's environment, which includes knowledge about the existing norms, depends on personality traits such as consciousness and openness to experience (Ones and Viswesvaran, 1999). As such, according to literature on adjustment, these should be given preference while selecting expatriates, if informed consent of ethical norms, and eventually ethical compliance, is to be reached.

Adjustment processes are also useful to explain *according action*, the last requisite for informed consent to be given. Expatriate's willingness to act according to the host-country's moral norms can be inferred from the coping strategies s/he really enacts concerning her or his interaction with the context (Lazarus, 1993). Going back to the case of Shell Oil in Nigeria, if the attitude of Shell, by not intervening in the Saro-Wiwa process, is explained by a rational decision of its local managers based on a problem-focused strategy such as "I knew what had to be done, so I doubled my efforts to make things work" (Lazarus, 1993, p. 237), its ethical content is different when compared with the same attitude explained by an emotion-focused strategy such as "Hoped a miracle would happen" (Lazarus, 1993, p. 237). The adoption of this problem-focused strategy signals a different attitude, and thus leads to a different explanation of the ethical behavior, when compared with the adoption of this specific

emotion-focused coping strategy, even though the observable practice can be the same.

Other elements of the adjustment process, such as the need for organizational support (Kraimer et al., 2009), the need for an adequate organizational culture (Harvey, 1997), or the importance of the interaction with host-country nationals (Caligiuri, 2000) favor actions in accordance with local norms, and thus foster the emergence of authentic norms.

Freedom and capacity to exit the community. An expatriate's adjustment interpretation of this constraint for the authenticity of ethical norms reveals that the ethical behavior of expatriates can only be assured if they are free and able to leave the host-country. This conclusion raises the question of how to assess the expatriate's freedom and capacity to exit a given community. Freedom to act is not only a function of willingness but also of possibility, opportunity, and consequences. Expatriates are not really free to exit a host-country if their decision implies abandoning or hindering their jobs or careers, i.e., if they cannot assure proper conditions of repatriation.

Several scholars have dealt with the issue of repatriation. An expatriate is freer to return if he is assured interesting career prospects (Suutari and Brewster, 2003; Yan et al., 2002), indeed, her or his commitment to the company is greater if s/he has better future expectations upon repatriation (Stroh, Gregersen, and Black, 2000). A review of the repatriation literature (Black and Gregersen, 1991b; Black, Gregersen, and Mendenhall, 1992; Feldman and Tompson, 1993; Mezias and Scandura, 2005; Stroh et al., 2000) suggests that only by securing a seamless reintegration in the organization in terms of job performed, interesting career prospects, and the maintenance of the social status both for the expatriate and her or his family, are expatriates really free and capable of leaving their foreign assignments. These conditions, in turn, offer them an increased possibility of adopting an ethical behavior.

Legitimate Norms

As we saw above, to be ethical, behavior must not only be based on authentic norms, these norms must also be legitimate, that is, comply with generally agreed upon universal rules, or hypernorms. These "entail principles so fundamental to human existence that they serve as a guide in evaluating lower level moral norms" (Donaldson and Dunfee, 1994, p. 265). Although hypernorms are not easy to define (Soule, 2002), ISCT's authors suggest the common grounds between all religious, philosophical, and cultural beliefs as a starting point. Hypernorms thus complement communities in limiting ethical behavior, which in turn emerges from a moral free space (Boatright, 2000, p. 454) circumscribed by community

practices and universal demands.

However, expatriates face two challenges concerning hypernorms. First, they may find it difficult to decide whether a specific norm is a hypernorm or not (Boatright, 2000). Is bribing a hypernorm, that is, universally condemned as wrong? If not, when is it acceptable? Second, expatriates may experience some difficulties in discerning the turning point at which an authentic local norm starts to collide with a hypernorm, since they are not substantively defined (Soule, 2002). Going back to the case of bribing, is the tradition of gift giving in China a case of bribing?

Expatriates' adjustment processes thus become a source of accumulated knowledge that anticipate the challenges that each can present for a foreigner. Selmer's different analysis about expatriates in China (2001; 2004; 2006) yields a comprehensive picture of the habits, values and norms expatriates are bound to find there. Yavas' account that in Turkey "the importance of family and loyalty to it, the need for hierarchy in society, and centralisation of power among the educated are emphasized [and] Turkish culture focuses more on relationships than rules" (2001, p. 66) allows expatriates to anticipate some related ethical challenges in Turkey. Research about Western expatriates in Saudi Arabia (Lauring and Selmer, 2008; 2009), or Asian expatriates in China (Wang, 2008), and elsewhere (Lee and Sukoco, 2008) provide valuable information about the ethical patterns of both home- and host-countries. Comparative studies between countries or geographic regions (Kanungo and Wright, 1983 comparison of Canada, France, Japan, and the UK; Priem, Love, and Shaffer, 2000 comparison of Hong-Kong and Mainland China) are also a source of valuable information to elaborate about existing ethical challenges.

Concurrently, the training sessions designed to educate the expatriate about the future country of assignment are a good means to explore existing norms and their differences compared with the home-country. Caligiuri (2000) stresses the importance of learning experiences with host-country nationals. In fact, all learning instances, suggested by different academics as a facilitator of adjustment (Johnston et al., 2003; Mezias and Scandura, 2005; Selmer, 2001b; Tung, 1998), can also be applied to the identification of ethical principles and their degree of universality.

Prioritization Rules

The need to cope with often conflicting ethical frameworks (Beekun, Stedham, Yamamura, and Barghouti, 2004; Chung, Eichenseher, and Taniguchi, 2008; Hendry, 1999)

that generate equally authentic and legitimate ethical norms is increased by expatriates liminal condition. These can emerge from the existence of multiple sources of rules within the organization, from the interaction between the expatriate, her or his family, and locals, and from the general interaction with the foreign culture.

In these cases, the enactment of priority rules that distinguish between the different alternatives, as proposed in ISCT, seems to be an appropriate approach to assure that behavior remains ethical. Priority rules should be negotiated between the parties involved; however, ISCT suggests some rules of thumb, based on dimensions such as (a) community size and importance; (b) relevance of the norm to the economic environment; (c) consistency between norms; and (d) degree of precision or definition of norms. The underlying principles governing these rules of thumb leave enough space for discussion and negotiation between the interested parties.

Training or previous experiences of expatriates are instrumental in this situation, namely in exploring the possibilities of conflict, subsequent negotiation, and possibility agreement. Adler and Graham (1989) found that individuals engaged in cross-cultural negotiations tend to adapt their behaviors to their opponents. Moreover, they found that different countries had different preferences in terms of negotiation partners, and that strategies changed according to partner. For instance, they concluded that Japanese negotiators preferred to deal with Americans than with other Japanese, although they would profit less from these interactions. As such, awareness of the different negotiation styles preferably adopted by nationals of different countries helps to explain or predict the negotiation outcomes over ethical norms, and thus to better understand ethical behavior.

DISCUSSION

In this article we present an alternative perspective over expatriates' adjustment and business ethics, based on a cross interpretation of each field, that eventually promotes the emergence of ethical adjustment. Revisiting Figure 1 we can identify two meaningful combinations of quadrants: Quadrants 1 and 4, which form an axis that eventually leads to unsustainable outcomes; and Quadrants 2 and 3, which complement each other to define ethical adjustment.

Axis of Impending Unsustainability

We suggest that the dualism approach pictured in Q1 and Q4 forms an axis of

impending unsustainability, because of the implicit tension between the need for adjustment and the calls for ethical behavior when the two are considered separately.

We call Q1 the quadrant of unsustainable adjustment because if ethical decision-making ignores the impact the actions exert in terms of adjustment, then the likelihood that they include adjustment's needs are minimal. In these cases, expatriates' adjustment is hindered by the rigidity imposed by the ethical interpretation and its long-term sustainability seriously challenged.

Concurrently, we call Q4 the quadrant of unsustainable ethics because expatriates' adjustment processes, understood as acculturation or adaptation to the local context (Mendenhall and Oddou, 1985; Black and Gregersen, 1991a; Yavas, 2001) seem to ignore the ethical factor, namely the need to satisfy other constituencies different from the host-country's. Therefore, securing the local, the home, and the global constituencies' level of satisfaction with the ethical behavior of both the expatriate and the organization as a whole becomes unsustainable in the long run.

Axis of Sustainable Reinforcement or Ethical Adjustment

The possibility of ethical adjustment emerges when Q2 and Q3 are taken together, i.e., when ethical processes are enacted without disregarding the need for adjustment and when adjustment process take into consideration their ethical implications. Ethical decision-making processes can indeed improve the quality of adjustment, which is portrayed in Quadrant 2. We call this the quadrant of adjustment sustainability because ethics is explicitly considered across the four dimensions of adjustment – new family roles, work, relationship with HCN, and general adjustment – and each emerging challenge understood as an ethical issue.

Conversely, in Quadrant 3 different instances of the process of expatriates' adjustment are used to facilitate the adoption of an ethical behavior, i.e., to abide by the precepts of ISCT. This is why we call Quadrant 3 the quadrant of ethical sustainability.

Practical implications

The balance between adjustment and ethics, which allows for ethical adjustment, is not simple to maintain. Expatriates concerned with their own ethical behavior must not forget that in order to reach acceptable levels of performance, expatriates' teleological purpose must be adjustment (Mol, Born, and van der Molen, 2005; Lazarova et al., 2010). Under this new perspective, adjusted expatriates are not only psychologically comfortable with family-related, work-related, interaction-related, and general or culture-related aspects of their new

assignments and foreign countries (Black and Gregersen, 1991a; Black et al., 1991; Takeuchi, Marinova, Lepak, and Liu, 2005), but they attain those levels of comfort without disregarding the achievement of family-role performance (Lazarova et al., 2010), while abiding by the precepts of ISCT during their tenure.

Similarly, expatriates concerned with their capacity to adjust should also consider ethics and ethical behavior in the achievement of long-term, sustainable, performance. In fact, not only is *performance at any cost* wrong but it is also counterproductive given the potential risks in terms of long term sustainability. Actions should reflect a clear notion of right and wrong, although including ethical norms that extend beyond the Western borders. Those that comply with both hypernorms and local norms are generally accepted as a good starting point, as we discussed above, but then there is the need to ground them in the particular situations expatriates face in their day-to-day activities. The adoption of a broad sense of ethics would help expatriates to maintain their adjustment strategies without sacrificing the need to be ethical.

CONCLUSION

The pressure exerted upon expatriates and their companies for effectiveness in the overseas assignments, while simultaneously demanding for ethical behaviour has increased the tension between these apparently contrasting aims. In this article, we suggest that for the specific case of expatriates in an international assignment the two phenomena should be taken as a duality. This perspective allowed a cross reading of both phenomena that eventually led to the emergence of the concept of ethical adjustment.

The duality perspective does not deny the importance of ethical processes to reach ethical outcomes or the relevance of adjustment processes to reach adjusted outcomes. Instead, we extend the current understanding such that ethical adjustment allows expatriates to adjust without being less ethical at the same time that it allows them to be ethical without sacrificing adjustment.

Boundary conditions. Our contribution is more relevant in the case of contrasting ethical frameworks between home- and host-country. This is the situation in which expatriates are bound to be faced by ethical challenges that are more difficult to solve, in contrast to similar ethical contexts that require no extended effort to adjust. Conversely, our contribution is less significant for those situations in which, when faced with ethical challenges, expatriates

decide to leave their assignment. In these cases, there is no need of adaptation and the value of reconciling ethical and adjustment demands is meaningless.

Theoretical contribution. We add to the existing literature of ethics the new field of adjustment. Although ethics has been analysed in a context of international management (Armstrong, 1992; Resick, Hanges, Dickson, and Mitchelson, 2006; Sarwono and Armstrong, 2001), in our article we are exposing it to the particularities and needs of adjustment. Additionally, we contribute to the literature of adjustment by introducing a new dimension, that of ethical adjustment. We do that without discarding the notion that there is more than one possible ethical interpretation, although acknowledging that all possible interpretations should comply with universal principles of right and wrong.

Ethically adjusted expatriates are able to pursue their organisational and business interests without compromising the long-term sustainability of both. They trade immediate results for a conduct that allow them to take advantage of globalisation without sacrificing their own principles. Even if they are less fast than their competitors in obtaining profits, they are more likely to succeed in an increasingly transparent world (Friedman, 2006) in which breaches of universally accepted principles unleash increasingly fiercer protests from different constituencies.

Ethically adjusted expatriates are able to satisfy the local constituencies by abiding to their local habits and norms, exempting themselves from patronising or otherwise “teach” the local peoples ways of conduct or principles that are strange and meaningless for them. Conversely, ethically adjusted expatriates are aware of the limits imposed by universally accepted ethical principles. They know that a violation of such principles can trigger serious consequences wherever people take offence from such practice. Consequently, they choose to make use of the moral free space (Donaldson & Dunfee, 1994) that is provided by the local rules up to the limit of global norms, thus making sure that global constituencies are also satisfied.

In a multipolar reality of conflicting ethical frameworks, ethically adjusted expatriates seem to be best equipped to deal with the competitive challenges stemming from an integrated business reality.

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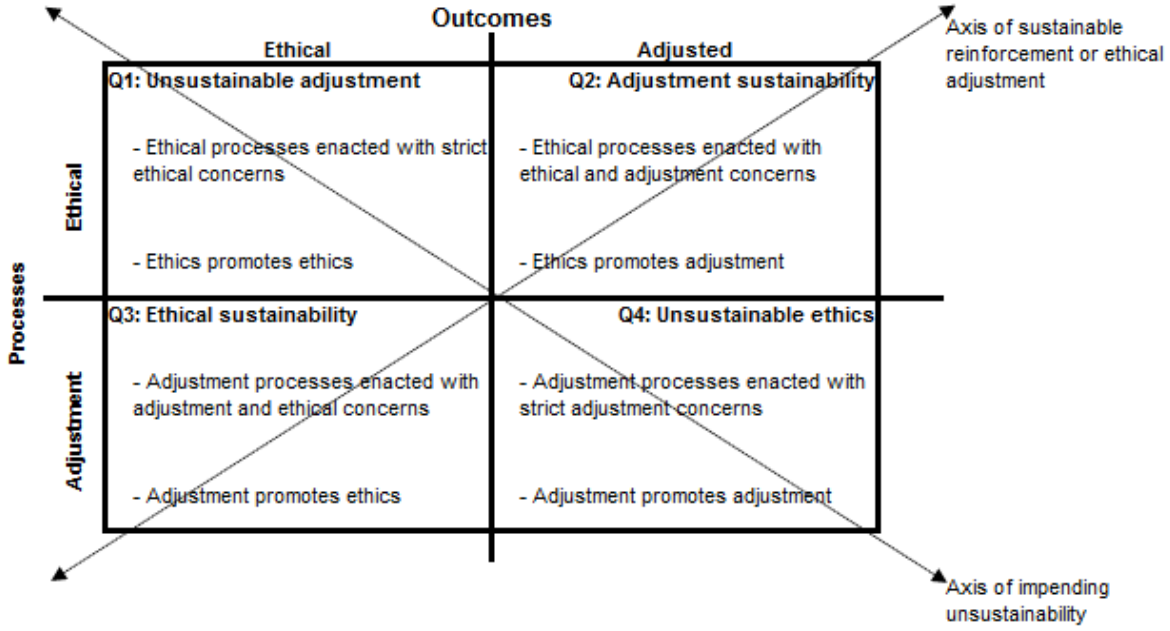
FIGURE 1 – Possible arrangements of ethics and adjustment



(based on Farjoun, 2010)

Chapter 4 – A sensemaking approach to expatriates' adjustment to ethical challenges

A SENSEMAKING APPROACH TO EXPATRIATES' ADJUSTMENT TO ETHICAL CHALLENGES

ABSTRACT

We explore how Western European expatriates in sub-Saharan African countries manage ethical challenges while attempting to adjust to their assignments. From the qualitative analysis of interviews with 52 expatriates in 10 sub-Saharan countries emerged a framework of expatriates' behaviour and response to ethical challenges. According to this framework, expatriates are liminal individuals undergoing a sensemaking process whenever they are faced with an ethical challenge. Attitudes are not only justified by the meaning that is ascribed to events but are also legitimised by an idea of future, or intended identity. The boundaries imposed by this intended identity comprise context- and identity-related variables. We extend the role of identity construction in the processes of sensemaking to include expatriates' intended future selves.

Keywords: adjustment; ethics; sensemaking; identity; liminality.

The process by which expatriates adjust to the countries of assignment has been subject to an extensive scrutiny from academia. Early attempts to define determinants of expatriates' effectiveness (Newman, Bhatt, & Gutteridge, 1978) were extended by theoretical and empirical contributions concerning adjustment dimensions (e.g.: Black, Mendenhall, Oddou, 1991; Shaffer, Harrison, & Gilley, 1999). Specific variables, such as family support (Lazarova, Westman, & Shaffer, 2010), personality traits (e.g.: Selmer, 2001), and cultural differences (Van Vianen, de Pater, Kristof-Brown, & Johnson, 2004), were detailed in order to assess their impact on adjustment. The very relevance of adjustment vis-à-vis other measures, such as effectiveness (Mol, Born, & van der Molen, 2005) or performance (Kraimer, Wayne, & Jaworski, 2001), has been subject to discussion.

Ethics and ethical decision-making in an international context have been discussed in a parallel stream of literature. The emergence of ethical conflicts as a result of the global economic integration has increased scholarly interest in normative approaches to how expatriates should make decisions and resolve ethical-related issues (e.g.: Hamilton & Knouse, 2001; McDevitt, Giapponi, & Tromley, 2007). These have been complemented with empirical research about specific ethical challenges in determined geographies (e.g.: Pedigo & Marshall, 2009) and by cross-cultural studies focused on ethical characteristics (e.g.: Nyaw & Ng, 1994; Robertson, Crittenden, Brady, & Hoffman, 2002).

However, recent scandals related to how ethical conflicts were managed by expatriates and their organisations (e.g.: Dann & Haddow, 2007; Brenkert, 2009), as well as the perceived (Harzing, 2002) high rate of early termination of expatiates' assignments (Takeuchi, Marinova, Lepak, & Liu, 2005) called our attention to an existing gap in the literature: although both literatures have immensely advanced our knowledge about expatriates' adjustment processes and the ethical conflicts they are bound to experience, the consideration of the effects of specific ethical conflicts in any of the adjustment dimensions in terms of the overall capacity of expatriates to adjust and be sustainably effective has been too limited.

In order to address this gap, we interviewed 52 Western-European expatriates in Sub-Saharan countries that were immersed in what was considered by them as an ethically challenging context or situation while they were in the process of adjusting to their international assignment. We conducted a reflexive qualitative analysis (Alvesson & Karreman, 2007) between the data and existing literature that brought to the surface the relevant dimensions and the corresponding dynamics that concur to the final attitude of the

expatriate. As a consequence, our approach to understand the expatriates' adjustment in the context of ethical challenges hinges on four main bodies of research: expatriates' adjustment, liminality, sensemaking, and identity.

We have organised our paper as follows. First, we review the literature that emerged from the analytical process as relevant to support our understanding of the process of adjustment in case of ethical challenges. Second, we introduce and explain the method we used in the research, namely the data gathering and qualitative analysis process that was adopted. Third, we leverage on the data analysis to detail our findings, namely the relevant components in the process of adjustment in the case of ethical challenges, including what we will call the *intended identity*. Finally, we discuss the implications of our findings in terms of their potential for the creation of new theory, which we then present in the form of propositions for later consolidation, possibly recurring to the use of quantitative methods.

Literature Review

Expatriates' adjustment. According to Black and Gregersen (1991), expatriates' adjustment refers to the individuals' feeling of comfort with the new setting. This has been formalised as comprising the work, interactional, and general dimensions (Black et al., 1991; Mendenhall, Stevens, Bird, & Oddou, 2008). More recently, Lazarova and colleagues (2010) asserted that expatriates must also adjust to their new family role. The literature implies that these dimensions are sources of challenges to be faced by expatriates. Work challenges include not only those related with the specificities of job or of the organisational context but also corruption and nepotism. Interactional challenges include those related with cultural aspects, but also discrimination and racism. General challenges refer to such aspects such as food, dress code, environment, but also include broad social conditions, poverty, or security. Challenges related with the new family role include new family demands and their capacity to adjust (Lazarova et al., 2010).

The capacity to overcome the impending challenges and restore the desired levels of comfort distinguishes adjusted from unadjusted expatriates. However, adjustment does not depend of individual characteristics alone. These, comprising self-efficacy, relational skills, and perception skills, concur with several other factors to shape and define the result of adjustment efforts. Selmer (2010) stressed the importance of training before expatriation. Kraimer, Shaffer and Bolino (2009) refer to previous experience as a factor that improves the capacity to adjust. Adequate selection mechanisms and criteria (Tung, 1998) are likely to facilitate the identification of those individuals that are best prepared to face the challenges of

expatriation. New characteristics of the job, including role clarity and discretion, degree of novelty involved, and potential of conflict with existing organisational context, also contribute to expatiates' adjustment (Andreason, 2008). Organisations can actively promote expatriates' socialisation, and help with logistical aspects (Kraimer et al., 2001). Finally, the degree of organisational and national cultural novelty, as well as the family presence and its capacity to adjust are critical to expatriates' successful adjustment (Takeuchi, 2010).

