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PERCEPTIONS OF ETHICAL CONDUCT IN VIETNAMESE MANAGERIAL LEADERS: AN INSTITUTIONAL LOGICS PERSPECTIVE

Doctor of Philosophy Thesis

Nguyen Ha Thanh Truc

Declaration

I confirm the work submitted is entirely my own and have fully referenced my sources as appropriate.

Some parts of this thesis have been submitted to and presented at academic events and conferences:

Ha Thanh Nguyen, T., Amankwah-Amoah, J., Lee, S.H. (2021). The Perception of Ethical Leadership in Vietnamese Managers Working In MNC Subsidiaries in Vietnam. *British Academy of Management BAM2021 Conference Proceedings*, ISBN 978-0-9956413-4-1.

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Abstract

Ethical leadership has become a topic of significance in the business world as numerous organisations around the world struggle to contain unethical behaviours in all aspects of social, economic and political life. Much of the current mainstream research perspectives on ethical leadership focus on the relationship between leaders and followers. Leaders are considered ethical when they are seen as being morally sound by their employees and possess qualities such as integrity, honesty, and fairness. Ethical leaders are also evaluated by the responsibility, effectiveness and environmental sustainability of their work, aspects which stem from their power and access to resources that allow them to achieve the goals set by their organisations. The advantage of the mainstream perspective is that it shows the specific and pre-determined values that an ethical leader should possess, making it easier to put these into practice. Another perspective is the critical interpretive perspective which has criticised the mainstream for being too simplistic, ignoring the complexity and social dynamics of ethical practices rooted in the life experience of leaders. The critical orientation has shifted to an ontological and interpretive perspective, arguing that ethics should be conceptualised between human interaction and emotional connection, demonstrated through the care and body embodiment of leaders.

In addition, the majority of studies on ethical leadership are conducted in the Global North where there exist stable institutions such as the rule of law. Although there is an increased awareness of how ethical leadership is practised in the Global South where most multinational corporations (MNCs) base their subsidiaries, we have not yet fully understood the complexities of institutions underlying ethical leadership which influence how it is perceived and practised in the Global South.

This study does not refute the merits of either the mainstream or critical interpretive perspectives. Instead, it acknowledges the strengths and weaknesses of both, while proposing an institutional perspective as a more holistic approach to understanding ethical leadership. The institutional logics perspective assists in exploring perceptions of ethical leadership as a multi-level, inter-relating and multi-faceted set of social forces. The study adopts the institutional logics perspective based on the assumptions that the perceptions and behaviours of individuals within organisations are framed by broader socio-cultural forces through a range of institutions (i.e., family, religion, state, market, profession, corporations and community). Specifically, the study draws on the microfoundations of institutional logics that move away from the isomorphism and compliance of behaviours in relation to certain logics to argue that multiple institutional logics and institutional complexity exist, in which individuals negotiate ways to justify the ethical dimensions of decisions.

The study was conducted in Vietnam, which has a complex institutional context owing to the country's historical ties with China, America and France. Vietnam currently stands at a pivotal period in its history owing to the influence of transnational neoliberalism and its state-based capitalism (which have been fused together to create what the government refers to as a 'socialist market economy'), the institution of the Đổi Mới (Renovation and Open Door) policy in 1986 due the failure of the communist economic system, and its cultural-religious traditions in the form of the Three Teachings (Confucianism, Buddhism and Taoism).

The purpose of the study is to explore how Vietnamese managers working in MNC subsidiaries in Vietnam interpret institutional logics from the perception and practice of

ethical leadership. The methodology was informed by an exploratory qualitative and interpretive approach. Interviews were conducted with 33 Vietnamese managerial leaders working in 17 MNC subsidiaries. The interview data were analysed using a six-phase thematic analysis outlined by Clarke et al. (2015) and the three-step approach (data reduction, data display and drawing and verifying conclusions) outlined by Miles and Huberman (1994), which were used to guide the data analysis process.

The findings reveal that Vietnamese managers are confronted by multiple logics (competing and complementary) and institutional complexity that requires their interpretations of and self-reflection on the concept of *tâm* (wholehearted/mind). The structures of the logic of some institutions such as religion are different from the typical religion logic explained in the current literature. There are other indigenous institutional logics within which Vietnamese managers are embedded, such as the "way of living" logic, the apolitical logic and the logic of *tâm*. Therefore, Vietnamese managers mainly use *có tâm* (with heart/mind) and *hợp tình hợp lý* (with emotion and with rationality) when making ethical decisions.

This study contributes to a deeper understanding of the ethical leadership process in a Global South country such as Vietnam. It advances the literature on ethical leadership by arguing that there is not simply a dyadic relationship between leaders and followers in which leaders are prescribed some normatively appropriate characteristics to execute the best ethical practices. Instead, leaders are always confronted with institutional complexity, in which both contrasting and complementary logics co-exist, stemming from the indigenous institutional context. Although ethical leaders should have some appropriate

moral characteristics, as indicated by mainstream research, the interpretation of the underpinning logics remains different, which leads to distinctive ethical decisions.

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Initialisations

Multinational Corporation(s)	MNC(s)
Ethical Leadership	EL
Institutional Logic(s)	IL(s)
Corporate Social Responsibility	CSR
Thematic Analysis	TA
Social Learning Theory	SLT
Social Cognitive Theory	SCT
Social Identity Theory	SIT
Social Exchange Theory	SET
Ethical Leadership Scale	ELS
Association of Southeast Asian Nations	ASEAN
ASEAN Free Trade Area	AFTA
World Trade Organisation	WTO
Foreign Direct Investment	FDI

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Chapter 1: Introduction

1.1 Background and Research Problem

Research into ethical leadership (EL) has burgeoned in recent years due in part to high profile scandals and the desire of organisations to maintain positive public relations (Ahn et al. 2018; Páez and Salgado 2016; Zhang et al. 2020). The last two decades have witnessed numerous high-profile corporate scandals, poor governance, managerial incompetence, and governments bailing out large banks (those that are 'too large to fail') to ward off economic collapse. These have occurred in different countries, industries and organisations, with examples including the News International media phone hacking scandal, the sub-prime mortgage banking collapse, and the Volkswagen emissions scandal (Amernic