The relevance of adjustment has been subject to dispute. Adjustment must not be seen as an end in itself; instead, it is its mediating role in the promotion of increased effectiveness and enhanced performance (Mol et al., 2005) that has justified its prominence in the literature. However, the vastly discussed cases of Union Carbide's plant in India (Trotter, Day, & Love, 1989) or of Shell in Nigeria (Wheeler, Fabig, Boeler, 2002) have demonstrated that when the full meaning and implications of adjustment, including ethical-related ones, are disregarded in any of the discussed dimensions long-term effectiveness or long-term performance can be seriously diminished. Knowing exactly what is the meaning of being adjusted to a particular context thus emerges as more more important than the capacity to adjust.

Liminality. As sojourners sent to foreign locations by their employers, expatriates no longer enjoy a cultural tradition from which they are inheritors and thus find natural, yet they struggle to adapt to an equally robust albeit strange cultural context (Mendenhall & Oddou, 1985). In transition between these two cultural and ethical frameworks, expatriates find themselves in a liminal situation.

Liminality is a term borrowed from anthropology, where it was first used by Arnold van Gennep (1908/1960) to mark the transitions “from one age to another and from one occupation to another” (1908/1960:3). These transitions are made between two clearly defined and stable conditions (Shields, 2006), such as in the case of the cultural and ethical frameworks faced by expatriates. Liminal situations are thus characterised by their transitional nature and their ambiguity: while the rules belonging to the old situation no longer apply, the new situation has not yet imposed its own rules. “In betwixt and between” (Turner, 1969: 95) two distinct situations, individuals enjoy a blurred condition in which elements of the old and the new contexts blend to create a temporary third one.

Expatriates then potentially become liminal personae (Turner, 1969: 95), in between social structures. This state of suspension (Tempest, 2007: 821) casts them outside any rigid social requirements, which confers them a degree of freedom and permissiveness that is not granted to both home- and host-country's nationals while in their own countries of origin

(Garsten, 1999).

Sensemaking. People enter a process of sensemaking "when the current state of the world is perceived to be different from the expected state of the world, or when there is no obvious way to engage the world" (Weick, Sutcliffe, & Obstfeld, 2005: 409). In such situations, in which the expected flux of events is suddenly interrupted, the restoration of a sense of normality becomes fundamental to proceed with action. Consequently, people search for cues in past events, constantly comparing them with the present situation in order to confer it a meaning. These are moments of ambiguity, comparable to those experienced by liminal expatriates that are faced with ethical challenges while in the process of adjustment. When a meaning is ascribed to the challenge, they have a plausible idea (Weick, 1995) about what happened so they are prepared to decide what to do.

However, reality has not been halted for expatriates while they decide. Despite the idea of sensemaking being about *sense* and about *make*, that does not mean that sense precedes action in an orderly and identifiable manner. On the contrary, reality is on-going (Weick, 1995), which renders any cause-effect string impossible to isolate from any other. Thus, actions derive not from a single event but from the co-occurrence of events intermingled with different purposes, different actors, and blurred causes in an unstoppable string of occurrences that blend a diversity of *senses* and *makings*. Expatriates faced with ethical challenges will not be able to distance themselves from the events in order to analyse the situation. Instead, they will be forced to act *while* experimenting that and other emerging challenges, and their responses – or actions – will become part of the reality they will have to face in any of the co-emerging events. Actions feedback on reality, "the course of which remains vague prospectively, but clearer in retrospect." (Weick, 1995: p.51). In this sense, reality is being enacted (Clegg, Kornberger, & Rhodes, 2005) not only by the context or by the other actors, but by the expatriates themselves.

A crucial characteristic of the sensemaking process, including the emerging actions, is its social nature (e.g.: Corley & Gioia, 2004). This means that sensemaking is a social activity, enacted in a context of physical or imagined co-existence with other social actors. Thus, the meanings ascribed by expatriates to sudden ethical challenges are not independent of host-country nationals' (HCN) attitudes both in the past and in the predictive present; and the emerging expatriates' actions are not independent of ascribed meanings, which makes these actions contingent to HCN's conduct. The social facet becomes even more relevant because, as we discuss next, the process of identity construction, itself at the basis of sensemaking

(e.g.: Pratt, 2000), contains an important social element: by acting according with others' conduct and expectations, and to the image they want other to reflect upon themselves, expatriates are also forming their own identity.

Sensemaking thus describes the process undertaken by expatriates. Occasionally, they find themselves in the face of an ethical challenge (surprise) in a foreign context (social) that they try to understand (meaning ascription) by searching for comparable events (cues) that might have occurred (retrospect) in any other instances. The meaning ascribed to the situation (plausible story), which originates a response (action), depends of their past experiences (identity), of the current unfolding events (on-going) and the way they interact with them (enactment), as well as of their future intentions (identity enhancement) as expatriates and individuals.

Identity. The *self* plays an important role in the definition of one's identity. An individual's self-concept shapes her or his expectations concerning the surrounding context and serves as a filter when s/he is confronted with outside stimuli (Markus & Nurius, 1986) or challenges, whereas the self-knowledge "not only provides a set of interpretative frameworks for making sense of past behaviour, [but] also provides the means-ends patterns for new behaviour" (1986: 955), thus linking the idea about the self with preparedness to entail a specific action given a particular challenge.

Individuals' self-conception as well as other's response to one's performance in a given role are dynamic (Mead, 1934) and result from a constant interpretative interaction between actors (Burke, 1980). Together, they form a person's identity. As a consequence, as we referred above, identity is a process that is being continuously enacted in a social context; which renders the individual only partially responsible for its own identity. The other actors involved in the social setting complete the picture by providing a reflection of the image projected by the person (Dutton & Dukerich, 1991). However, this reflection may or may not be in accordance with the individual's expectations, which depends of her or his alignment with the intended identity. This is the case of expatriates that have as intended identity that of honest businesspeople; if, nonetheless, their behaviour is less than honest, the image reflected by other players in the situation will reproduce that fact. Confronted with this situation, expatriates can either change their attitudes towards a more honest conduct (their self) or change their intended image to that of less than honest businesspeople (their new identity). As such, others in the social context concur with the expatriate to reach a stable identity in which the self is aligned with the reflected image.

While in the stabilisation process, and after attaining it, identity is strongly related with motivation (Foote, 1951). By defining a specific objective "as calling for performance of a particular act" (1951: 15) (to reach a desired identity or to adopt proper attitudes to maintain it, for instances) it helps the individual to direct her or his behaviour towards its achievement. Thus, actions are explained by identity for they emerge from it, but at the same time actions explain that identity given their implications (Stryker, 1968). Since identities provide meanings to each other (Burke, 1980) – for example, that of an honest businessperson in relation to a business counterpart – the position of a given identity in this relational space of several identities-actors creates the background of possible behaviours or actions. Expatriates that identify themselves as honest businesspeople act according to the mutually (between the expatriates and all other actors involved) accorded meaning of the concept *honest businesspeople*. In a reflexive way, those actions confirm and explain (next to the expatriates and all other actors involved) the expatriates' identity of *honest businesspeople*.

Implicit to the previous arguments is the idea of future possibilities. As a continuous process, identity construction is anchored in past events, is reflected in present acts, but is also connected to the future by means of intended and non-intended future selves (Markus & Nurius, 1986). An individual's acts or behaviour is as much explained by past decisions and situations as it is by future intentions, desires, or fears. The idea of identity as motivation can thus be re-framed to include this perspective of becoming (Chia, 2002). Today's identity is then a bracketed abstraction from a continuum that emerged from the past and is evolving into a possible preferred future.

Integrating the four literatures. The combined reading of the four literatures brings to the surface existing gaps that legitimise new theoretical approaches to the problem of expatriates' adjustment in case of ethics-related challenges. Although the case of ethical challenges faced by managers in an international context has been explored by academics concerned with cross-cultural ethics (e.g.: Buller, Kohls, and Anderson, 2000), it remains to be understood the expatriates' behaviour when they are faced with adjustment demands they consider unethical.

Although new to organisational studies, the concept of liminality has been applied to such different situations as external consultants (Czarniawska and Mazza, 2003), temporary workers (Garsten, 1999), interim managers (Inkson, Heising, & Rousseau., 2001), organisational learning (Tempest and Starkey, 2004) and celebrations (Rosen, 1988). Liminality has also allowed new perspectives over management and organisational history (Phillips, 2010), legality and illegality in organisations (Cunha and Cabral-Cardoso, 2006),

and people's identity in organisations (Beech, 2011). However, the case of expatriates as organisational members experiencing a transition between two cultural and ethical frameworks has not been addressed, although theirs is a liminal experience that can be clarified using a liminal perspective.

Concurrently, while the literature on sensemaking is able to describe the transition between meaning ascription and action, including suggesting the variables involved in the process, it is less effective in explaining why expatriates may ascribe different meanings to the same ethical challenges, or may react differently to the same ascribed meaning.

The role of identity in the process of sensemaking is very well identified when it refers to meaning ascription and the individual's interpretation about what is happening (Weik, 1995). Weick and colleagues (2005) also suggest that identity plays a role in determining which course of action should be taken after reaching the meaning. However, the relationship between the chosen course and the future self, i.e., the expatriate's intended identity in the future, has been less explored.

The case of European expatriates in the ethically challenging contexts of Sub-Saharan countries provides an adequate empirical platform to explore the existing gaps in the combined literature and thus contribute to answer our investigation question of how expatriates deal with ethical challenges while making efforts to adjust.

Method

We interviewed Western European expatriates in sub-Saharan countries to analyse the challenges and the ensuing efforts to adapt to contexts that present relevant differences when compared with those to which expatriates are accustomed. We asked interviewees for vivid accounts of past episodes as they recalled them on the moment of the interview (Silverman, 1993), so that we could have access to first hand interpretation of events. These accounts, or interpretations, became the source of our analysis, and the appropriate basis for the first order concepts, the themes, and the components that eventually allowed us to develop a theory about expatriates' adjustment in case of ethically challenging situations. Throughout the theory building process, we used a reflexive approach (Srivastava & Hopwood, 2009) that allowed us to travel between the data and existing organisational literature while refining the emergent codes and categories.

Our choice of Western European expatriates in sub-Saharan countries is explained by our interest to empirically advance research on the ethical component of expatriates'

adjustment. We based our initial decision in the fact that according to the 2011 World Bank's Doing Business report, "In Sub-Saharan Africa (…) entrepreneurs have it hardest and property protections are weakest across the 9 areas of business regulation included in this year's ranking on the ease of doing business" (2010:3). Business practices in sub-Saharan countries are characterised by "a combination of factors such as political instability, corruption, poor infrastructure and low purchasing power" (Kamoche, 2002: 994), which is then reflected in the fact of Botswana being the best positioned sub-Saharan country with a score of only 5.8 (being 0 highly corrupt and 10 very clean) in the perception of corruption index computed by Transparency International (2010). Sub-Saharan countries present an extreme case of ethical confrontation for European managers, and "extreme cases facilitate theory building because the dynamics being examined tend to be more visible than they might be in other contexts" (Pratt, Rockmann, & Kaufmann, 2006). According to one of our informants, whom we will call Chester: "*It was really disturbing, because while in [home-country], while studying and working in* [home-country], *those* [marked social differences and radically uneven distribution of wealth] *situations were not common. And when I arrive here, it was a confrontation, it was a violent shock, in that sense. So, structurally, my mentality was not... I was not mentally prepared to those kinds of situations. And it was a shock, it was a big shock.*"

Data collection

Our data is the result of 52 semi-structured interviews conducted to expatriates in ten different countries in sub-Saharan Africa. Many of the interviews were collected on site, during one of the many visits we did to the region. All expatriates had been sent to their assignments by their companies, which had local subsidiaries in the host-country. To honor the promise of confidentiality we use pseudonyms.

The purpose of the interviews was to collect reports of past experiences in Sub-Saharan countries. These experiences should specifically concern ethical challenges, as defined by the interviewees. They were asked to focus on a past episode in which they had experienced an ethical challenge; subsequently expatriates were asked about the reasons why they classified the chosen episode as an ethical challenge. This strategy not only minimised the unintended introduction of bias by the researchers (Locke, 2001) since no definition of ethical challenge was given to the interviewees, but also provided us with a grounded conceptualisation of the scope of ethical behaviours (as perceived by expatriates). The open questions were directed at eliciting the details of the ethical challenge as well as the efforts

taken to overcome them.

To select expatriates we used a purposive sample, “where the aim is not to establish a representative sample but rather to identify key informants whose context-specific knowledge and expertise regarding the issues relevant to the research are significant and information-rich” (Johnson, Buehring, Cassel, & Symon, 2007: 25). As such, we used different strategies, such as contacting the human-resources managers of large EU companies operating in sub-Saharan countries, asking previous interviewees for advice on other expatriates that could share their experiences with us, and asking local contacts to arrange for meetings with local expatriates. By making clear the purpose of our research next to those responsible for arranging interviewees, we minimised the chances that those interviewed had little to say concerning ethical challenges, and thus augmented the richness of our data.

Selected expatriates came from such different industries as banking, building and construction, management consultancy, hospitality, law, oil, food and beverages, telecommunications, education, electronics, and government. They are in different stages of their careers and hold different positions in their companies, from general manager to machine operator. Some enjoyed the company of their families while abroad, whereas others did not. For some, this was their first work experience while others had had several previous experiences as expatriates. This diversity increased the scope of perspectives in perceiving and dealing with ethical challenges, thus allowing us to “enhance the generalisability of our findings by gathering input from a wide range of respondents” (Carsten et al., 2010: 547). By contrast, they share a minimum tenure in the host-country of 6 months and the willingness to be in an international career.

The interviews were arranged around specific topics concerning ethics and the expatriates' capacity to adapt to them (see exhibit 1). The use of topics instead of fixed questions conferred a degree of flexibility that allowed us to easily adapt to the respondents' answers and, at the same time, make sure that all relevant issues referring to the 'what', 'who', 'how', 'when', and 'why' concerning actors and situations were covered during the interview (Strauss & Corbin, 1998). Interviews ranged from 20 to 90 minutes long. Some interviews were conducted face-to-face and others via Skype. The interviews were recorded with the interviewees' permission for later transcription. Although we told all interviewees' that we were available to sign non-disclosure agreements only a few actually demanded one.

Data analysis

Following the recommendations of Bruton, Ahlstrom, and Puky (2009), we transcribed the interviews as soon as possible after collecting them. This allowed us to add supplementary notes to enrich the data, including comments about our impressions during the interview (Locke, 2001). The transcription process also helped us to become acquainted with the available data, which in turn increased our awareness of the first emerging patterns at a very early stage, eventually facilitating the coding process that followed.

After transcribing each interview, we imported them to ATLAS.ti, a software designed for qualitative analysis. This software facilitated the organisation and handling of data, namely the identification of relevant quotes, the creation of codes, the identification of interrelations between codes and subsequent emergence of categories and patterns that eventually took us to the creation of the new theory. Since interviews were being imported and analysed in ATLAS.ti as they were collected and transcribed, we were able to continuously refine, adapt, and test our coding process, the adherence of the emergent patterns to newly entered data, and the degree and extent of saturation of each category (Glaser & Strauss, 1967/1999).

Pre-stage of coding. Following the example of Johnson and colleagues (2007), we started our analysis of data with the theoretical frameworks of expatriate's adjustment (Black et al., 1991) and liminality in mind. As such, we read all interviews in search of quotations that related actual expatriates' efforts to adjust to the host-country with the theoretical dimensions of adjustment to work, to host-country nationals (HCN), and to general aspects. Quotations concerning expatriates' organisations, their jobs, their business partners or their business accomplishments were coded as “dimension - work”. Quotations that referred to locals and the expatriates' interaction with them were coded as “dimension - HCN”. Finally, quotations that referred to such things as language, local routines, food habits, dress codes, or the weather, were coded as “dimension - general”. We distinguish between the three dimensions we used direct references made by the expatriates or, when no reference was made, we inferred the relationship from the context (see the following quotation for an example). This pre-stage of coding allowed us to confirm that expatriates were indeed amidst a process of adjustment as described by expatriates' adjustment literature (e.g.: Harrison & Shaffer, 2005; Kraimer, Wayne, & Jaworski, 2001; Shaffer, Harrison, & Gilley, 1999), which meant that the ethical challenges described by expatriates occurred in a context of adjustment. We needed this confirmation to make sure that our intention of researching the processes of adjustment in

cases of ethical challenges was feasible in face of the gathered data.

We then searched the interviews for liminality, in order to support our initial idea that expatriates were liminal personae. We reread the interviews having in mind ambiguity, transition, and blurriness. A pattern soon emerged in which we were able to identify liminal actors, liminal spaces, and liminal instances. The first referred not only to expatriates but also to people that conferred a given situation its liminal characteristic. The second referred to actual spaces in which action was performed. Airports were classified as liminal spaces of departure and/or arrival; hotels were classified as liminal spaces of living. Liminal instances referred to the situation that triggered liminality. We were able to distinguish several types of situations, including distance, organisation, time, but also culture, ethics. After this pre-stage, we were able to confirm the explanation that expatriates were indeed liminal individuals experiencing a liminal situation in different liminal spaces.

First stage of coding. We paced our subsequent analysis in successive iterations between data and existing literature (Alvesson & Karreman, 2007; Clark et al., 2010), which thus became the theoretical foundations of our framework. In this phase's first stage of coding, we isolated the quotations referring to the ethical challenges that were perceived and identified as such by the expatriates during the interviews. We re-read and processed the data in its entirety so that in the end of this stage we were able to identify not only all instances in which expatriates perceived that an ethical issue was at stake, but also the adjustment dimension in which it occurred. We used different *in vivo* codes (Glaser & Strauss, 1967/1999), retrieved directly from the quotations as well as other abstract codes (Strauss & Corbin, 1998) that we later combined under the category "ethics". Below is an illustration of this stage, retrieved from Wendy' interview:

> "*(...) concerning the mining department, [nepotism] is a huge obstacle... we cannot get rid of any person because the company, as many others, is never acting 100% within the law... For instances, we have people working here that still have their work contract in Europe because they still don't have a work visa. This is illegal, but this can take as long as an year. And this situation is quite normal... but if anyone decides to complain to the authorities we are fined and we lose this opportunity.*"

When we first read this quotation, in the pre-stage of coding, we coded it as "dimension - work"; then, at this first stage we coded the same quotation as "ethics - situation". As a result, we obtained an ethical instance that occurred in the context of this expatriate's effort to adjust

to the work dimension.

The reading and re-reading involved in the described coding process brought to our attention the existence of a possible pattern of behaviour adopted by expatriates when facing ethical challenges. As such, we started to tentatively code some neighbouring quotations with labels such as “surprise”, “sensing”, “comparison”, “learning”, “understanding”, or “results”. These codes led us to question whether we could compare the emerging pattern to that referred as sensemaking by the organisational literature. To confirm our impression and eventually prepare the second stage of the coding process, we went back to the literature about sensemaking.

Second stage of coding. The joint reading of literature and the previously selected quotes allowed us to further support our suspicion that in case of ethical challenges – which emerge as surprises, novelties, ambiguities, discontinuities, or mere differences – expatriates enter a process that involves “the reciprocal interaction of information seeking, meaning ascription, and action” (Thomas, Clark, & Gioia, 1993: 240), being commonly referred to as sensemaking (Weick, 1995). Consequently, and in order not only to fully confirm this similarity to sensemaking, but also and fundamentally, to explore how this similarity was made operational by expatriates, i.e., what were the specificities of the sensemaking process that emerged from our data, we re-read and re-analysed the interviews. Namely, at this second stage of coding, we reviewed the quotations associated with the category “ethics” and carefully analysed the neighbouring quotations in order to code them with sensemaking related labels: these became our first order concepts and were based on the available data, the reported interpretations made by expatriates about how they dealt with ethical challenges. Below is an illustration of this stage, retrieved from Brad's interview:

> “*(...) and concerning [security], this is no different from many of the big cities around the world. Luanda is not São Paulo yet; it is not New York yet. Provided you circle around with your car locked... I had no problems at all!*”

This quotation was found next to a description of security and safety problems in Luanda coded as “ethics – situation”. At this stage we coded it as “expatriates establish comparisons with well-known paradigms” and kept a note about how this could relate with the need to search for cues in a context of meaning ascription (Weick et al., 2005).

Creation of themes. Having concluded that the similarity between our interviewees'

testimonies and the process of sensemaking was a promising theoretical path to understand expatriates' adjustment in cases of ethical challenges, we decided to increase the level of abstraction of our analysis. We achieved that by grouping the first-order concepts into 27 themes by means of a constant comparison between quotations and respective codes (Orona, 1997). Contrary to the concepts, which were based on the data, themes were of an higher level of abstraction that aimed at capturing the common, theoretically significant, aspects of the former. For instances, during our second stage of coding, we identified several quotations in which expatriates referred to learning. These were grouped in three first order concepts according to the reported ways of learning (e.g.: "learning emerges by osmosis"), which later in the process were grouped under the theme "Learning".

This was not a straightforward process, though. Instead, it involved a constant interaction with the data in order to verify each theme's consistency across the whole interviews. As such, each time a theme emerged, we would go back to the data to confirm its groundedness, a process that would end only when we verified that the 1st order concepts saturated the theme. Extending our previous example, when "Learning" emerged as an adequate theme to aggregate the 1st order concepts related with the different ways expatriates used for learning, we went back to the interviews in search of other possible ways of learning. We closed the theme only when we concluded that expatriates' references could all be included in those three ways only. However, if another had emerged, it would have be included in the theme in order to provide an extended explanation about the emergent phenomenon of, in this case, *learning*.

We ended this stage by re-examining the existing relationships between the 27 themes, in search of added simplification that could later be beneficial to our purpose of explaining an observed phenomenon. As a result, we ended with 13 themes: novelties; surprises; establish comparisons; sensing; learning; understanding; labelling; context; identity construction; adoption of local practices; rejection of local practices; outcomes of continuity; outcomes of disruption.

Emergence of dimensions. In order to have a simpler perspective over the phenomenon, we "consolidated the themes into more general dimensions of analysis that captured the overarching concepts relevant to the (…) process" (Clark et al., 2010: 408) of adjustment in cases of ethical challenges. Six dimensions resulted: perception of challenges; scanning; meaning ascription; intended identity; response; and outcomes.

The data structure that resulted from this analysis can be found in Figure 1.

INSERT FIGURE 1 HERE

Findings

The previous figure displays the data structure of our findings. It comprises the six main components of the process of adjustment in the case of ethical challenges faced by expatriates. These include the *perception of challenges*, or triggers of action, the *scanning for meaning*, or explanatory cues, the *meaning ascription*, and the *response*, in what we compare to a sensemaking process engaged by expatriates. We add a dimension, which we call *intended identity,* that is the key to explain the observable response and subsequent outcome. *Outcomes* is the last dimension of the process. Each of these components is supported by different themes (central part of the figure), which were drawn from the first order concepts (left part of the figure).

Grounded in data retrieved from live interviews, this structure is an instrumental abstraction of reality that serves the purposes of explanation and clarity. Indeed, interviewed expatriates were far from experiencing such an organised sequence of events. New challenges were likely to emerge before an adequate response was given to a prior one, which would have to incorporate ever new elements retrieved from the overall context. Identity issues were present throughout the whole process, affecting each of its steps. The connections between components is not always clearly delineated or synchronised: scanning in fact precedes meaning ascription, but there is no such clear division in an individual's mind when s/he is undergoing the process. However, while recognising the complexities of the process, we detail each of its components and supporting themes individually.

Table 1 includes quotations that support the 13 themes. Further illustrative quotations will be used throughout this section whenever we have to illustrate or clarify an argument.

INSERT TABLE 1 ABOUT HERE

Perception of Challenges (triggers of action)

During our interviews, when we asked expatriates about the ethical challenges they had experienced, their answers implied different perceptions concerning the level of anticipation of the event, which they established by comparison with their own idea of norm,

as reflected in the following quote, retrieved from the interview with Paul: "*Here we are at war everyday, because everything is difficult. This is a country that is not used to work, to have a professional attitude* [...] *and we are used to have a management strategy, an organisation... here, just to give you an example, it is almost impossible to manage a company.*" Two main levels of anticipation emerged from our research: *novelties* and *surprises.* These can occur at any of the expatriates' adjustment dimensions – work, interaction with HCN, and general – and become the triggers of the sensemaking process that eventually leads to the expatriates' responses in face of ethical challenges.

Novelties. When they are assigned to a new location, expatriates search for information about the host-country. Knowledge can be so basic as reflected in the reply of Oswald, when he was asked whether he knew Uganda: "*well, I know it has gorillas and that it used to have Idi Amin; beyond that, I don't know much more*". But it can be extensive and thorough, as in the case of Andrew, before moving to Cape Verde as an expatriate, had travelled there several times. In this last case, many of the challenges that this expatriate had to face had been anticipated and thus had emerged as no surprise. He asserts that "*it was relatively simpler than arriving there for the first time and being confronted with another way of living*", even if he recognises that "*as expected, there is always a difference between moving to a place or visiting that place, these are different situations*".

Being anticipated does not necessarily mean lower complexity when compared with one's norm. Whilst some challenges can be perceived as less different, such as those stemming from two reportedly similar judicial systems, others are more different and potentially more complex. An episode reported by Elliot, manager of an European hotel in an African capital illustrates how complexity, measured as the scope and extent of the consequences, can increase even when the challenge is anticipated. Worried about the delay of more than 72 hours in receiving the mandatory advanced payment concerning the stay for 10 days of a large political delegation in his hotel (which was due to the preparation of national elections), the manager was forced to strongly demand for the payment. Before settling the problem, the manager had to face a difficult 5 hours discussion. In his own terms: "*It was a very difficult situation, I can say it was a very difficult situation. Difficult because I was white (...) then, here it is very easy to argue that I was making assumptions* [about the absence of payment] *because I could not have people from this or that political party in my house, because I was playing according to whomever political intentions* […] *I had to be very firm, to take a firm stance, you see. And show that we were right. Only then, after lots of diplomacy and after*

things getting really hot, which included physical threats and all, I was able to appease things and solve everything with the leader of the political group". Although lack of payment is anticipated, which justifies the advancement pay rule, the challenge was complex because it involved a political party in a period of political tension in the host-country, and could have had serious consequences for the manager as well as for the hotel.

Ambiguity, both in terms of the situation itself and the correct attitude to adopt, can also become a source of complexity. Joseph puts it clearly: "*there is lots of corruption there... and either you play along as if it was a joke and you face it as... [he hesitates] you just don't take it seriously. Because if you take it seriously... some times you have to take it seriously, others not...*" The uncertainty regarding the classification of the event – joke or not – and the corresponding attitude – take it seriously or not – are due to the perceived ambiguity of some ethical challenges and increase their complexity, even if they don't come as a surprise.

Surprises. For as much information as one collects, "*someone that comes from Europe probably is not expecting such an advanced infrastructure in Africa*", as noted by Jeremy when he recalled the moment he arrived at South Africa as an expatriate. Yet, this same manager was also surprised by "*at the same time, an extreme opposed situation in which poverty compares only to the worst cases in the whole world*". This unexpected situations present unanticipated challenges that have to be dealt with in order for expatriates to be able to continue to perform the tasks they were assigned to, and thus restore a sense of normality.

Events can be perceived as surprises because they were not foreseeable at the moment. These generally refer to occasions in which expatriates were robbed or witnessed some violent, unexpected situation, such as when Chester was gun pointed but managed to lock the car and escape on time, or when Mack watched from his window as two men physically assaulted a third one. Although unexpected when they occurred, these events are perceived as somehow predictable, as can be inferred from the words of Chester: "*Generally, people prefer to steal those driving with their windows open, or at the phone with the windows open, stopped in the middle of the traffic, with their doors unlocked. I mean, these are safety measures that we, by nature, should have!*". However, expatriates can also be faced with situations that are not only unforeseeable but also completely new for them. Rose recalled a casual conversation – which she classified as particularly impressive – between two local co-workers: "*she* [the hotel employee] *was having her hair done at someone's home and there was a fight between neighbourhoods, and one of those guys was killed... so, the others, to vindicate the killing started invading several other houses and killing whomever they found.*

You see, compared with our country... well, what can I say? They were telling this story as if it was completely normal. The most normal thing that could happen to anyone. And that is my greatest shock!"

As in the case of novelties, surprises can also emerge from ambiguous situations. Peter referred to such a case when he recalled: "*what shocks me the most here is... regardless the people with whom I speak, or what I say or present, even if they say yes […] you might have everything in the end of the day, but in the next day everything can be back to zero.*" Here, uncertainty concerning the outcome of a conversation triggers a sensemaking mechanism directed at understanding what to expect and what to do next.

Scanning for meaning

In both cases – events perceived either as novelties or as surprises – expatriates start a process to make sense of what is happening, in order to restore a sense of normality that allow them to proceed with their activity. This process is constantly shaped by the emergence of newer challenges, in a context in which "*the last law that is today in place* […] *will be completely different tomorrow.*", and expatriates have to "*be always prepared to a completely radical change*" (quotes retrieved from the interview with Mary)

The data collected allowed us to establish two different forms expatriates use to scan for meaning: by *establishing comparisons* and by *building reality subjectively*. These two forms are used interchangeably and complement each other to facilitate the emergence of meaning.

Establish comparisons. Expatriates appear to be resourceful when in comes to establishing comparisons. When Brad refers that in terms of safety and violence Luanda "*is not different from many other cities in the world. Luanda is not São Paulo yet, it is not New York yet, provided you keep your doors locked*" he is searching for meaning in the space provided by present and existing subjects. However, previous experiences are often used as comparisons. When Thelma compares Angola with "*Portugal 20 or 30 years ago*", noticing that "*there are many similar things, no doubt about it*", she is locating by comparison her efforts to open the local branch of her organisation in an historical flow of events.

These spatial and temporal coordinates are often supplemented by comparisons with previously formed expectations ("*since I went there with expectations even lower than what I eventually found in reality, I end up by feeling some... how can I say this... some comfort in what I came to know*", retrieved from Brad's interview) or fictionalised optimal situations,

such as when Bernard compares Cape Verde society to a just society.

Build reality subjectively. Meaning is not only searched amongst past and present experiences, be these real or ideal. Expatriates often recur to metaphors to apprehend reality. Roy, which is also involved in Thelma's project, reflects about their apparently endless efforts to overcome the many hurdles imposed by local authorities: "*This keeps reminding me of what a teacher once told us; that business here, mostly and above all, business, should be taken as a 100 metres race*". In this case, the relevant elements to retain from the metaphor are the intensive preparation and efforts needed to be successful in a 100 metres race, the short duration of the decisive event, and the high probability of failure associated with it.

Adding to the multitude of possible meanings, scanning is also based on impressions or unverified assumptions about reality, which, as we discuss later, is strongly connected with the idea of identity construction. For instances, expatriates build these comparisons based on assumptions such as the existence of widespread corruption to conclude that some lawyers must also be corrupt (retrieved from Anthony's interview).

Meaning Ascription

As we have just seen, expatriates scan space and time dimensions until they are able to to ascribe meaning to novel or surprising situations. Although sequentiality is used just for simplification, we were able to isolate a pattern in meaning ascription from our analysis of the interviews. This entails *learning*, *understanding*, and *labelling*.

Learning. Expatriates actively seek learning opportunities. The need to know is illustrated by the following quote, retrieved from the interview with Francis: "*In first six months you adapt to the country, the language, the habits, even the laws. We have to know! These six months are pure learning, however we also have to work, so we are overburden in these first six months. This overburden is developing your daily activity plus absorb and learn as much as you can*".

Expatriates often refer to the obstacles they had to overcome as a learning "*opportunity, because [they are] sure that every time they return to [their home-countries] things are seen in a very different perspective*" (quote retrieved from the interview with John). "*Cultural shock and cultural diversity are very good things because we all learn from it,isn't it? We learn from little and from big thing!*" (quote retrieved from the interview with Richard)

In the process of learning, expatriates often search for support that can clarify the meaning of the challenging situation. This support is sought next to people that know the context, including other expatriates, which tend to follow the same routines (according to

Johnson: "*Friday night* [all expatriates] *go out to have dinner in the same restaurant where* [...] *most expatriatess meet, you see. Then Saturday, beach; Sunday, beach. And they all do this month after month after month.*") or, occasionally, host-country nationals.

In fact, expatriates' exposure to the context and the multitude of challenges they have to endure transforms almost any event as a learning opportunity, such that part of the expatriates' capacity to ascribe meaning to situations comes from osmosis, as recognised by Susan when she refers that "*your stance must be 'I come here to help', not to teach. 'I come here to learn', to share*".

Understanding. During the interviews, expatriates recognised that what they had learnt led them to better understand the surrounding context. This is the case of Francis, who after learning how the legal system actually worked, understood that his was not a sustainable approach in such a context if he wanted to continue serving his customers. He recognises that "*today I don't* [use the unofficial channels] *because I have learnt more.* […] *How do I do it? To my own defence, I learnt that, professionally I know the procedures and I know the law, so I just instruct the processes*" and the customer does the rest.

Although this transformation of learning into knowledge can be seen as commonsensical, expatriates value the increased understanding because it allows them to improve their integration in the host-country and provides them with timely responses to incoming challenges. According to Jeremy, "the first challenge an expatriate faces when he arrives to any country is to understand his own framing. Beyond the challenges of his company and of his company's context, he has to understand and to frame himself into the society, in all its aspects: from language, to cultural aspects, the behaviours – how to behave in a certain society".

This extended understanding of the context is instrumental in ascribing meaning to situations, which emerges only when expatriates are able to name it. This is what we call *labelling,* in sensemaking terms.

Labelling. The learning process provides expatriates with meanings for facts, attitudes, and assumptions about reality. If we recall the episode between Elliot and the large political delegation hosted in his hotel we find all important elements of the process of meaning ascription. The trigger, as we referred before, was a delay in the mandatory advanced payment. The manager tried to scan for meaning in the the regulations as well as in previous patterns of behaviour. He states "*we can accept delays when you have a reservation for, say,*

10 or 12 days. We can accommodate a delay up to 24 or even 72 hours. After that, if you still haven't your payment guaranteed, then things become a bit more complex". He reveals having understood what was going on when he justifies the "*4 or 5 hours of tension and pressure*" not "*with the fulfilment* [of the rule] *but with an assumption* [by the representative of the political group] *based on past events. You see, based on the path this country did and still does in treating the wounds* [of a recent civil war] *that emerged in that moment*". After understanding the event, Elliot can name it not as an attempt to avoid payment but instead as a political question based on past events. Having had the capacity to name what was happening, this manager could then act accordingly.

Intended Identity

Responses to ethical challenges reflect not only what an individual was or is, but also what s/he intends to be in the future. This future identity is thus anticipated and embedded in present attitudes, which, in turn, limit the possibilities of future outcomes to those within the preferred boundaries of an intended identity. The intended identity is thus defined by the expatriates' immersion in a *context* while continuously *constructing their identities*. These factors often emerge to legitimise attitudes and behaviours adopted by expatriates.

Context. When expatriates are offered a new assignment they form expectations about it, which then accompanies them through the whole venture and serves as a referent to assess it, as we have illustrated above with the case of Brad. These expectations are often used as a filter to perceive the situational context in which the expatriate is immersed. The persistent lack of reliable information about housing and driving arrangements before and upon arrival to Africa implied Susan lowered her expectations about the host-country nationals' capacity to honour their promises on time. Consequently, locals were perceived as "*lying compulsively* [in order to] *test people's capacity, to test how far they are available to go*", which eventually led to an adaptive behaviour that entailed "*trying to perceive what's at stake, what is important, define clear priorities, what is that* [she] *want*[ed], *where do*[es] *she want to go.* […] *knowing that they are like this.*" In Susan's words: "*Well, someone who understands this, who has a mental structure... a discipline... can reach what ever he wants*".

Expatriates' attitudes are also shaped by the reasons that took them to accept the foreign assignment. Expatriates referred such reasons as financial incentives, added experience, added challenges, increase in quality of life. These reasons, or intentions, influence the expatriates' actions during their tenure. For instances, Fred's main purpose in Mozambique was "*to help however we can, which is always not enough*", therefore he

perceived poverty and child misery as an ethical challenge, and in order to cope with it he "*spoke with Portuguese people* [he] *knew there, and* [he] *created an initiative at an orphanage. Basically* [they] *offered a meal to a state orphanage.*"

The relative position of expatiates concerning the ethical question also influences the process, as can be inferred from the opinion of Joseph. Working for a large multinational, he enjoys enough power to set the rules and avoid being pressured. However, he recognises that "*if the company is smaller, they have no other option: 'you don't want this?, Well, I'll get someone else who does!' As simple as that.*" He further justifies his capacity to face the imposing challenge by referring that his company "*provides integrated systems* […] *Therefore, that is an added value to the customer, and he knows that. So we have an advantage in there, we have some safety, but it is very tough*". This power position allows Joseph to re-frame the ethical question, dismissing its disruptive potential.

Identity construction. Expatriates' responses to our interviews reflect a process of identity construction. This process permeated all instances of adjustment to ethical challenges. The following components of identity construction emerged from the interviews: personal history; self-image; future self; and image.

Expatriates often recur to past experiences to make sense of what is happening, as we have seen above. Chester recognises this influence of past experiences in the recognition of ethical challenges when he says: "*Those who were in other countries, countries outside Africa, find this* [social differences and extensive poverty] *a strange situation. But if they have never left this* [country]*, that would be a more than normal situation. It would be perfectly normal, without problem, without any problem!*" As such, perceptions about present, the way expatriates see and assess the world – thus, expatriates' actions – also depends of their past history. Here, the fact of being abroad allows for a different perception about reality, including ethical challenges: from normal to "*very violent shock*" (retrieved from Chester's interview).

Expatriates responses reflect their self-images, their personal answer to the question "who am I?" When Ford says "*a lawyer is a lawyer because he enjoys Law and the practice of Law, and therefore does not open a business such as rent-a-car or any other kind of business*", he is defining himself within the boundaries of what is commonly perceived as a being a lawyer, and therefore binds his perceptions and actions to that of a lawyer. As we shall see below, this self definition legitimises his behaviour when he decides to keep his practice even if that is illegal. The creation of these self-images provides the context for an individual definition of proper ethical behaviour. However, this is not a straightforward process, as can

be illustrated by the answer of Rose when she is questioned about her opinion about the moral standards of her customers: "*that's the not allowed question! That's the forbidden question... At a personal level... all this goes against my values* […] *I am a salesperson, I mean, this is a way of living, and our professional ethics leads us to address everything in another way.*" By providing this answer, Rose is revealing that the self-image construction is grounded in more than one possibility – spanning from the individual to the social stages – and these can conceal a constructive conflict concerning the definitions of self, as we shall discuss below.

The same constructive conflict can be found when expatriates project themselves in the future, referring to their future selves to answer the question "who shall I be?" Whereas some can project themselves in the future, as Peter, that intends to remain in his new host country "*in the mid-term, as long as my girl-friend manages to come to join me*", others, like Brad refer that "*concerning corruption,* [he] *would never be available to such activity*", and if he was pressured towards accepting it, that would mean his "*resignation from* [the company]", thus refusing any kind of unethical behaviour. These examples illustrate that when faced with an ethical challenge, expatriates analyse their intended future selves to ascribe it a meaning and build their responses accordingly.

According to our analysis of the interviews, expatriates' projected image and its eventual reflection back to them not only influences attitudes but also contributes to a better understanding of the surrounding context, including impending ethical challenges, thus indirectly shaping responses. The case of Chester illustrates how expatriates are aware of the images that are projected onto others and their consequences; how images are internalised by expatriates; and how they manage their projected images in accordance with what they want to see reflected upon themselves (which, in turn, should match the self-concept). While describing his difficulty in managing a team of local employees, who show some contempt because he is non-African and white, Chester refers that "*not everybody is accepted, or well accepted, because of being white*". He reveals awareness about the image of a white person next to locals, and at the same time he uses that knowledge as a means to understand locals' behaviour. The image of a 'white manager in Africa' is eventually internalised by Chester when he realises that employees "*would almost fight to gain a superior status*" next to him, because "*if they were with* [him], *they knew they were safeguarded against certain situations*". Chester then tries to manage the perceived image (as a white manager) in order to align it with an intended identity as a congenial and friendly, *albeit* white, manager. But by doing so, he is shaping his response to the ethical challenge.

Response

The complex interplay between the components of the process of adjustment in case of ethical challenges eventually leads to a response. Expatriates *do* something, they act upon the ethical challenge in order to proceed with their activities. From the data collected through the interviews, we were able to classify the responses according to the relationship between expatriates' actions and local practices: *adoption of local practices* and *rejection of local practices*.

Adoption of local practices. In spite of responding in line with local practices, a close analysis reveals that expatriates do so differently. Some make active efforts to appreciate the foundations of local behaviour, and therefore their actions reflect that understanding. This is the case of Jack. After a 2 years discussion with the tax authorities in which several million dollars worth of taxes were under dispute, the manager contemplated the hypothesis of "*paying* [to a broker] *something over Christmas* [in exchange] *for an agreement in which* [he] *would get a favourable report*". Jack was not very comfortable with it because he had learnt that "*there was another company that faced with the same problem solved it with 80,000 dollars. But* [he figured] *the problem was so big that the amount would not be enough*".

As we have noted before, expatriates are aware of the unethical content of the challenges they face (indeed, they were the ones to classify the events as unethical, as we describe in the methods section). When they are unable to sympathise with the reasons supporting the challenge, some expatriates choose to redefine the problem or mitigate the real consequences in order to be able to act according to local practices. Brad refers to a solution that involved to "*accept that* [the context] *is like it is, and so plans and projects in* [the host-country] *have to include all those factors* […] *all those costs were accounted for.*" Others, however, try to change locals' behaviours even if they are compelled to act according to the local practices. Frank actively "*tries to have an ethical conduct as correct a possible*", however he recognises that when "*we are playing against several competitors... if we are not aware of* [the local practices] *we don't exist. It goes against our personal beliefs. I, personally try to do everything to avoid a situation of active* [corruption]. *I try, obviously, but sometimes it is difficult. There are lots of people involved in this business. Sometimes is difficult*"

However, expatriates can choose to withdraw themselves from the problem, seeking refugee in ignorance or resignation. According with the data we collected, when challenges stem from the general context or from the interaction with locals - in such cases as insecurity, violence, or poverty – expatriates often choose to ignore the event. Alex says "*I look but I*

don't see, I mean, it shocks me to see that: the open sewers, rotten water […] *I prefer to look but not see. I mean, I have to see, I have to protect myself and to analyse* [the situation]*, but I try not to think a lot about it when it concerns people... and I try to take it less heartedly, mainly, I smooth situations a bit, to avoid this horrific situation, this is not pretty, not good*". So, this expatriate consciously ignores the context to be able to participate in it.

An alternative strategy also adopted by expatriates is to accept the unethical events with resignation. Joe regrets the existence of a black market in São Tomé and Principe, "*however it is the only way to make things available.*" He continues saying that "*this is a system deeply rooted in people's habits and there is no way to avoid this situation; you have to pay all and everyone in order to get what is needed for companies to survive*". Often, expatriates revert to humour in order to lower the perceived severity of the situation. Well aware of the overwhelming social disparities in the country, John still laughs when he recalls his sense of satisfaction as he witnessed several luxury cars falling from a cargo ship, in the face of their "*immensely wealthy*" and anxious future owners, during the unload operations: "*in that moment that was one situation in which we really wanted to laugh, but we could not laugh..*"

In several occasions, expatriates are convinced that they have solved the ethical challenge by simply outsourcing the associated behaviour. In spite of being considered "part of the business", the use of brokers – or "*people whose business is to arrange business opportunities to win certain positions*" (retrieved from Frank's interview) and in turn receive a success fee or a percentage of the deal – is recognised as a practice to "*avoid being corrupted*", in the words of Paul. This expatriate goes further: "*I am being honest...* [this practice is used] *to avoid corrupting the company structure... and basically our employees, because the sales activity is very aggressive in a country such as this. I take the sales activity out of the company. So, I have sales people outside the company that gets the contracts, and I just don't want to know more! They get me the contracts, I give them a fee, which is a success fee.*" In these cases, expatriates pass to locals the need to act according local rules, thus keeping themselves apart from the situation.

Rejection of local practices. Despite the profusion of strategies enacted to cope with local practices, there are instances in which local practices are rejected. Wendy challenged police officers to fine her, thus refusing to pay them bribes. Zoe refused to pay and "*opened the suitcase and started dressing clothes until the lady officer lost her temper with* [her]" even if her colleague decided to bribe the same airport officer in order to be allowed in the plane with

excess luggage. These attitudes are often accompanied by loud manifestations against local practices deemed as unethical. Wendy "*already* [had] *several conversations with people here, telling them 'if we ask them: fine me! We are loading them with work'*" and strongly believes that "*if one starts doing it, if ten start doing it, if 20 start doing it, we are also contributing to the end of this corruption*". In this case, not only does the expatriate clearly states her/his opposition but s/he also tries to encourage locals in changing their attitudes in line with the expatriate's own ethical values. Conversely, Zoe quietly decided that if she was forced to go back to the place where she previously worked, "*it wouldn't be for a long time*".

In Ford's situation, he chooses to circumvent the local rule that forbids foreigners from becoming practicing lawyers by introducing himself as "*consultant, jurist, or rarely,* [he] *say*[s] [he is] *a foreign lawyer and that* [he is] *here occasionally to support a client*."

Outcomes

Eventually, an outcome emerges from the process of adjustment in face of ethical challenges. Outcomes can favour continuity of the expatriate in her or his foreign assignment or, conversely, they can lead to the expatriate's exit.

Outcomes of continuity. One of the two options opened to expatriates is to remain in the host-country. In this case, a sense of normality is returned to their activity, at least concerning the particular ethical challenge to which they have responded. Ford recognises that "*we* [lawyers] *also depend of these* [bribing] *schemes because after all we have no alternative*". In this case, the expatriate admits to "*work a little bit as a clandestine*", "*in a completely grey area*". As a consequence of the "*huge difficulties in taking care of* [business] *issues or solve* […] *customer's issues through the, let's say, normal channels*", expatriates have to act in accordance with local demands, which "*is a common practice in all activity sectors*".

However, expatriates can resist the pressure to adjust by attempting a compromise between local practices and their own ethical principles. Wendy's response to the strategic pressure of keeping a less than qualified but externally imposed top manager is a good illustration. She managed to "*move* [the top manager] *from a position that was critical to the company to another position that was not critical* […] *without firing* [the top manager]". The creation of this new position in the company led to an outcome in which the expatriate kept her own ethical principles while she managed to continue in the host-country and respect its local practices.

As we said before, this is not a linear and unequivocal process. Instead, the outcomes

emerging from the chosen responses have consequences that re-enter the continuous process of adjustment to newer ethical challenges. The first time he flew to Africa, Jim was held in the airport for 6 hours because he replied affirmatively when he was asked if he was in Angola to work. Since work visas are hard to get, the temporary use of visitors visas is common between expatriates, yet it is illegal. Although authorities know about this, they turn a blind eye if one answers that s/he is there as a visitor and not as a worker. The knowledge that stemmed from the outcome of this challenge – to be held "for six hours, while a police officer repeatedly asked for money, threatening us with a forced return back" – was later transformed into adapted behaviour: "*when I arrive at the airport, I never say that I am there to work, I always arrange an excuse... something like a meeting, or paying a visit to someone. Otherwise, I would not be able to enter*".

Outcomes of disruption. When expatriates decide to oppose local practices on ethical grounds they are likely to suffer immediate negative consequences. That was the case of Wendy when she and her husband were heavily fined and forced to return to the city and spoil a weekend at the beach because they refused to pay the bribe to a police officer. The same may happen when, although attempts are made, expatriates are not successful in coping with local rules. Alex saw his driving licence confiscated because when he "*tried to solve the issue on the spot*" he "*was not able to do it, [he] was not plain enough, [he] just suggested*"

Ultimately, expatriates may decide to leave the host-country. In the case of Oswald, he decided to abandon the assignment and leave Uganda because "*the way of working, the way of... corruption, etc., all this is a bit difficult to accept at first. The funny thing is that eventually you accept, but there is a moment you can't stand it any more. Those two years in Uganda were more than enough.*"

Do expatriates become ethically (un)adjusted?

After experiencing an ethical challenge, expatriates search for and ascribe a meaning to what is occurring. From the complex interaction between context, experience, and the constant construction of identity, that influences the way events are perceived and understood, emerges a response or attitude. The resulting outcome can favour continuity or, instead, contribute for the expatriates' return to the home-country. While we can conclude that this last outcome means that the expatriate was not able to adjust to the host-country reality, the opposite conclusion (the expatriate was able to adjust) cannot be made concerning the former outcome.

While Jack, when questioned whether he felt adjusted, replied “Yes. […] Now, I think that [if you stay here for] a long time, it changes your values”, Frank replied “Some people change when they are below the Ecuador […] I'm the same person anywhere in the world. […] No... Here, I'm the same person as in the whole world; I've to adapt to the circumstances and there are limits that I would not cross, obviously, certain limits...”. Both expatriates consider themselves as well-adjusted, however Jack has no qualms in adopting the local practices, including moral values, which he finds “all the same [compared with the home-country]” concerning corruption, whereas Frank prefers a compromise between local practices and his own ethical values.

Consequently, the process of adjustment in face of ethical challenges can render unadjusted expatriates, adjusted yet unethical expatriates, and adjusted and ethical expatriates.

A framework of expatriates' response to ethical challenges

Our research was triggered by our interest in understanding how expatriates behaved in face of ethical challenges *while* they were attempting to adjust to any of the adjustment dimensions. According to our findings, expatriates' behaviour follows a sensemaking process in which the future self plays an important role, i.e., when faced with an ethical challenge, expatriates not only search for a meaning but also reflect about their selves in the future before committing to a response. Identity construction thus plays the dual role of supporting the assessment of what is occurring (who the expatriate is justifies her/his perceptions) *and* legitimising the response (who the expatriate wishes to become justifies her/his actions). Implicit to these roles is the notion of identity becoming, in line with the concept of liminality and the liminal nature of expatriates. The resulting outcomes reflect the expatriates' intended identity, which can be aligned with the rejection of local practices, the adoption of local (un)ethical practices, or the compromise between local practices and behaviour deemed as ethical by expatriates.

Figure 2 is a dynamic representation of the data structure presented in Figure 1. It portrays the processual relationships between the different components of what we call here a framework of expatriates' response to ethical challenges, as suggested by our findings. Moreover, it elicits the recursive nature of the process, as well as the fundamental role of the intended identity.

INSERT FIGURE 2 ABOUT HERE

The graphical representation depicts sensemaking as central to expatriates' behaviour. Each of the curved arrows corresponds to a different component of the sensemaking process: from the disruptive event (Weick et al., 2005) – which in our case becomes an ethical challenge – to the outcome that is the result of the complex interaction between information gathering, meaning ascription, and action. As we referred in the beginning of this paper, sensemaking is an extensively discussed topic in the literature; however, the expatriates' case explicitly brings to the fore some particular aspects of sensemaking, while allowing an extended explanatory perspective that goes beyond past events and present conditions to include conceptions of future possibilities as a justification of expatriates' responses.

Our findings confirm the purpose and groundedness predicted by the sensemaking literature in terms of restoration of activity (Weick, 1995), and identity (Pratt, 2000). However, they also illustrate the complex recursiveness that encompasses the whole process, which, in our framework, is captured by the inward bound circling arrows. In fact, ethical challenges do not occur in a linear sequence, one appearing only after a solution to the previous one has been found. Instead, ethical questions can emerge at any time, while expatriates try to adjust to work, to HCN, and to general challenges. Moreover, the subsequent stages that lead to the preferred action in the sensemaking process have to co-exist with concurrent efforts to solve other emerging questions. This is why arrows are not perfectly sequential, such that at any point a straight line can be drawn crossing the centre and simultaneously crossing all arrows: different stages of distinct sensemaking processes can occur simultaneously at any given moment in time. Complex recursiveness is thus the result of cross feedback between co-occurring processes. For instances, a meaning that is ascribed to a particular ethical challenge can serve as a cue in the scanning for meaning stage concerning any other question. Concurrently, an action that results from a given sensemaking process can provide meaning to a competing ethical question.

Coherence between the different stages of the co-occurring sensemaking processes is assured by the prominence of a future identity – which we will discuss in detail next – that is desired or intended by expatriates. This is depicted in the framework by the concentric disposition of the circling arrows, the future identity being the centre of such arrangement: the

perception of challenges, the manner meaning is searched for and ascribed, and the corresponding actions are focused in an intended future identity that eventually emerges from the overall process.

Intended identity. This future or *intended identity* plays a central role in explaining the passage between 'meaning ascription' and 'response'. In Figure 2, the components of the intended identity are represented by two overlapping circles. These are the expatriates' situational *context*, including their relative position to the event, and expatriates' *identity construction*. As the figure suggests, the limits imposed by the intended identity permeate the whole process. Context and identity construction aggregate the variables that, according to our findings, are used by expatriates to justify their attitudes in accordance to their ideas of self in the future. If expatriates act outside such boundaries, they risk being perceived differently from their intended image, which eventually is reflected in their identity by means of changes of the self. Conversely, acting within the boundaries of an intended identity means that actions reflect an anticipation of a future identity that aligns the reflected image with the idea of future self.

Before we detail the relationships we found between the elements of the intended identity and the components of the emerging sensemaking processes – i.e., how the former justify or explain responses, and eventually outcomes – we should note that these are not only interdependent (each one influencing and shaping the others) but also dynamic: the context evolves with expatriates' perceptions, which in turn are shaped by it; and both the expatriate's self-concept and her or his intended image concur for the permanent construction of her or his identity. The framework of expatriates' response to ethical challenges can thus be compared to a process of constant evolution and change supported by a sensemaking process and justified by the prospect of a future self and the demands of an evolving context.

Discussion

In Figure 3 we suggest the relationships between the elements of the intended identity and each stage of the sensemaking process, which eventually lead to an (un)adjusted outcome. We use in this figure a linear representation of the sensemaking process for graphical simplification purposes, however the recursive complexity that we refer above is maintained. The identified direct relationships marks the point of contact between a particular variable pertaining to the intended identity and a specific component of the sensemaking process. A single variable can have more than one direct relationship, meaning that it directly influences the sensemaking process in more than one way. Thenceforward, the other elements of the

process are subject to the indirect influence of that variable.

INSERT FIGURE 3 ABOUT HERE

There is a reflexive interaction between the components of the sensemaking process and variables included in the intended identity because not only does the intended identity influences the process of sensemaking and eventually legitimise action, but also are in turn influenced and legitimated by the process. Recursiveness at this level reinforces the idea of becoming that we have already introduced when referring to identity.

As such, expatriates *become* while in the transition between two bracketed abstractions of a continuous flux (Chia, 1999) of context and identity construction or, as we refer in the beginning, they undergo a liminal situation. This, as we have seen above, opens a space of permissiveness and experimentation that widens the opportunity of responses in face of impending challenges, namely ethical challenges. Although our findings support the assertion of liminality, we did not inquire our data about the resulting consequences. As such, further research could be conducted to test the effects of liminal conditions on responses to ethical challenges faced by adjusting expatriates.

We now detail the suggested relationships between each variable and the components of the sensemaking process endured by expatriates when they face ethical challenges.

Context

Based on our findings, and according to the Figure 3, expatriates justify their responses, thus legitimising the resulting outcomes, with what we define as *context*. For our purposes, context results from the interplay between expectations, perceptions, and intentions, given the expatriates' social and professional position.

Expectations. Before going to an assignment, expatriates form expectations about it. These expectations generally include the creation of images about future situations or the anticipation of reality. Our findings show that previously held expectations become a source of reference when expatriates search for meanings after a disruptive event, i.e., *expectations* directly influence *scanning for meaning*. These expectations can be high, which means that the framework of reference is populated with positive images about the future possibilities; or they can be low, in which case the framework of reference is characterised by less positive perspectives about the future (Norem & Cantor, 1986).

Additionally, the situation that is eventually found by expatriates can meet expectations, but they can also be above or below what was previously expected, as demonstrated by our findings. Meeting expectations means that the previously held idea corresponds to what is found by expatriates. If the situation found by expatriates is above expectations, this means that they were expecting to find worst conditions and fiercer challenges, irrespective of the previously held convictions (high or low). Conversely, if the situation is below expectations, then expatriates were anticipating better conditions and smoother challenges compared with what they eventually found. Different expectations provide different meanings to events when these occur, and so are likely to give place to responses that vary in terms of adaptation to local practices.

From these, we introduce our first proposition:

P1: If conditions and challenges are above expectations, expatriates ascribe positive meanings to local practices when compared with expectations, and thus are more likely to conform with them than otherwise, because of the direct influence expectations *exert on* scanning for meaning.

Intentions. The perceived reality is shaped by intentions, which direct individuals' attention to a selected and specific target (Garcia, 1971). Intentions thus filter and classify the perceived events according to their contribution to the desired outcome. Our findings show that events within the scope of an intention are more noticed in comparison with those outside. This means that expatriates have a greater concern with those events, or ethical challenges, that are related with their own intentions – either favourably or negatively – neglecting or ignoring those that are less related.

Intentions are aligned with local practices when the actions required to pursue them are within the scope of acceptance of the local context. In this case, the actions preferred by expatriates to attain their objectives (intentions) are in accordance with the actions that are locally accepted as normal. Conversely, when the necessary actions are less considered as normal or are disregarded locally, the corresponding intentions become misaligned with local practices.

Consequently, our second proposition becomes:

P2: If intentions are aligned with local practices, it is more likely that expatriates find challenges less charging ethically because of the direct relationship between intentions *and* perception of challenges.

Perception of context. Different individuals perceive reality in distinct ways, such that it is impossible to refer to *a* reality; instead there are *realities*. As such, expatriates' perceptions about reality, as opposed to the reality they have to face, work like a filter through which expatriates retrieve the necessary cues to understand and ascribe meaning (Weick, 1995) to impending ethical challenges, and eventually respond to them. Consequently, *perceptions* have a direct influence on *scanning for meaning* as conveyors of reality and providers of meanings.

The perceived reality is thus the source of meanings available to expatriates. According to our findings, when expatriates are faced with a new perceived reality, they have the capacity to choose whether to accept it or not, whether to take that *reality* as legitimate or not. Their responses to the impending ethical challenges reflect their decision about the acceptability and legitimacy of the provided meanings.

Based on the previous arguments, our third proposition becomes:

P3: If expatriates accept as legitimate what they perceive as reality they are more likely to respond in accordance to local practices , because of the direct influence perceptions of context *exert on* scanning for meaning.

Relative position. Perceptions about reality depend of the perspective, or subjective evaluation, of the beholder. As our findings demonstrate, expatriates' position within organisations defines what and how they see or perceive as reality , thus allowing for different degrees of sensitiveness concerning emergent ethical challenges. The position within the organisation allows for a different perspective and perception over events, superior positions enjoying a broader view of the impacts and consequences of the impending challenges (Krackhardt, 1990). Different perceptions of events will forcibly trigger different reference frameworks in which meaning is searched and ascribed, thus leading to different responses, and eventually different outcomes.

Thus, the fourth proposition becomes:

P4a: If expatriates enjoy a position that implies the protection of the company's interests, they are more likely to act according with local practices, because of the direct influence exerted by social position & power *on* perception of challenge.

Concurrently, our findings also demonstrate that different positions within society or the organisation also confer different frameworks of reference that eventually become

providers of meanings in face of ethical challenges. Most relevant in defining expatriates' position is their relative power within the organisation or next to external parties. Power plays here an important role in circumscribing the relevant meanings in accordance with the expatriates' beliefs and the intended outcome. As such, we extend proposition 4 to include:

> *P4b: If expatriates enjoy a powerful position in the organisation or in the community, they are more likely to choose the relevant meanings in accordance with their own beliefs and ultimate preferred outcome because of the direct influence of* social position & power *on* scanning for meaning.

Identity construction

Identity can be defined as the complex interaction between current self image, future self, and reflected image, grounded in a particular personal history. This definition complies with our findings, as depicted in Figure 3. With context, identity construction is used by expatiates as a means to legitimise their actions.

Personal history. As any other individuals, our findings show that expatriates use previous experiences to accumulate knowledge. This personal history, part of the process of identity construction in which previous challenges are given meaning and named before being stored in expatriates' memories, helps the expatriate to immediately recognise and name emerging events. Naming is important because it establishes meaning from the outset (Weick et al., 2005), allowing expatriates to anticipate challenges and consequences. Expatriates' capacity to mitigate the effect of both novelties and surprises then influences their capacity of acting according to their wishes or, instead according to the impositions of the situation.

Our fifth proposition is:

> *P5a: More experienced expatriates are more likely to act according to their own motivations in terms of local practices since they are less surprised when confronted with ethical challenges, because* personal history *directly relates with* perception of challenges.

Additionally, past history provides a set of meanings that facilitate interpretation, even if events emerge as surprises or novelties and have not been anticipated. As such, our fifth proposition should be extended to include:

> *P5b: More experienced expatriates are more likely to act according to their own motivations in terms of local practices since they have a larger set of meanings to facilitate interpretation, because* personal history *directly relates*

with scanning for meaning.

Self-image. The answer to the question "who am I?" shapes perceptions such that reality can fit the idea of self (Gioia & Thomas, 1996). The resulting framework of reference provides the possible classification of events within the context of the self, including their ethical content: events become ethical challenges or not according to the expatriates' self-image. However, this classification depends of the extent to which the self-image accommodates to local practices. Meanings and resulting response are a consequence of this alignment. As such, our sixth proposition becomes:

> *P6a: If expatriates' self-image conforms with local practices, events that result from local practices are less likely to be considered as ethically challenging since they are within the scope of the idea of self, eventually leading to according behaviour, because* self-image *exerts a direct influence over* perceptions of challenges.

By limiting the framework of reference, self-image is not only influencing the perceptions about impending challenges but also constraining the pool of meanings available for expatriates' interpretation, independently of the ethical charge perceived previously. As such we extend our sixth proposition to include:

> *P6b: If the framework of reference provided by the self-image conforms with local practices, meanings and solutions are more likely to be in line with local practices, which increases probability of adoption of local practices, because* self-image *is directly related with* scanning for meaning.

Different – and conflicting – roles can lead to different identities (Burke, 1980). However, the co-existence of multiple identities can lead to inner conflicts at the level of the self. As illustrated by our findings, expatriates can act according to the expectations of a given role (i.e., according to a particular reflected image) even if that goes against their personal beliefs. In what seems to be a reverse sensemaking process, expatriates act first, ascribe a meaning to that action then, and finally try to justify it based in a set of possible justifications. Repetition of the act becomes possible because expatriates change their idea of self on those situations (e.g.: Sparks & Guthrie, 1998), aligning it with the reflected image, and thus stabilising the intended identity.

In this case, adopted practices become aligned with those that correspond to the intended identity. This can either conform to local practices, thus facilitating the adoption of

according attitudes, or be against them. From this, we extend proposition 6 to include:

> *P6c: If the chosen identity that emerges from conflicting identities conforms with local practices then the adoption of local practices is more likely, because* self image *has a direct influence over* response *in these cases.*

Future self. The effect of expatriates' future selves on the sensemaking process is similar to that of the self-image, albeit projected in the future. As such, the main question at this level is not "what am I?" but instead "what will I be?" Consequently, propositions 7a, 7b, and 7c are similar to the previous ones, although these include a perspective concerning the future.

> *P7a: If expatriates' future selves conforms with local practices, events that result from local practices are less likely to be considered as ethically challenging since they are within the scope of the idea of future self, eventually leading to according behaviour, because* future self *exerts a direct influence over* perceptions of challenges.
>
> *P7b: If the framework of reference provided by the future self conforms with local practices, meanings and solutions are more likely to be in line with local practices, which increases probability of adoption of local practices, because* future self *is directly related with* scanning for meaning
>
> *P7c: If the chosen future identity that emerges from conflicting future identities conforms with local practices then the adoption of local practices is more likely, because* future self *has a direct influence over* response *in these cases.*

Image. The process of adjustment evolves in a context of identity construction in which the images reflected back to expatriates bring new meanings that become available for them to make sense of emerging ethical challenges. Our findings demonstrate that others' opinions about a particular expatriate are used to further explain reality and justify attitudes. These opinions, or images, can be aligned with local practices, i.e, expatriates are seen as accommodated to the context. Conversely, reflected images can reveal misaligned expatriates. As such, our eighth proposition becomes:

> *P8: If reflected images, which provide extended meanings for impending ethical challenges, conform with local practices, expatriates are more likely to adopt local practices in the context of identity construction, because* image *directly influences* scanning for meaning.

Conclusion

We used a sensemaking perspective to analyse the behaviour of European expatriates in sub-Saharan countries when they are faced with ethical challenges: the ethical event is the surprise that triggers the process; objective and subjective comparisons are established in the search for meaning; knowledge is transformed into meaning ascription; and the eventual abidance to the local (un)ethical practice is the "associated response" (Thomas, Clark, & Gioia, 1993: 240) that leads to an outcome.

We extended the sensemaking approach by introducing the concept of intended identity to legitimise expatriates' attitudes. The intended identity refers to a preferred future instantiation of being in the continuous process of becoming that can be summarised in the following question "who do I want to be in the future?" This overall intention legitimises the actions performed by expatriates.

The intended identity can be explained by the interaction of context-related and identity construction-related variables, as we have seen above. The answer to the question "who do I want to be in the future?" is firstly grounded on the motives and expectations that encouraged expatriates to accept the overseas assignment: individuals wish to become expatriates because of some factor (motive) and also because they expect something in the future (expectations). Conversely, what they will become depends greatly of what they are in the present, which in turn defines how the present reality is perceived. The future or intended identity can not be dissociated from all the previous events and experiences undergone by expatriates in the continuous process of becoming. In fact, personal history partially explains one's self-image in the present and in the future. These interact with the reflected images and with the intended future reflections to create a present and an intended identity, both shaping current actions.

The intended identity can comply with local practices. In this case, the self-image is aligned with the practices required to succeed in a given context and expatriates confirm that image by the reflection stemming from the other actors in the same context. The future identity goes through the same process, such that all the process of identity construction (present and future) is built around local practices and becomes consolidated by means of the identification between the individuals and local context. Consequently, if expatriates face ethical challenges stemming from local practices but their identity is aligned with the adoption

of those practices, then they are more likely to adjust and discard ethical concerns.

However, the intended identity can be unaligned with local practices. In this case, the process of identity construction and context-related variables concur to create an intended identity that favours the disregard for local norms. Consequently, when expatriates face ethical challenges they are more likely to sacrifice adjustment in order to keep their moral principles.

A third option, that of ethical adjustment, in which adjustment and ethics are coalesced in such a manner that neither is sacrificed, is still open to expatriates seeking for a sustainable individual and organizational presence overseas. This option implies that the intended identity combines elements of the local reality with those of ethical imperatives, both provided by a self-concept and a reflected image that surpasses the local boundaries to include the global constituencies of an integrated organisational and business reality.

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TABLES AND FIGURES

Figure 1: Data structure

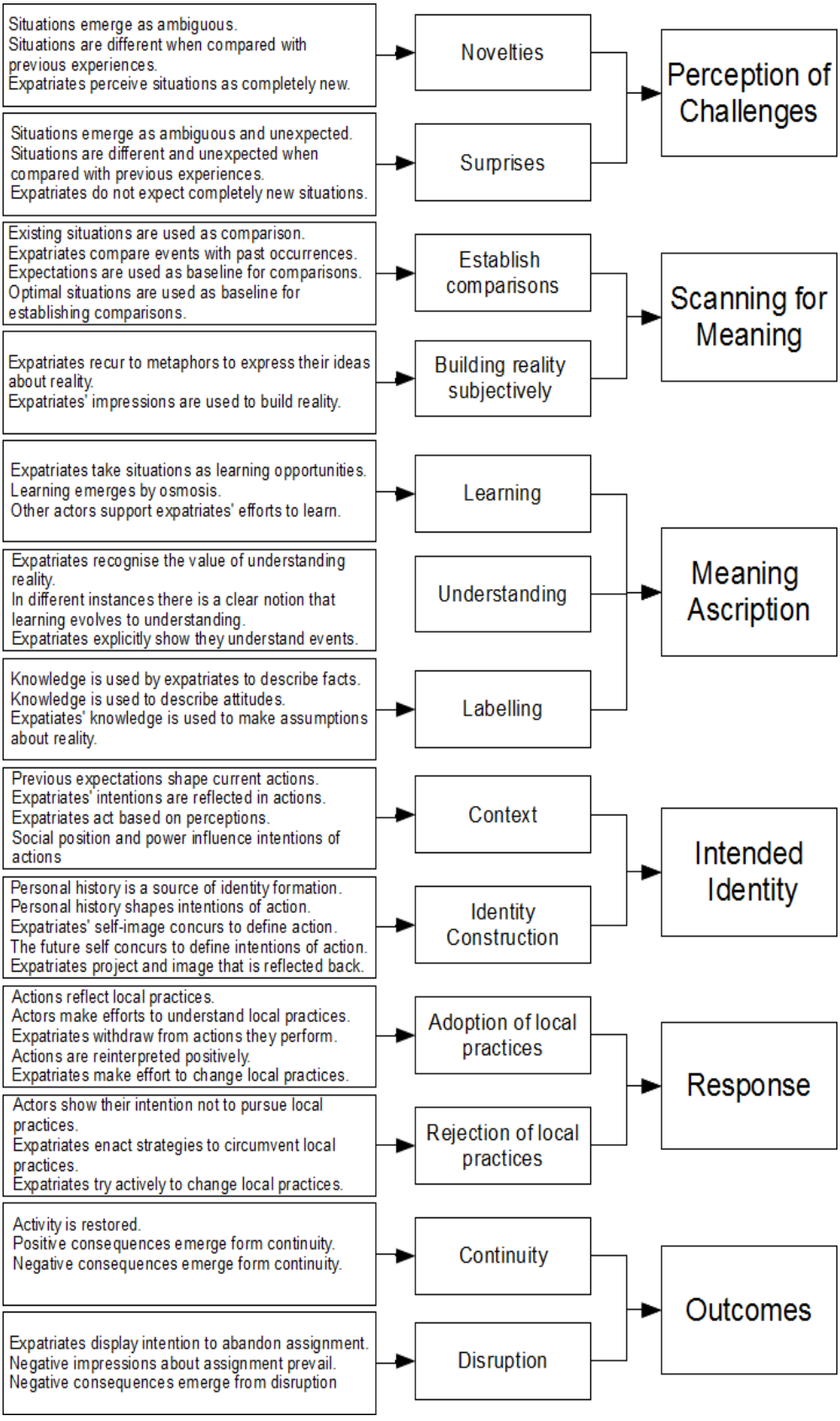

Figure 2: Framework of expatriates response to ethical challenges

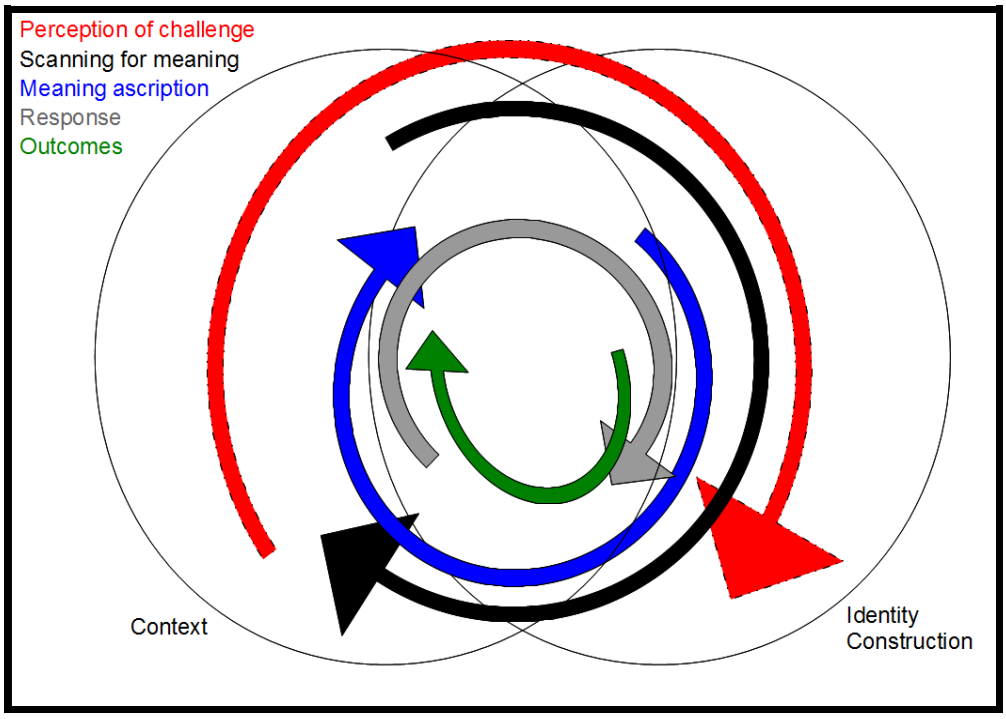

Figure 3: Elements of the intended identity interacting with the sensemaking process

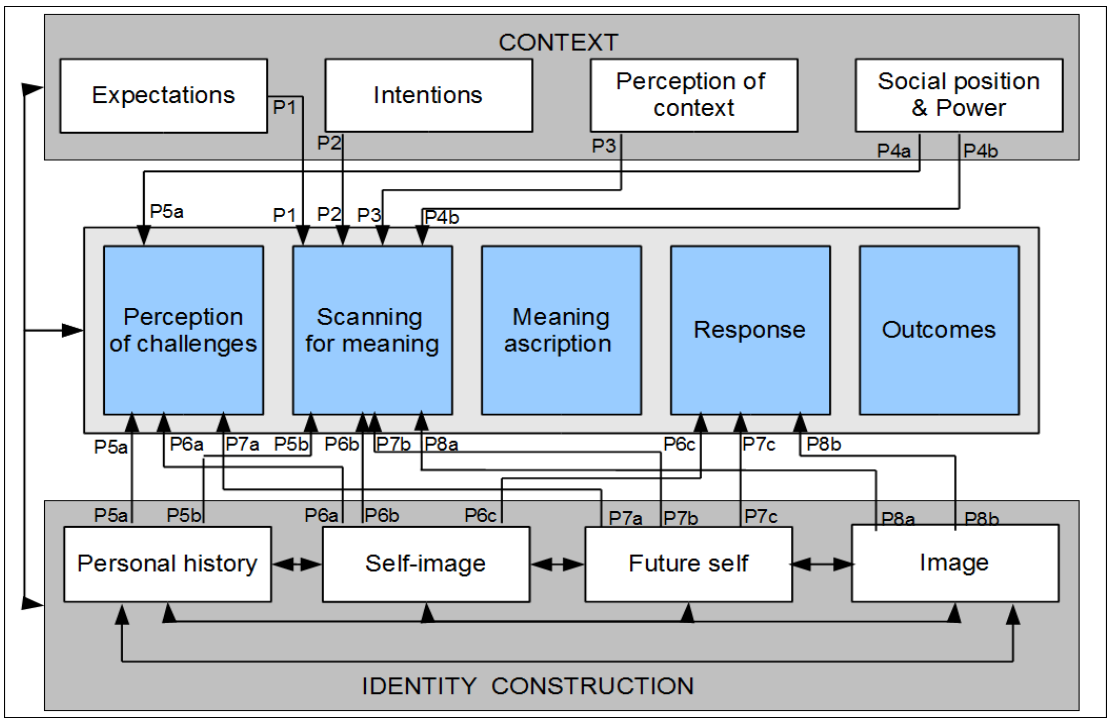

Table 1: Supporting data for the data structure

Themes	Data supporting Concepts
Novelties	But... there's lot of corruption there... and you either take it as a joke and... well, you can't take it too seriously. Because, if you take it seriously... some things you have to take seriously, others, not.
	… the harder the issue the better, more channels are open to solve the problem in other ways, but this is not just here […] in all countries... I found... the same.
	Your relationship with other people is normally different. It's a warmer relationship. Much more open. With a greater availability, franker than what we get here [in Europe].
	The traffic, the shortages... of electricity, shortage of water, the organisation, the difficulties in getting your papers... all that is very different when compared with Europe, isn't it? And that was the main difference... Also in terms of accountability, accountability is greater in Europe than here.
	You cannot talk normally, because you can't risk to look arrogant or that you know more than they do. So, you have to pay much more attention to create... you have to do much more to be accepted when compared with when you arrive in Europe... sometimes, you don't even try.
Surprises	Look, I think that when people go there they have to be blindfold... they have to forget about Europe, because it is completely different, see! And what shocks yu the most is poverty... extreme poverty! Extreme misery!
	I'm shocked with poverty, they earn a lot less than we do...
	After diner, everyday, we gave [the security guards] the rest of our food, an hot meal, for them to eat. But, meanwhile they were robbing us as hell... It's like, in every case here, when you try to help someone, that someone is trying to take more from you!
	This is what shocks me the most... But we look at this... the open sewer... dirt all over... something we are no longer used to. It's hard for us to understand... what that is.
	I have people here, close to me, they report to me, they are educated, they know how to behave, they have 7 kids or more, and three or four are already dead. And they are 12 brothers and sisters, and 5 or 6 already died. And this is something that shocks you, when you arrive here, this is tremendous!
	I think that is the big difference, and as an expatriate, this is one of those things that... being confronted with those situations, face to face... it's a... it's a violent and shocking confrontation, at the beginning.
Establish comparisons	Normally, what is this corruption thing? Well, in a business process... you convince the people with whom... who decide (…) Probably it's not much different than convincing someone in Europe: be nice, invite your customer for luch... tke him to a fancy restaurant...
	I thing they eventually fail as in any other country (…) I think the average is the same... there are those you can trust, and those you can't.
	Well, it's very different. Of course, it has huge limitations, but since my expectations were even lower than the reality I eventually found, I felt some... how shall I say this... some comfort in what I found.
	There's an interesting question here according to that point of view: in spite the low number of lawyers... we are talking of a population of 12, 13 million people, maybe 14 million, and about 600

	lawyers (...)
	I'll be honest with you, I don't see this, contrary to how the West sees it... people in the West think they can change the world and that the world must be Western.
	Only a few are really problematic. Some can be mean, they can be whatever, but that's like in any other place (…) If you relax, if you don't bring anything valuable with you, if you don't have [valuable] things... you're just fine, no problem!
Building reality subjectively	And then, there must be different levels of corruption in different companies...
	Amongst us... corruption amongst us, you mean, lawyers... I don't know... Well, but I'm sure there's some...
	… with this speech, it seems I'm the last Coke in the desert... There are things we have to learn, and those things only come with time...
	And then they come to work besides you, but even then it's difficult. They look like machines, they do that only because they have been told that's the way of doing that for the last 20 years.
	This looks like the American far West.
Learning	Today I don't do it because I'm experienced enough.
	This is a very lengthy process... if we need something from them, we have to wait, we have to insist, and we have to be nice.
	Here, we have to learn to be more tolerant, but at the same time, you should never show your weaknesses. Otherwise, we're eaten alive.
	Of curse that when this [police officer asking for a bribe] happened to me for the second time, I already knew what to do.
	It's always important to have a middleman working for you.
	I was lucky! At the time, I found some nice people there... they became my friends, I still keep in touch with them! And that was really nice, it helped a lot!
Understanding	He took me for a walk and I had no problem...Yet, I would never do that by myself.
	The first challenge an expatriate has to face is to understand the context... he must understand the community in all its components, including the language, the culture, the habits...
	My mother is from Angola, so I already knew what to expect, even if Angola is very different.
	Once you're in, you get very interesting projects... financially, I mean.
	And basically, this is Uganda's economy: half a dozen (…) stealing the other millions of individuals that live there (…) and convinced they are doing a hell of a good job.
	… because of the color of my skin, I think I would face tremendous difficulties, I would go through tremendous difficulties if I chose to use the formal channels to solve my clients' needs.

	… you should never get too personal with them, we have to run away from that.
	In that day I understood that... I learned more, I learned that we can learn from anyone. And that you shouldn't really think you're better than the rest...
Labelling	Kind of “shut up” or “don't bring me problems, bring me solutions” (…) they were clearly rude to colleagues that were not only older but also more experinced than them. They wanted to stand out!
	That's in their blood! Sell everything in the street, without any problems... the deal, the easy money. Avoiding hard work... I think that's in those guys' blood.
	We have to play to their tune if we want them to understand us.
	The mood today... the mood today is because of the market crises we had here.
Context	It's a financial attractive. I even tell you: technically, there is no added value in being here.
	Well, we just accept because we wouldn't find any difference if we were working with different suppliers. That's the standard, and we have to work with the standard.
	I was promoted and they recognise authority, so they started to like me.
	In financial terms, that was not the reason I went there. I did it for the experience, to know that country.
	Because here I was able to use everything I learned until now. (…) I passed the message, I mean, I taught them and helped them to grow as people. That was gratifying, very gratifying.
	And so, if this type of conditions doesn't change (…) I have serious concerns about moving in with my wife and kids.
	Unofficial channels! The problem with the official channels is that they take an eternity...
Identity construction	At times this shocks me... Sometimes, it shocks because we... Those that were in non-African countries, they find this a strange situation. But if they had never left, they would find this pretty normal.
	At a personal level, this goes all against my values.
	I can never say I'm a lawyer. I always say I'm a consultant.
	Because I'm enjoying it... I'm not the kind of person that is saving the world and then starts complaining...
	When I was working I was very uptight, so I was not with a very pleasant look.
	I don't intend to return to a country where I worked for many years, where I still have family, but honestly, I don't see myself going back.
	I would say that each and everyone has the responsibility to go against this, and try to sell quality, a proper work, try to sell results!

	Before going there and stay there, living there, I was used to go there frequently, so that was not completely strange for me.
	And if we are trapped in one of those traffic jams then “go home, this land doesn't belong to you!”
	And I'm here, I accepted this project, I'm enjoying it, but this is not my championship.
	And so, we shouldn't try to radically change their culture... no, we have to fit to their way of living.
Adoption of local practices	Any attitude that revealed we were not satisfied with delivery times, somelack of patience, would be totally counter productive. We all know about this problem, so we better accept it.
	For instances, to invest in some areas, a company has to offer invest in some others first. First, it has to invest in these other areas because it's of someone's interest that investment is those areas are done.
	And we try... until the last minute... to delay a definitive answer.
	But I tried myself to manage this situation, by being humbler, by pulling her up.
	But you see, someone got to do it, so it was done.
	But as I always say: don't steal it, because I'm not gonna by any from you...
	Well, I tell my customer about the proper paperwork and the steps he has to follow, but then I say “look, you have here 5 or 6 people that can help you” (…) That's how I protected myself.
Rejection of local practices	There's a time in which we begin to become a part of that system, otherwise it's worthless.
	I would tell them that they were not deceiving any other country [by syphoning aid money to politicians' private bank accounts].
	Obviously, after being fined, I didn't go to the police station, otherwise I would have received the driving licence and avoided the fine.
	For instances, concerning corruption, I would not be available to intervene in such a context.
	I had to shout, I had to scream, (…) and only then they understood I was not enjoying it any more.
Outcomes of continuity	We also depend on this schemes... after all, we have no choice.
	And sometimes it goes well, and other times it goes wrong (… I even lost customers because of that.
	And that facilitates our lives.
	I'm telling them they are right but, at the same time, I'm pulling a bit towards our side (…) We say yes but then we delay things a bit. And we haven't had any serious problem.
	No, I drive whenever I need to.

Outcomes of disruption	Normally, people remain there for about two years, a year or two, and then they don't feel like staying any longer. And this is an African country! I'm very sceptical concerning Africa. And we went back home... and he ruined our weekend. Oh, and as I told you: in the beginning one is surprised, then one get's used to it, but then, not any longer. Sometimes there is some bitterness... deep down... That didn't comfort me at all, I still feel afraid of driving [because of police officers extortion] He took the driving licence, I obviously tried to do what everybody tries to do, and that works here most of the time, you just try to solve the problem on the spot... but I wasn't able to do it... probably I was not clear enough, I only suggested...

EXHIBITS

Exhibit 1: Topics for the interview

The interviews were semi-structured around five main topics. These served as major guidelines for the conversations.

- Demographic and functional qualification of interviewees (age, position, industry, length of expatriation, country of expatriation)
- Host-country (main differences, people, business, government, institutions)
- Ethical challenge (identification, justification, actors involved, strategies involved, outcomes)
- Overall assignment (challenges, overall evaluation)
- Present situation (lessons learnt, future prospects)

Chapter 5 – Foreign locals: a liminal perspective of international managers

FOREIGN LOCALS: A LIMINAL PERSPECTIVE OF INTERNATIONAL MANAGERS

Executive Summary

Global integration of businesses has exposed the unattended differences between home- and host-countries, which have imposed overwhelming challenges upon international managers. These have led to the ineffectiveness of international assignments, with huge costs to companies and individuals. “Glocalization” strategies improved results, but failures of inpatriate and expatriate assignments are still too numerous to be ignored. In this article, we use the concept of liminality, the state of being betwixt and between, to introduce *focal managers*. These self-aware managers recognize their liminal condition and, as such, can make a positive and instrumental utilization of its characteristics. Specific strategies, shaped by the assumption of liminality, are deployed throughout the internationalization process, increasing the effectiveness of international assignments. The advantages to host- and home-country, to companies, and individuals are also presented.

Keywords: international business, expatriates, inpatriates, focal managers

Global integration has exerted an increased pressure toward the involvement of international managers in the development of overseas ventures. These can be expatriates, sent to host-countries to protect their organisation's interests, or inpatriates, host-country managers temporarily relocated to the organisation's headquarters in order to receive, absorb, and eventually adapt and redeploy the corporate way of doing things at the subsidiaries located in their own countries. Different national contexts and business environments justify the need for these kinds of professionals. Nevertheless, attempts to bridge, or even narrow, the existing gap between home- and host-country, such as "glocal" strategies, have met with almost unbearable failure rates. According to different research on expatriates' adjustment, up to 80% of all assignments can end prematurely or be perceived as ineffective. Apparently, expatriates seem to be not local enough, while inpatriates are not foreign enough.

This article is part of a larger study of the adjustment process entailed by Western international managers in emerging economies, based on direct interviews with expatriates in different locations. Thus far, that study appears to indicate that it is possible to reduce the distance between foreign and local even in contexts in which it is expected to be large. It adds to Roland Robertson's rule of "think global, act local", or corporate "glocalization" strategies, the enhanced efforts of international managers to attain a new equilibrium between their own local and foreign facets. We suggest that the correct balance between *fo*reign and lo*cal* is found in what we call here *focal managers*. These become unique among "glocal" managers because not only are they sensitive to different cultures but also they are self-aware of their liminal situation, thus triggering favourable actions.

In this article, we borrow the anthropological concept of liminality, first utilized by Arnold van Gennep and further explored by others such as Victor Turner, to introduce the notion of *focal managers* and explain how they can bridge the gap between the local and foreign spheres of international ventures in order to attain effective "glocalization" strategies.

Focal managers are betwixt and between two well-defined states or contexts, during which they are granted permission to redefine, merge, and blend their characteristics beyond what would have been permitted in structured contexts inhabited solely by pure locals or pure foreigners. Thus, *focal managers* are able to synthesize the most adequate characteristics of each context to create innovative responses to local challenges imposed by global constraints.

In the next section, we further the concept of liminality and explain why we assert that international managers can be said to be experiencing a liminal situation. Second, we review some of the challenges facing international managers, as well as some strategies employed to overcome them. Third, we describe *focal managers* as those international managers who recognize themselves as liminal *personae*, and are apparently prepared to face the various challenges imposed on them. We describe the strategies devised by *focal managers* to achieve effective adjustment. We conclude by summarizing the advantages to professionals and companies alike of utilizing *focal managers* in their international ventures.

We punctuate the article with several examples drawn from our empirical study.

The liminal experience

Liminality is a term first used in anthropology. Transitory situations, in which characteristics and conditions of departure and arrival states somehow coexisted, such as puberty, betrothal, or funerals, were called liminal. Hence, the hitherto conditional structures of one's behaviour and attitudes (e.g. cultural, ethical, and organisational) diminish their pressure while the new ones cannot yet take their place. A space of transcendence and freedom is created, one in which rules appear to be suspended and the degree of acceptance increased. With its own rules and norms, this emerging space remains floating between the former and future structures. As such, it becomes very difficult to classify the individuals involved: during puberty, is the individual a child or an adult? During betrothal, are the future spouses free as they were before, or do they already have the obligations associated with marriage? During a funeral, the deceased is no longer with her relatives, but her body is. The liminal *personae*, as Victor Turner called the individuals who were experiencing liminality, have abandoned their pre-liminal attitudes but have not yet fully acquired the right to display the post-liminal ones. As such, they concentrate in their behaviour traits and attitudes pertaining to the condition they are leaving as well those ascribed to their future condition as integrated individuals, although they are not recognized as belonging to either.

Experiencing liminality in organisations

This ambiguous condition can often be found in business and organisational contexts, where individuals move between two structured contexts until being integrated in the second. Organisational learning, plastic surgery, and high-risk leisure are some instances in which a liminal perspective has allowed researchers to explore new ways in which the different

subjects evolved within the frame of the analyzed phenomena. Additionally, and contrary to the anthropological examples, liminal *personae* in organisations are often trapped between the boundaries of the contrasting situations, never reaching the post-liminal status of integration. These are the cases of external consultants, interim managers, and temporary workers, who never become integrated in their customers' organisational structures, yet do not *belong* to their employers' organisations either.

Trapped in the liminal space

We believe that this absence of a post-liminal period is also the case for inpatriates and expatriates. Inpatriates, in their role as local representatives of foreign companies, seldom cross the threshold to fully integrated corporate members, as they would if they were located at headquarters. Moreover, their permanent commitment to both local and foreign aspects of business reinforces their liminal condition. Expatriates, in turn, do not seek full integration into the host-country, as immigrants do. They want their international assignments to be effective, but they do not plan to stay in one location indefinitely. Meanwhile, they inhabit a blurred, liminal, reality composed of mixed elements retrieved from both past and present experiences.

Dimensions of the liminal condition

If we look back at the definition of liminality, we can find at least four dimensions that define the liminal condition of inpatriates and expatriates: cultural, ethical, organisational, and life balance. Hence, liminality exerts its pressure at different levels of the individual's scope of action. We detail each of the four dimensions in the next paragraphs.

Cultural

Referring to the cultural dimension, inpatriates and expatriates move between two different cultural settings. As natives of their own countries, these individuals are the product of the ages-long forces such as history, religion, thought, tradition, and habits that continuously interact to create what can be referred to as culture. Their attitudes and actions are constrained by its boundaries in such an unconscious manner that individuals have difficulties in acting outside its scope. A Western consultant to Chinese officials refers that "*they [Chinese people] have a mental structure different from ours, in the West."* In a familiar context, namely within their country of origin, there is little or no perception of the presence of the cultural aspect in the individuals' day-to-day decisions. Yet, in the case of inpatriates,

when they have to interact with headquarters, they face an equally pervasive and strong force shaping attitudes and behaviours of those at the other end of the spectrum. Furthermore, they were hired because they were locals, and thus belonged to and understood the local culture, but they are met with suspicion and incomprehension because they do not share the headquarter's prevailing cultural values. Expatriates, on the other hand, experience the opposite situation: loaded with headquarter's cultural baggage, they have to deal with the local one. The same consultant stresses the differences between Chinese and Westerners: *"They do not like to be attached to a unique solution (…) While we are pressured to manage the opportunity, Chinese people do not care about the decision's opportunity cost."* Most likely, even if the countries to which they are sent are understood to be quite similar, expatriates will find that the tools they used to apply in their work and out-of-work environments are worthless, even liabilities. This is the case of the energetic American manager of Latin descent that, as general manager for the Iberian Peninsula was unable to cope with Spanish *siesta*. Both inpatriates and expatriates are in a liminal situation, earlier assets are no longer useful, while the new ones, which would help them to succeed, are seemingly out of reach.

Ethical

The second dimension relates to ethics. Despite the on-going discussion about the nature and scope of ethics, the ethical context appears to be related with culture (although, for the purpose of our discussion, we distinguish ethics from culture because failure to cope with ethical demands appears to be less tolerated than failure to cope with other cultural expressions). The same strength that binds individuals to the prevailing culture of their home-countries appears to exert its pressure when it refers to ethics. Since childhood, individuals are taught ethical principles to guide their relationships with others. Although some of those principles seem to prevail globally (so called *universal principles*, discussed among ethicists), local contexts appear to leave enough space for equally ingrained ethical differences. Hence, conflicting concepts of right and wrong, the dos and do-nots, coexist and shape the way business is conducted in different countries. A former top executive at a Western telecommunications company in China reflects on the concept of truth: "*They have the notion that if truth is unpleasant for you, then you are not obliged to tell the truth. Because the biggest worry, from ancestral times, is to please the other.*" Thus, inpatriates and expatriates face a liminal situation when their deep-rooted ethical principles are no longer applicable in the new ethical context. Inpatriates are immersed in the local ethical framework, but at the

same time, they have to deal with the home office, which often holds conflicting ethical principles. Conversely, expatriates perceive home-office's ethical framework as their own, but have to struggle with challenging local principles. As can be observed with many multinationals operating in Southeast Asia and in Africa, expatriates and their employers are in risk of retaliation from the opposite ground if they persist in their own ethical frameworks. Conversely, if they adopt the other's, they can jeopardize their reputation at home, as the Nike sweatshops' case attested.

Organisational

The third dimension concerns the organisation. Although both inpatriates and expatriates are generally considered as competent organisational members that are offered a foreign assignment as a reward for above average contributions, one of the main complaints voiced by expatriates concerns the hardships of returning to the home-office. Likewise, inpatriates complain about their difficulty to expand their careers beyond the scope of their own country operations, regardless of their capabilities. Although both inpatriates and expatriates belong to the formal structure – a box with their names can be found in the company's chart – they are often excluded from the informal organisation, composed of a myriad of connections and nodes between its members that ultimately form a tight network of information and influence. Important as they are in developing the inroads of their organisation into new and distant places, these professionals are distancing themselves from the political centre that breathes life into the formal procedures of career advancement. Their blurred condition of being inside yet outside the company makes inpatriates and expatriates unknown to their colleagues. As a former top officer of a European company in Brazil recalls: *"Well, when you come back… the business unit you come back to… they were not waiting for you to get things done." Notwithstanding, expatriates can be,* at the same time, responsible (albeit indirectly) for their colleagues future careers and progression within the firm, by means of their vital contribution to overall growth and expansion. Therefore, the more successful in their assignments of expanding their firms' influence and scope, the riskier for them to be forgotten or bypassed by others. In fact, as our interviewee asserts, upon return "s*ome people have jobs to go to, others are invited to early retirement (…), or just wait for something to happen…"*

Life-balance

The last dimension concerns the balance between work and out-of-work life. This is more noticeable in the case of expatriates, since inpatriates are abroad for a limited period.

These managers are away from their usual house, distant from both the centre of their affections and base of their private, out-of-work, lives. Yet, expatriates do have residences in the host-country, houses or apartments to where they return after leaving the office. Often, these are chosen and paid for by the organisation, which prefers venues near its own location. Therefore, expatriates are away from home even when they are at home, and conversely, they remain in a work environment even when they are not at work. As one of our interviewees refers:" *"So, it was not unusual for me to leave office at nine o'clock in the evening, go home, and after dinner resume work; it was not unusual because people here* [in Portugal] *were working"*. In fact, the boundaries dividing the private and public spheres of the individuals' lives become blurred when they are in international assignments. Thus, liminality exerts its effects not only at the contextual or organisational levels, but also at the personal level of one's private life.

As we will see below, the liminal condition of expatriates that derives from these four dimensions is crucial to overcome the challenges opposing international managers.

A challenging context

The dimensions that define international managers as liminal personae are themselves sources of challenges, to which the family challenge should be added.

Family

In fact, while inpatriates do not experience this kind of challenge, since they are at home, expatriates have to run an organisation in a strange cultural and ethical context, while supporting the integration of their own families in a new and challenging routine. Concerns about how and where to educate the children, how and with whom do they socialize, what to do in case of illness demand the expatriate's attention; as do worries about the spouse's integration and daily occupation, or the establishment of social and friendly ties with other expatriates and locals. These issues, long ago solved at home, now face both normal and country-specific job related challenges, such as establishing a market presence, connecting with local networks, opening information channels, assuring enough attention from head-quarters, or managing scarce physical, monetary, and human resources. Such is the importance of these challenges to the expatriate's performance that companies like Royal-Dutch Shell run global units specialized in dealing with expatriation issues worldwide.

The special case of emerging economies

Some countries impose additional challenges to international managers. Emerging economies, like Brazil, Russia, India, or China, often couple their impressive growth rates and market attractiveness with intrusive government policies or even plain nepotism and a high rate of unpredictability. Deficient market and legal institutions hinder growth and frequently take a heavy toll on simple business transactions, which demands a permanent reassessment of viability and simultaneously questions any prospects of long-run commitment. This conduct, in turn, triggers bitter reactions from the authorities, who prefer to ignore their own role in the events and, instead, are eager to denounce the apparent lack of commitment and selfishness of foreign companies. The row between Venezuela's authorities and foreign investors, which eventually led to the nationalisation of some oil companies, is a recent illustration of the challenges Western companies can find in emerging markets. As a result, it is up to international managers to find a way out of this paradox.

Low overall education levels and inefficient labour markets that lead to deficient managerial and technical skills, weak governance mechanisms that lead to aggravated agency problems, and the pervasive presence of networks of influence, favours, and corruption, all add to the challenges that have to be faced by international managers in some of their foreign assignments.

Facing the challenges: the case for (mal)adjustment

In order to overcome these challenges, companies try to act "glocally" and international managers seek adjustment. Inpatriates are likely to try to put into practice what they learned while at headquarters, stressing foreignness, or they might favour their localness and ignore the foreign view. As depicted in Figure 1, if the second strategy is followed, they might be rejected by foreign constituencies. Expatriates, in turn, are likely to try to adjust the context to their business situation, stressing their foreignness, which translates into renewed efforts to impose home-country rules, values and attitudes, or they might succumb to localness and fully adjust their behaviour to the prevailing norms and values. If expatriates behave like foreigners, rejection from local constituencies should be expected.

Suspicion is to be added to rejection if international managers choose to divest themselves of their own roots and adopt the opposite stance: foreigners as locals and locals as foreigners.

INSERT FIGURE 1 ABOUT HERE

In fact, any of these four scenarios will eventually lead to maladjustment and potential ineffectiveness arising from the rejection of either local or foreign constituencies. Figure 2 lists the main arguments in favour of and against each type of (mal)adjustment.

INSERT FIGURE 2 ABOUT HERE

Managers have to reach a new equilibrium between localness and foreignness if they intend to overcome the challenges of international management. We suggest that this is achieved when inpatriates and expatriates converge to the centre of the behaviour continuum and adopt what we call a *focal* stance, thus facilitating the implementation of "glocalization" strategies by creating an acceptance zone that may lead to effectiveness.

Introducing focal managers

Accordingly, we apply the name *focal managers* to those who can reach this new equilibrium in a context of recognized liminality. Being self-aware about their liminal condition distinguishes them from other "glocal" managers. Since self-awareness leads to instrumental action, *focal managers*' recognition of liminality favours innovative responses to challenges, freed from constraints imposed by an earlier structured environment. *Focal managers* draw their actions from the most favourable elements of both past and future contexts, inspired by a unifying view of foreignness and localness, and facilitated by an extended license to *experimentation*. The subjacent degree of tolerance and receptiveness toward error allows for the tentative introduction of novel attitudes and behaviours, otherwise deemed impossible, that eventually lead to increased effectiveness.

Focal managers in action

There are five stages in the internationalization process of expatriates, namely: invitation, preparation/departure, arrival at host-country, tenure, and repatriation. Inpatriates undergo a slightly different process, which consists of invitation, preparation (at headquarters), return to home-country, and tenure. *Focal managers*' strategies, in each of these stages, are shaped by the recognition of liminality.

Invitation

In the first stage, when an invitation is made, *focal managers* know they are no longer normal employees. The concerns and responsibility of international management puts them into a type of limbo: they no longer have to worry about current affairs, but they are not yet in the new job. As such, invitation itself becomes a liminal situation. The resulting space of allowance triggers demands that would otherwise not arise. Training before departure, the definition of clear targets and objectives, proper accommodation abroad, and a clear career plan upon return are some of the demands that, although devised to facilitate success in the international assignment, companies often tend to forget. By claiming such conditions from the outset, *focal managers* diminish the probabilities of becoming unsatisfied in the future.

Preparation

The second stage, preparation, implies two different things for inpatriates and expatriates. For the first, this stage is spent at headquarters, away from home, learning how to become a manager at home. For expatriates, this is the phase preceding their departure to the host-country. Notwithstanding, both are aware of their future condition as liminal *personae*, and so they anticipate strategies devised to assuage the *expected* hardships. In the preparation stage, *focal* inpatriates spend time learning about the country of origin of their companies before travelling to the headquarters. As a result, they diminish the impact of the expected cultural shock, and increase their capacity to learn the relevant aspects of their foreign employer. Once at the head-office, *focal* inpatriates seek to establish the informal networks and communication channels that will eventually smooth the integration between headquarters and the foreign subsidiary.

Focal expatriates, in turn, seek training, and other forms of knowledge, about the host-country – its culture, its ethical framework, its norms, and its people – before departure. Several of our interviewees were encouraged to visit the host-country before taking a final decision. These strategies help setting the expectations from the outset, allowing for the early definition of later adjustment strategies.

Arriving expatriates

Following preparation, expatriates and inpatriates take different paths in the internationalization process. The third stage for expatriates concerns their arrival at the host-country. Aware of the increased space of allowance conceded by locals, *focal* expatriates are eager to explore local venues and habits. As our interviewees reveal, they rapidly search for

other expatriates who can help them in the reconnaissance task, taking advantage of the sense of community that imbues all that are subject to the same liminal situation. Consequently, important and tolerant networks are constructed from the beginning of the expatriate's tenure, which speeds up the socialization process. All that was learned during the preparation stage can now be slowly tested and confirmed by means of real actions vis-à-vis real locals, which facilitates effective adjustment at the host-country.

Expatriates at work

Tenure starts after arrival and accommodation. This is the period when expatriates perform the duties of their assignment. The same sense of purpose that steers actions from the pre-liminal to the post-liminal condition of liminal situations is added to the chosen adjustment strategies. *Focal* expatriates adopt each strategy as a purposeful tool meaningfully structured around the goal of effective adjustment. As such, when a *focal manager* chooses to eat local food, s/he does so with the purpose of effective adjustment. S/he does not just eat food; s/he tries to eat as locals do, at the places locals go, with the intention of better understanding locals and their habits.

Similar to the previous stage, during tenure expatriates can benefit from an **extended tolerance** toward foreigners concerning the adoption of local habits and behaviours. *Focal managers* use this advantage to experiment with creative attitudes aimed at pressuring local authorities to abide by international rules of commerce, as well as adopting renewed governance mechanisms that avoid both public and private expropriation. Such attitudes include the offering of subsidiary compensations, the demand for clear rules to settle business disputes, the imposition of emergency triggers, or even the definition of the conditions under which abandoning the venture could become a reality.

The **added time to comprehend the new codes and norms**, unconsciously conceded by locals in liminal situations, gives *focal* expatriates the opportunity to enter the local networks that soften the damaging influence of intrusive governments. Once within these networks, these managers can understand how locals act, thus aligning their practices, in accordance with universal values, with those demanded locally.

The **access to local networks** can also facilitate the hiring of adequately educated professionals, including managers. Knowing which are the best local schools, or who are the employers of the most promising professionals, helps *focal* expatriates in the definition of their recruiting base. The sense that local habits are respected and the prospects of a career abroad, lure the brightest locals to companies managed by *focal* expatriates.

Awareness of liminality also mitigates the risks of a long period away from the company's political centre. The **increased degree of acceptance** allows *focal managers* to ignore established rules and hierarchies that usually separate them from the decision centres, thus assuring their visibility at the home-office.

During tenure, the help from the community formed by expatriates who undergo the same liminal experience, the possibility to experiment with and choose what favours effective adjustment, and the added space of allowance, create enough room for *focal managers* to establish local relationships and routines that emulate the ones they were accustomed to at home.

Expatriates returning home

Finally, expatriates go back home. The quality of this last stage depends on what was done before. *Focal* expatriates are concerned with this stage from the early beginning, and they expect to be remembered at headquarters, they know what their next career step will be, and they are sure their tenure abroad will define their new, improved position within the firm. In fact, the space of allowance created by the suspension of rules within the liminal context facilitates the frequent and direct contact of *focal managers* with the top hierarchy of their own organisations. The case of one of our interviewees, who directly called the utility company's CEO to demand for a top position at headquarters, illustrates this point. Indeed, focal expatriates can expect their efforts to be rewarded.

Inpatriates at work

After preparation at headquarters, inpatriates return home. Recognition of their liminal condition, which stems from cultural, ethical, and organisational factors, adds a sense of purpose to their actions: effectiveness concerning business expansion and success within the firm. As such, *focal* inpatriates consolidate the network that was created during the preparation stage, securing their sources and contacts at headquarters. This becomes possible because their dual condition of being simultaneously in and out of the organisation blurs hierarchies, which, in turn, creates a higher degree of acceptance and facilitates access to top management. Having established a firm position within the political centre of the firm, *focal* inpatriates are ready to start their new assignment.

During tenure, the main challenge facing inpatriates concerns the cultural and ethical differences between their own countries and those of headquarters. Different understandings of what is acceptable, as well as diverging interpretations of the reasons behind the tendency

of growth are probable causes of clashes between the two. *Focal* inpatriates have to "sell" the host-country to a distant headquarters, at the same time they have to "sell" headquarters to the local company. During the preparation stage, *focal* inpatriates established valuable contacts that can now be used. The space of allowance, coupled with the suspension of rules that characterize liminal situations, keeps the communication channels open, thus reducing the distance between the subsidiary and the political centre of the company. As the case of an American software company operating in Portugal illustrates, the continued communication between the Portuguese manager (inpatriate) and American top-officers increases mutual knowledge and diminishes the causes for disagreement, fostering effectiveness.

Another challenge facing inpatriates concerns their own careers. Like *focal* expatriates, *focal* inpatriates expect their efforts to be recognized by the head-office, which translates into promotion and improved conditions within the firm. The proximity between these managers and headquarters, which was instrumental in attaining the objective of effectiveness, is also beneficial in regarding career path issues. *Focal* inpatriates are easily recognized at the political centre of the firm, and their efforts can launch them into new challenges, as happened with the above mentioned Portuguese manager of the American company: apart from being general manager in Portugal, now he is also responsible for operations in Middle-East.

Conclusion

In the face of high failure rates of international assignments – with both expatriates and inpatriates – we proposed a new kind of manager, one that stems from general "glocalization" strategies and builds the bridge between foreignness and localness, which we called *focal managers*. We framed our proposition within the scope of liminality, and said that these managers were able to recognize themselves as liminal *personae*. As such, the foreign and local bipartisanism was smooth up to the point where a new effective equilibrium was reached. In this stage, we asserted, managers were able to overcome the challenges of managing in an adverse context. We then detailed some of the specific actions these managers are expected to take in situations where pure expatriates and inpatriates often fail.

What's in it for organisations?

The advantages for management practice are manifold. To companies, the utilization of *focal managers* enables them to increase the success rate of their international ventures; at the same time, they reduce both costs and time of adjustment. "Glocal" companies managed by

focal managers can expect to attract the best local professionals, lured by the opportunity to work for a foreign company, without having to divest themselves of their own culture and principles. The competitive edge of such an accomplishment might be sufficient to beat competitors in an increasingly interdependent business world.

What's in it for managers?

To professionals, becoming a *focal manager* is a mixture of self-awareness and cross-cultural sensitivity. Once they realize their liminal condition and the meaning of such recognition, they can start acting accordingly. They may not only be successful, but may also be potentially more eligible to progress in their international careers within their firms.

What's in it for the host country?

To the host-country, having a foreign company managed by *focal managers* is an assurance that local practices and values are not put at risk; instead, respect for and abidance with local norms are expected, which will attract the best local professionals.

What's in it for the home country?

To the home-country, knowing that both universal and local principles are respected is an assurance of ethical compliance that will facilitate their acceptance of the firm as a supplier, a customer, or a social player.

Selected Bibliography

This article is founded in three main fields of research, namely: liminality, international management, and ethics. For each of these fields, the interested reader can find a vast literature, from which we have selected the sources we think have contributed more to the advancement of theory or practice.

The seminal book on liminality is Arnold van Gennep's *The Rites of Passage – A Classical Study of Cultural Celebrations* (1908/1960, The University of Chicago Press). Victor Turner was his main follower. He added depth to the concept of liminality, extending its application to present day situations, and to the field of arts. The main reference among Turner's books is *The Ritual Process: Structure and Anti-Structure* (1969/1995, Aldine de Gruyter).

International management has been a topic in the research agenda since companies in large numbers started to cross borders in search of new resources and markets. The cultural element is especially captured in Susan Schneider and Jean Louis Barsoux's *Managing Across Cultures* (1997, Prentice Hall). Newer insights concerning the challenges stemming from the cultural element are given by Christopher Bartlett and Sumantra Ghoshal's *Managing Across Borders – The Transnational Solution* (2002, Harvard Business Press). The issue of "glocalization" strategies, within which we frame our *focal managers*, was first addressed by Roland Robertson in his 1992 book *Globalization: Social Theory and Global Culture* (Sage). A new perspective on how to manage international companies, in which inpatriates gain a very important role, is best captured in the book *From Global to Metanational*, by Yves Doz, José Santos, and Peter Williamson (2001, Harvard Business Press).

The topic of ethics surged in the business literature. We find Donaldson and Dunfee's *Ties That Bind: A Social Contract Approach to Business Ethics* (1999, Harvard Business Press) to be one of the most interesting approaches to business ethics, in which the global and local elements are merged to bring out a feasible (and ethical) way of doing business anywhere in the world.

Figure 1: The focal strategy of international managers

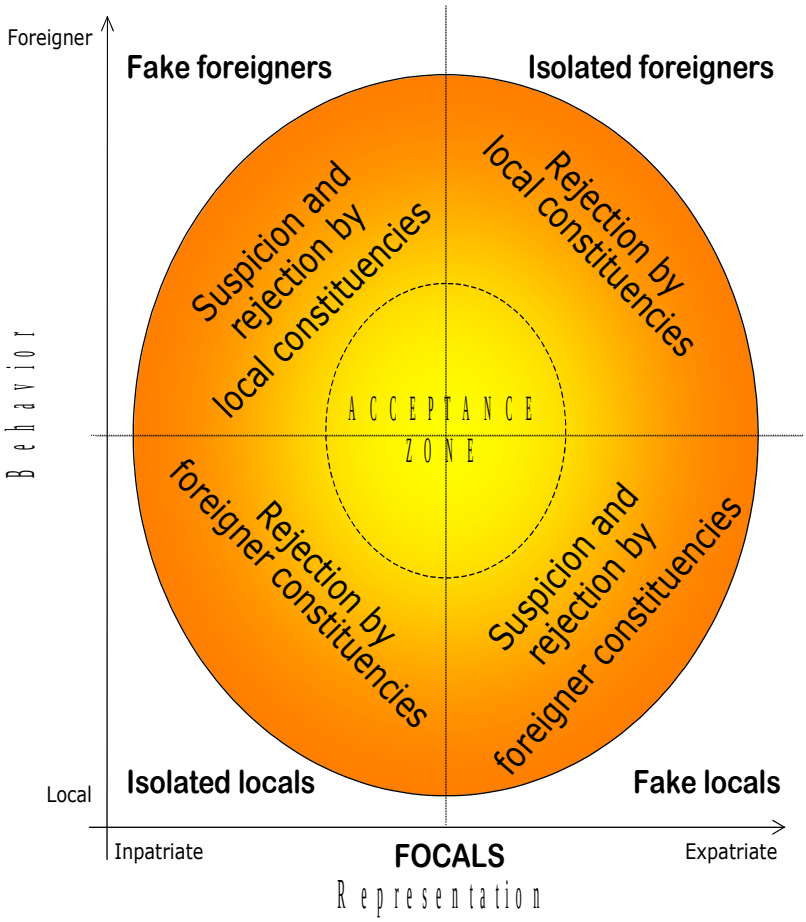

Figure 2: Consequences of misaligned behaviour of international managers

Act as:	Consequences to: Expatriates	Inpatriates
Foreigners: **Disregard for local norms and practices** **Reinforces home-office's rules and norms**	Pros Support of established and proven practices; Acceptance by foreign constituencies. Cons Difficult integration of individual and family at work, host-nationals, and general levels; Blocked access to local networks and information channels; Increased exposure to bullying from host-country authorities; Difficulty in securing physical and human resources; Risk of general failure and ineffectiveness because of rejection from local constituencies.	Pros Support of established and proven practices; Mild acceptance by foreign constituencies. Cons Risk of rejection from local networks and information channels; Risk of exposure to bullying from host-country authorities; Increased difficulty in securing physical and human resources; Risk of general failure and ineffectiveness because of suspicion and rejection from local constituencies.
Locals: **Adoption of host-country norms and practices;** **Cut links with home-office's country**	Pros Acceptance by local constituencies; Fast adjustment; Immediate results. Cons Short-termism; Risk of support from headquarters; Risk of competitive advantage of foreignness; Risk of failure and ineffectiveness because of foreign exposure.	Pros Acceptance by local constituencies; Immediate results. Cons Short-termism; Risk of losing support from home-office; Risk of losing competitive advantage of foreignness; Risks failure and ineffectiveness because of foreign exposure.

Chapter 6 – A stranger in a strange land: building the bridge between adjustment and ethics for international managers

A STRANGER IN A STRANGE LAND: BUILDING THE BRIDGE BETWEEN ADJUSTMENT AND ETHICS FOR INTERNATIONAL MANAGERS

ABSTRACT

This article presents a managerial framework to assess and predict international managers' behavior in face of ethical challenges. Its recursive nature also allows an interesting utilization, that of fostering ethical adjustment. Thus, we explore an alternative path between adjustment without ethical considerations and non-adjustment due to ethical concerns. The framework is initiated by an analysis of the ethical quality of adjustment, which is followed, in case the international manager is not ethically adjusted, by the close scrutiny of the international manager's ethical decision-making process. From this step emerges a most influential group in terms of the international manager ethical response, which defines the most relevant community concerning ethical behavior and final venture's outcome. The last step coincides with the first and entails an assessment of the ethical quality of adjustment. If the international manager wishes to be ethically adjusted s/he should revise her or his ethical responses in order to satisfy local norms and, at the same time, respect generally accepted universal principles.

Keywords: international managers, adjustment, business ethics, ethical decision-making.

The growing exposition of business transactions, regardless of their location or the parties directly involved, has shown that international managers' adjustment to a new country is not enough to secure sustainable effectiveness. The cases of Google and Microsoft in China (Brenkert, 2009; and Dann & Haddow, 2007) or of Nike in Indonesia (McHale et. al, 2007; Ruggie, 2004) illustrate the struggle organizations and international managers endure when they are faced with local practices and demands that are deemed as unethical by some of their influential stakeholders.

Increasingly, the question is not only how to facilitate the international managers' adjustment to the new work environment, to host-country nationals, and to the general new out-of-work environment (Shaffer et al., 1999), but also how to achieve it without compromising the different ethical concerns involved in the complex process of decision-making (McDevitt et al., 2007). Understanding adjustment solely as the positive outcome of the interaction between an international manager and the new environment (Kraimer et al., 2001) appears not to be sustainable.

Conversely, giving primacy to ethics disregarding the need for effectiveness appears not to be the solution either, not least because international managers would first have to decide upon a valid ethical framework among those offered by each of the communities involved. In fact, if they choose to act according their own community (e.g.: their home-country) international managers can be accused of ethical absolutism and disregard for local practices (Rachels, 1998); Conversely, if they act according to a less familiar community (e.g.: the host-country) international managers can be blamed of disrespect for ethical rules that are considered universal or, at least, rules that are generally accepted in, for instances, their home-country (Donaldson, 1996). In both cases, sustainability would be put at risk.

International managers are thus required to be ethical and to adjust. And they have to do it in an international business environment that is characterized by a myriad of professionals coming from different backgrounds and with different conditions to occupy a plethora of business positions. All these representatives of equally ingrained ethical traditions have to share the same (strange) cultural and ethical stage, both at work and outside work, without having a clear perception of the dominating rules and ethical norms (Van Vianen et al., 2004) that prevail in the different groups and communities to which they belong.

A way to achieve a compromise between so different ethical sources is by integrating

both local and global perspectives in a unique ethical attitude. Donaldson and Dunfee (1994) suggested that in order to act in conformity with local rules without violating universal and generally accepted ethical norms, i.e., in order to be ethically adjusted, managers and organizations should recognize and follow four principles concerning the groups (individuals) and communities (organizations and individuals) to which they belong: (a) each group or community is free to create its own norms, which reflect their cultural, ideological, and religious beliefs; (b) permanence in the group or community is voluntary and contingent to the members' knowledge and acceptance of the existing norms; (c) norms that are specific to a group or community are limited by widely accepted universal norms, such as core human rights; (d) a set of prioritization rules must be agreed upon within the group or community in order to solve the cases of conflict between equally valid norms. These four principles were included in what these authors called the integrative social contracts theory (ISCT).

Whereas these principles are apparently easy to implement when there is a clear delimitation of the group or community (Donaldson, 2006), international managers do not enjoy such clarity. Instead, they are immersed in a blurred reality composed of different constituencies to which they have to respond. International managers are in transition between different communities, cultures, and ethical frameworks (Takeuchi et al., 2005). The groups and communities pressuring international managers are many and diverse, including the home-office and its employees, the branch office, the business counterparts, the industry and the other companies, the host-country nationals (HCN), the family, and even the international manager's friends. Since each of these groups and communities have the capacity to create and impose upon its members its own ethical norms (Phillips & Cramer, 2006), and their influence is often complex, intermingled, and not always clear, the theory advanced by Donaldson and Dunfee may not to be enough to solve the international managers' problem of ethical adjustment. As such, we propose in this article a dynamic framework that identifies the most influential group for an international manager in a given context, and thus favors ethical adjustment.

MAKING THE BRIDGE BETWEEN ADJUSTMENT AND ETHICS

In designing the framework, we are assuming that international managers want to be ethically adjusted. The dynamic framework we propose involves six steps. First, managers evaluate their own situation in terms of adjustment. If they find they are not ethically adjusted, step two involves the inspection of their own decision-making process in face of a relevant

ethical challenge. From the previous inspection, international managers conclude in step three about the group that is influencing them the most and why in that specific situation. For that purpose, with the aim of increasing the usability of the framework, we operationalize and attributed weights to the variables that define the impact each group can exert on the final outcome of the international venture. In step four, international managers infer about the community that is most relevant for their ultimate purpose of sustainable ethical adjustment in the specific situation they find themselves. In step five, international managers infer their behavior in accordance with the most relevant community. Step six corresponds to the first step and entails a reevaluation of the international managers' position in ethical terms. The recursive nature of the framework makes it possible to test different challenges, establish comparisons, and fine-tune behavior until the objective of ethical adjustment is eventually reached.

Figure 1 illustrates the whole framework:

INSERT FIGURE 1 ABOUT HERE

For clarity purposes, we use the illustrative example drawn from Butler and Bettignies' case study of a Western manager in an ethically challenging context (1999). The case tells the story of David McLeod, a Scottish manager who accepts a position as general manager of a pulp mill in a South-East Asian country. This mill uses local labor, and applies local rules concerning job safety and working conditions. The reported situation is as follows. Recently at his new job, McLeod receives the visit of a government official whose mission is to report back to the authorities about the pulp mill's safety and environmental conditions. The manager is appalled when he understands that in exchange for a favorable report, the official is demanding a paid trip to France for him and his wife and a job in the company for his son. When he seeks support from other Westerners, the manager finds out that bribery, nepotism, and outright corruption are common features of everyday business affairs.

Step 1 – Is my adjustment ethical?

If a manager is not sure whether s/he is acting ethically, a good way to start is to evaluate her or his adjustment efforts according to the four principles stated above. The literature states that adjustment efforts concern work and non-work related realities, and are enacted in order to facilitate work adjustment, interaction adjustment, and general adjustment

(Andreason, 2008). If the managers' practices in these three fields are indeed in accordance with ISCT, it means that s/he is following the local rules without violating any universal ethical principle.

Illustrating this step with our example, let us assume that taking benefit from poor local working conditions becomes part of McLeod's efforts to adjust. The first principle states that this South East country has the right to create its own work norms, which reflect a steep social pyramid based on high distance to power that stems from Confucianism. At a first glance, McLeod has to accept the conditions, as suggested by the firm's CEO, Mr. Goh. The second principle states that every participant – including the workers, but also McLeod and his managers – must be free to exit the community if s/he does not agree with the norms. Probably, it is not clear whether workers have a real option either to change the rules or to leave the community, therefore principle 2 might not hold, which means that by accepting those norms, McLeod probably is not ethically adjusted. The third principle states that these conditions are acceptable provided they do not clash with universal principles. Consequently, McLeod has to decide whether these conditions would pass the Western scrutiny. If he believes not and still accepts them, then he is not ethically adjusted.

In generic terms, if ISCT's principles are observed, then international managers are likely to be ethically adjusted, and maintenance of the *status quo* is required and should be checked periodically. If not, international managers and their organizations have to understand the reasons for non-adjustment. This is done in step 2.

Step 2 – What conclusions can I take from the current ethical decision-making process?

The purpose of this step, by means of a qualitative evaluation of the ethical decision-making process, is to provide clues to reveal the reasons why adjustment is not being ethical. The ethical quality of adjustment depends on international managers' responses in face of challenging issues. Those responses are the outcome of complex decision-making processes that involve the issue itself, the international manager's cognitions, her or his individual characteristics, and the situation in which s/he is found at the moment (Trevino, 1986). Next, we use our example to illustrate the elements of Step 2.

<u>Select and analyze the ethical issue</u>

In this step, challenges should be selected for analysis based on their relevance to the ultimate purpose of sustainable ethical adjustment. In the first iteration of the framework,

international managers should select the most relevant issue. In the following iteration, the second most relevant issue should be selected, and so on, until the objective of ethical adjustment is reached. Keeping with our example, we choose as the most relevant ethical issue faced by McLeod the government official's requests of having a paid family trip to France as well as having his son hired for the project. According to Jones (1991), the analysis of this issue should cover :

- The social consensus – there is general acceptance of bribery and nepotism in this South-East society, at least at the authorities' level, which is less tolerated in the West;
- The magnitude of consequences – if McLeod accepts the demands, he assures a favorable report, but at the same time he increases his dependency on the local authorities; if he refuses, the company gets an unfavorable report, costs probably soar due to imposed corrective action, and jobs are put at risk;
- The probability of effect – immediate outcomes appear to be certain (unfavorable vs. favorable report); the consequences of rejecting the officials' requests appear to be highly probable, whereas as the benefits of accepting them appear to be certain only until the next visit by the authorities;
- The temporal immediacy – effects of non-compliance with the demands appear to be immediate, whereas compliance might mean only the postponement of further demands;
- The proximity – acceptance of demands means that in the short term, the people (positively) affected are the officer and his family as well as McLeod; rejection will affect (negatively) the officer and his family, and probably the company's employees and McLeod, all of the parties involved being close to McLeod;
- The concentration of effect – the only certain beneficiaries of compliance are the officer and his family; whereas rejection of demands places the effects not only on McLeod and the other managers but also on the mill's employees and families.

This first analysis elicits the concern of the organization and the international manager about the groups and communities involved in the ethical issue, the costs and benefits under discussion, as well as the issue's scope in terms of consequences, time, and risks.

Analyze cognitions

In order to understand the ethical response and thus realign behavior toward ethical

adjustment, the components of the international manager's cognitive process that were triggered by the ethical issue should be analyzed. In our example, these are:

- Evaluation of the stakes involved (Lazarus, 1993) – the mill's future prospects are at stake, along with McLeod's permanence as a general manager; on the other hand, his sense of honesty, his concepts of right and wrong, and his reputation are being challenged;
- Assessment of the alternatives available (Folkman et al., 1986) – McLeod can either accept or reject the demands, with the costs and benefits discussed above;
- Moral judgment (Rest, 1986) – The demands can be interpreted as either morally wrong or right.

These components depend of McLeod's cognitive style, the way he perceives and processes information, the perceived amount of losses and rewards associated with the decision (Bommer et al., 1987), and of his stage of moral development (Kohlberg, 1969) (see Table 1).

INSERT TABLE 1 ABOUT HERE

Inspect individual characteristics

Continuing with the analysis of behavior and how to reach ethical adjustment, the individual characteristics – namely those that are understood to interact with both the ethical issue and the situational characteristics to form an ethical response – should be investigated.

In McLeod's case:

- Demographic – Male, single, in his thirties, Scottish, highly qualified engineer;
- Personality – Internal locus of control (Black & Mendenhall, 1990);
- Awareness (Loe et al., 2000) – Capable of discerning the implications of his own actions, as well as of what is at stake in ethical terms;
- Beliefs (Lee & Larwood, 1983) – Shares the common beliefs of a Westerner in his early thirties.

Inspect situational characteristics

Relevant situational variables shaping an international manager's attitudes and

behaviors when he faces an ethical issue stem from the work context, from his interaction with locals and from the general context (Black et al., 1991). Understanding how these variables influence ethical behavior favors her or his capacity to manage adjustment efforts toward ethicality.

According to the adjustment framework proposed by Black and colleagues (1991), in McLeod's case the analysis should proceed as follows:

- Characteristics of the work context – McLeod works for an ethnic Chinese at a pulp-mill located in a South-East country. Officials in this country are open to corruption, especially if they spot a foreigner who wishes to exploit their resources. Local companies and decision-makers are more concerned with productivity and sales than with security, working conditions, or the environment.
- Possibility of integration with locals – He is immersed in an Asian society, having had several contacts with different cultures. Although an experienced manager, he is still and always an envoy from the West. Locals are not easy to establish contact with, moreover because he is located at an industrial area. As such, McLeod's friends are other international managers who, like him, see the country as strangers.
- Overall integration - In this society, working conditions or human dignity, as it is perceived in the West, are undervalued. Without relatives living with him, McLeod has plenty of time to dedicate to his job, but fewer opportunities to integrate with the local culture.

Analyze ethical response

As we saw above, the manager's decision can be either to accept or refuse the requests. The international manager's response results from the ethical decision-making process described thus far and reflects her or his preferences given the complex interaction of its components. To further clarify our point, let us explore the meanings associated with each of the two possible paths open to McLeod: accepting or rejecting the demands.

First, we assume that McLeod indeed accepts the requests, paying for the trip to France and hiring the officer's son. How do the different elements of the decision-making process reveal the reasons that justify this attitude? The analysis of the ethical issue leads to the conclusion that, by accepting, McLeod prefers a favorable report, even if the levels of dependency towards authorities increase and similar demands in the future become probable. Faced with the different alternatives, he avoids the immediate negative consequences that

could be imposed upon the mill, including unemployment. Knowing that he discussed the issue with fellow international managers, we admit that he recognizes the demands as morally wrong but, given the specific work context as well as the overall situation, he realizes that he has few options other than accepting. After all, it is just a trip and a job. Being young, single, and male, McLeod recognizes that even if he is exposed in the West he can blame it on the situation, assert that he did it for the sake of the employees or the organization, or wait patiently for the reactions to wither until he is able to get another opportunity. This is the worst-case scenario.

The second path leads to the rejection of the demands. Again, the analysis of the elements of the decision-making process can explain such a response. Starting with the ethical issue, by not accepting to pay for the trip or hire the officer's son, McLeod shows that he is more worried about the future consequences of an increased dependency toward the authorities than with the short-term effects of a favorable report. However, since the expected short-term negative consequences are not to be ignored, and indeed can also have a negative impact in the long term, we have to admit that McLeod is rejecting the requests also because of his moral beliefs. Despite the general acceptance of this kind of practice in the host-country, he is not prepared to participate. Saying no in this context and expecting to carry on with business implies that McLeod believes he can control the situation, transforming the short-term costs into longer-term profits. If he does not succeed, if the host-country pressures are so strong that he cannot be successful without paying, he believes he has the proper individual characteristics that allow him to abandon this project and embrace any other that will not make him a less honest manager.

The analysis of the ethical response in its different elements, as we saw above, leads to a full understanding of the action in terms of triggers, motives, and aims. This knowledge makes it possible to move to the following step, and eventually facilitates the adequate shifts of behavior in accordance with the need for ethical adjustment.

Step 3 – Which has been the most influential group to me?

The previous qualitative analysis provides the necessary inputs for this step, which purpose is to identify the most influential group to an international manager in the selected situation. As we commented in the beginning of this article, an international manager is between at least two different cultural and ethical contexts: namely, home- and host-country.

In each of these, several groups converge to exert their influence upon the international manager while s/he is attempting to make a decision. Examples of influential groups are family and friends (Otto, 1977), work colleagues or managers, or any other participant in the international manager's effort to adjust (Feldman & Thomas, 1992). At any given moment in time, the most influential group among these, in the international manager's perspective, is the one who exerts the most significant impact on the final outcome of her or his venture overseas. However, given the multitude of competing groups, the amount and complexity of decisions an international manager has to make, and the different influences each group exerts concerning each decision, this impact is not always clear, not even to the international manager.

Drawing on the literature about ethical decision-making (e.g.: Jones,1991; Kohlberg, 1969; Treviño, 1986), and influence (Raven & French, 1958) we suggests that a group's impact on the final outcome of an international manager venture overseas, at any given moment in time, is a function of the following variables:

> *CG – Consequences to Group*. Group-related variable. Measures the extent to which the consequences of the response are experienced by the group. This variable includes the consensus concerning the challenge, the magnitude of consequences for the members of the group, the probability of effect of the consequences, the temporal immediacy, the proximity in relation to the group of the people affected, and the concentration of effect. Implied in these dimensions is the relevance of the issue for the each of the groups. Groups that have an higher experience of consequences are more influential for the manager's decision.
>
> *TIM – Type of Influence exerted on the Manager*. Group- and manager-related variable. Weights each group in a given situation according to a scale of influence determined by the international manager. According to the literature, there are five sources of influence: power to reward; power to punish; right or entitlement; referent power; and expertise. Note that international managers in different situations value each source of influence differently, which means that distinct decisions or responses reveal varying valuations of the sources of influence. The groups that exert the type of influence that is most valued by a manager in a given situation are deemed as more influential.

In order to get to a meaningful and workable measure of impact for each group involved in the ethical issue, namely to get a sense of the relationships between communities and to establish comparisons, and thus increase the usability of the present framework, we can operationalize these variables as follows:

$$Impact = \Sigma_I^{IN} (CG * TIM * 1/IN)$$

The variable IN stands for *Iteration Number*. It is a process-related variable that captures the relative importance of the ethical issue. In the first iteration, the most relevant ethical challenge is chosen; in the second iteration, the second most relevant issue is selected; and so on.

Therefore, each group's impact on the international venture's final outcome is a measure of the consequences to the group of the international manager's response to each of the selected ethical challenges weighted by the type of influence exerted over her or him by the selected group. The impact diminishes according to the relevance of the ethical issue (which is captured by the iteration number).

We return to our example to illustrate this step. Table 2 lists all groups involved in the ethical situation described in step 2. The following columns refer to the consequences or reactions of each of the groups in the case the demands are met or not, as evaluated by McLeod.

INSERT TABLE 2 ABOUT HERE

In table 3a, in order to facilitate the analysis, we attribute values for each of the dimensions included in the variable *Consequences to Group*. For simplification purposes we arrange the values along a 3-value scale, which nonetheless allows for differentiation of the results (which is our purpose). In table 3b we reflect these base values in the case depicted by our example, according to the analysis we did in step 2. Since consequences to the different groups depend of McLeod's response, we explore both situations – accepting or rejecting the demands – in the table.

INSERT TABLE 3a ABOUT HERE

INSERT TABLE 3b ABOUT HERE

Again, to facilitate the analysis, we ascribed a 5-value scale to the variable *Type of Influence,* according to the relative importance given by the international manager to the different sources of influence in the specific situation (5 – very important; 1 – not very important). Relative importance depends of the international manager's perception of the contribution of each source to the final outcome. Note that different responses imply that the sources of influence are valued differently by the international manager. In our case, if McLeod decides to comply with the demands, then it means that he ascribes a value of, for instances, 5 to the power of reward and punishment. Conversely, if he decides not to pay the bribes it means that he ascribes a lesser value to this type of influential power and a greater one to the power stemming from right or entitlement.

Table 4a depicts the sources of influence perceived by the international manager as associated to each group. Table 4b displays McLeod's hypothetical valuation of the different sources of influence, inferred from his response.

INSERT TABLE 4a ABOUT HERE

INSERT TABLE 4b ABOUT HERE

Organizing all the previous information according to the formula described above for each of the competing groups in McLeod's case, we identify the most influential group in the two options under analysis: accepting and rejecting the specific demands of a trip to France for the officer and his wife, as well as employment for the officer's son. The result can be found in Table 5.

INSERT TABLE 5 ABOUT HERE

Clearly, in the first case, the most influential group is the one composed of the official and family, whereas in the second case employees closely followed by the organization become the most influential groups.

Having determined about the most influential groups, organizations and international managers can make an inference about the community that becomes more important in terms of ethical compliance in the next step.

Step 4 – Inference about the most relevant community as source of ethical behavior

The most relevant community is the one whose ethical framework is properly aligned and best supports the interests of the most influential group. Although in several instances most relevant community and most influential group coincide, it need not be so. In fact, there are many cases in which in order to protect the interests of an influential group, one has to abide by the norms of a different community. For example, to protect the immediate safety of an international manager's family, s/he might have to abide not by the norms of her or his own culture, but instead by the ones imposed by the host country.

Once again, let us turn to our example to illustrate this idea. In the previous step we have concluded that if McLeod decides to accept the demands then the government official and his family are the most influential to him. As such, he has to abide by the rules of the community defined by the government officials and other authorities, which makes this community the most important in terms of ethical behavior. Conversely, if employees and the organization are the most influential groups, then the demands are likely to be rejected. In this case, to sustain the employees' and organization's interests McLeod has to abide by the rules of the host country, provided that those of the Western community are not violated.

At the end of the fourth step, organizations and international managers are prepared to define the expected ethical behavior of the international manager.

Step 5 – Determination of the ethical behavior of the international manager

According to ISCT, each community is entitled to its own set of moral rules. Therefore, the most important community identified in the previous step is also capable of creating its own moral rules. It is expected that members of this community demand from its other members that the rules that have been created within the community are followed by all (Boatright, 2000). In exchange, participants may enjoy the benefits of membership.

In our example this means that if McLeod accepts the demands he is signaling his membership in the community formed by the official and other host-country authorities. As

such, it is expected that his future ethical behavior will reflect the rules that are imposed on the members of that community. Conversely, McLeod's future ethical behavior is expected to mirror the host-country and Western canons (in what they have in common) if he rejects the demands.

The adopted behavior is expected to continue for as long as contextual conditions remain unchanged or, in the event that ethical adjustment is not achieved, the international manager chooses to attain it.

Step 6 – Reassess situation in terms of ethical adjustment

Completion of Step 5 does not assure ethical adjustment, as becomes clear in the case where McLeod decides to answer positively to the requests. Therefore, the final step involves returning to the beginning of the framework, to Step 1, and reassessing the degree of ethicality in adjustment.

As described above, according to ISCT, behavior is ethical when it is simultaneously in accordance with the most relevant community's moral code and generally accepted universal rules. This appears not to be the case if McLeod accepts the demands, since corruption and bribing are usually excluded from universally accepted moral norms. Therefore, if he wishes to reach ethical adjustment, or at least minimize the risks of exposure, he should reassess the ethical question and possibly redefine the ethical response.

If McLeod rejects the demands he will be bound by a blend of local and Western norms. In practical terms, this means that McLeod will abide by the business norms existing in the host-country if and until two conditions hold: 1) he considers that what is being asked in ethical terms does not conflict with what he believes to be the Western canon and the universal rules, and 2) the interests and objectives that first motivated his acceptance of local rules do not change. In this case, McLeod will be ethically adjusted.

Step 6 can also be the input for a new iteration in the recursive framework. Organizations and international managers can use the recursive feature of the framework, by scrutinizing another ethical challenge. In the second iteration, this new challenge would be the second most important issue to be faced. The process would end when all ethical challenges were assessed. In the end, organizations and managers would have access to the combined impact of all groups involved in the relevant ethical challenges.

ETHICAL ADJUSTMENT: A SUSTAINABLE CONDITION?

We proposed a framework of ethical adjustment in which by following six steps international managers can assess the ethicality of their adjustment and act toward ethical adjustment, in the event that theirs is not. We assert that international managers can reach ethical adjustment when local imperatives are not violated and global values are not jeopardized.

However, we recognize that ethical adjustment can be an unstable condition under continuing pressure from different constituencies. As we have seen in our example, if McLeod decides to reject the demands he can expect to be continuously harassed by local authorities until he complies with them. Even if he accepts, there is no certainty that the same people or others will not ask for further "favors" in the future. In fact, the international manager situation can be more complex than plain adjustment or plain non-adjustment, especially if the conflicting ethical frameworks are mutually exclusive and there is no common ground between universal rules and local norms. In such instances there is always another option for the international manager, which is to abandon the host country that is imposing such unethical conditions.

Nonetheless, our framework assures ethical adjustment to all the other (majority of) cases in which a common ground can be found and universal rules can be followed without disrespecting the local norms. This is important because it allows ethically developed companies to manage blurred situations and benefit from competitively interesting situations that could otherwise be rejected in the name of a counterproductive notion of ethical behavior.

As such, in this article, we explore not the cases of adjustment, in which international managers adapt, accept, and take as good the local ethical practices, nor the case of non-adjustment, in which individuals simply abandon the venture. Instead, we follow the path in which international managers make significant efforts to reach an agreement between two apparently mutually exclusive frameworks, finding the existing (often hidden) common ground between the two.

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Table 1 – Stages of moral development

Stage of moral development	Description
1	Acts to avoid punishment. Obedience is justified by fear of punishment only.
2	Acts according to favorable consequences. Fair deal. Instrumental purpose.
3	Good behavior. Acts in line with expectations. Conformity with what is expected.
4	Acts according to social rules, to which one has agreed. Conforms to law except in special cases, in which social rules are challenged.
5	Acknowledges a social contract. Accepts contextual norms if they are in line with universal rules.
6	Follows self-chosen principles, regardless of contextual norms.

Adapted from Treviño, 1986.

Table 2 – Influential groups

Influential group	Consequences	
	Acceptance	Rejection
Government official & family	Favorable report	Unfavorable report
McLeod's family & friends	Disappointment / Mistrust	Admiration / Reputation
Fellow expatriates	Complacency	Admiration
Employees	Assured employment now / Uncertainty in the future	Uncertainty now and in the future
Organization	Low costs now / Uncertainty in the future	High costs now / Uncertainty in the future

Table 3a – Dimensions and base values of *Consequences to Group*

Social consensus	High 1	Medium 2	Low/None 3
Magnitude of consequences	Direct exposure 3	Indirect exposure 2	No exposure 1
Probability of effects	High 3	Medium 2	Low/None 1
Temporal immediacy	Immediate 3	Medium 2	Far 1
Proximity of subjects	Near 3	Medium 2	Far 1
Concentration of effects	High 3	Medium 2	Low/None 1

Table 3b – *CG* in the example

Influential Group	Social consensus		Magnitude of consequences		Probability of effects		Temporal immediacy		Proximity of subjects		Concentration of effect		*CG*	
	A	R	A	R	A	R	A	R	A	R	A	R	A	R
Government. official & family	1	1	3	3	3	3	3	3	3	3	3	3	**16**	16
McLeod's family & friends	3	3	1	2	1	2	2	3	2	2	1	2	10	14
Fellow expatriates	2	2	1	1	1	1	1	1	1	1	1	1	7	7
Employees	1	1	1	2	1	2	2	3	2	2	2	3	9	13
Organization	3	3	2	3	2	3	2	3	3	3	2	2	14	**17**

Table 4a – Sources of influence

Influential group	Source of influence
Government official & family	Reward/Punishment
McLeod's family & friends	Referent
Fellow expatriates	Referent / Expertise
Employees	Right
Organization	Right / Reward / Punishment

Table 4b – McLeod's valuation of the sources of influence

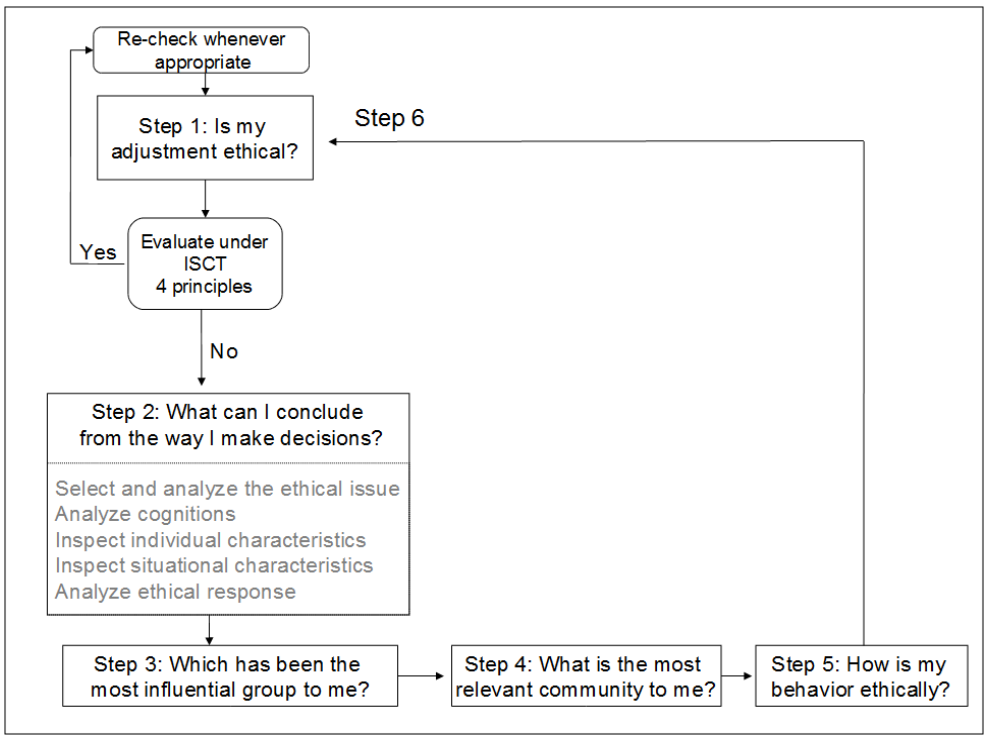
Source of influence	Valuation by McLeod	
	If accepts	If rejects
Reward	4	3
Punishment	5	3
Right	1	5
Referent	2	4
Expertise	2	4

Table 5 – Most influential group

Influential group	CG		TIM		1/IN		Impact	
	A	R	A	R	A	R	A	R
Government official & family	16	16	4.5	3	1	1	**72**	48
McLeod's family & friends	10	14	2	4	1	1	20	56
Fellow expatriates	7	7	2	4	1	1	14	28
Employees	9	13	1	5	1	1	9	**65**
Organization	14	17	3.33	3.67	1	1	46.67	62.33

A: acceptance of demands; R: rejection of demands

Figure 1 – Dynamic framework of ethical adjustment



Conclusion

The six articles included in this dissertation build the case of ethical adjustment of liminal expatriates in ethically challenging contexts. This is important because the need to react to a strong call for business ethics triggered by the recent financial crisis, the growing exposure of companies across the globe, and the increasing power of different stakeholders over the destinies of organizations (Donaldson, 2003), are factors that contribute to enhanced pressure on managers for ethical behavior. Concurrently, the present tendency for global integration has implied a sharp increase in the number of expatriate managers (Mendenhall, Stevens, Bird, & Oddou, 2008). These are asked to adjust to the host-countries in order to achieve high levels of performance (Mol, Born & van der Mollen, 2005) and enjoy the benefits of globalization, even when these countries appear to display questionable business practices in terms of ethics, at least in the home-country's perspective. Despite their liminal situation, their transitional condition of being betwixt and between two different and often contrasting national contexts, expatriates are being asked to be ethical and simultaneously to adjust to ethically challenging contexts.

In the first article the concept of liminality (Gennep, 1908/1960) is introduced in a context of organising (Weick, 1979). Organisations can be understood as processes constantly evolving; as such liminality is intrinsic to the organisational phenomenon. In the second article, one of the organisational processes is isolated – ethical leadership (Brown & Treviño, 2006) – and its liminal nature explored. The ambiguity resulting from the evolving nature of organising can raise ethical challenges that have to be dealt by managers. In the third article, the specific case of ethical challenges stemming from the need of adjustment experienced by liminal expatriates is addressed. As we refer above, expatriates are liminal personae because they often find themselves "betwixt and between" (Turner,1968: 95) two contrasting ethical and cultural frameworks. This liminal condition must not restrict expatriates' responses to the dualistic choices (Farjoun, 2010) of adjusting or being ethical. A third option, of ethical adjustment, emerges from interpreting adjustment and ethical behaviour as a duality. This same concept of ethical adjustment is under scrutiny in the fourth article. A qualitative analysis of 52 interviews made to European expatriates in sub-Saharan countries concludes that ethical adjustment is indeed a possibility provided it is aligned with the expatriates' intended future identity. When confronted with ethical challenges, liminal expatriates enter a

sensemaking process (Weick, 1995) that is guided by an idea of future self (Markus & Nurius, 1986) and an intended reflected image. Expatriates choose to adopt or reject unethical local practices, and thus become (un)ethically adjusted, depending on the intended future identity that is anticipated into present attitudes.

The last two papers bring a managerial perspective to these concepts, reflecting on what are the implications for managers and organisations of such concepts as liminality, organising, duality, identity, and becoming in the real necessity of adjusting to ethically challenging contexts in an integrated world.

Consequences of the liminal perspective

The six articles that compose this dissertation share the concept of liminality as a novel perspective capable of providing new insights into known phenomena (Cunha & Cabral-Cardoso, 2006). The attractiveness of liminality resides in its capacity to explain the less explored qualities of the transitional moments in organisational life. Liminality refers to ambiguity, blurriness, uncertainty, all of which characterise the modern organisation. The liminal belongs to the evolving, to what is becoming, to the non-permanent that pervades reality, within which organisation, or organising (Tsoukas & Chia, 2002), is an important portion.

By exploring the liminal perspective, the articles in this dissertation are aligned with a processual view of reality, one that is gaining adepts amongst academics, although the prevailing perspective still reflects the lingering idea of static permanence (Farjoun, 2010). This is why the contribution is new. Instead of static, a liminal organisation is introduced; instead of a clear notion of right and wrong, the unsure and less clear in the ethical attitudes is explored; instead of a dualism between expatriates' adjustment and ethical behaviour, the possibility of ethical adjustment is offered; the visible and palpable present is replaced by possibilities of future; in summary, the specific, the existent, the permanent, the static, is replaced by the possibility of existence, by the transient, by the flux that characterises the existence of all things that emerge, evolve, transform, and perish only to emerge again in yet another evolving form.

As discussed in the second chapter, while in *limen*, people and organisations benefit from the temporary lowering of constraints and rules that limit more structured periods. The ensuing permissiveness increases the possibilities for experimentation (Garsten, 1999), which

tools and techniques are drawn from an enlarged scope that results from the blending of the previous and the future conditions. Similarly, increased spaces of negotiation are created while in *limen*, since actors are given more freedom to argue in a blurred, less constrained context, and the limits of understanding are extended to accommodate different interpretations of meaning.

Ethical dilemmas often arise from those ambiguous situations, in which the right attitude, the correct action, the good behaviour are not at all clear for the actors involved because of the simultaneous occurrence of at least two conflicting forces. That is why a liminal perspective is welcomed in ethically challenging contexts. Liminality explores the possibilities that remain between one extreme of absolute agreement and the other extreme of absolute rejection, in a context of permanent change and evolution. Events gain new meanings in *limen*, actors are given more room to negotiate, and purpose is extended beyond the momentary instance to include a future, post-liminal outcome, all facilitating the resolution of ethical dilemmas.

The case of expatriates in ethically challenging contexts, discussed in chapters 3 to 6, is relevant in terms of liminality for at least three reasons. First, as organisational members, they are inherently liminal; second, their specific condition of betweenness in terms of cultural and ethical frameworks enhances expatriates' condition as liminal personae; third, a liminal perspective helps solving the ethical problems that emerge from their transitional condition.

As discussed in chapter 3, even though liminality can justify a dualistic approach between ethical behaviour and adjustment, it is the liminal perspective that allows for the emergence of a third option between unrestricted abidance by local practices and absolute rejection of local practices perceived as unethical. Expatriates, who remain in *limen*, are given extended opportunities to negotiate meanings and understand what is going on; concurrently, they are allowed to experiment new approaches and display unorthodox attitudes that can eventually lead to ethical adjustment.

As a liminal phenomenon, ethical adjustment results from the combination of both host- and home-countries perspectives, which creates a new framework of understanding that shares and reshapes beliefs, attitudes, and behaviours to render a novel response aligned with the need for sustainability. As an individual process, ethical adjustment of liminal expatriates results from the awareness of a future intended identity that is shaped according to the expatriates' teleological intention of being ethical. Given the difficult conditions in which

expatriates can be found, such identity is only attainable in a context of permissiveness that leads to creativity and to the exploration of otherwise unacceptable possibilities,i.e., ethical adjustment is possible only because expatriates are liminal personae.

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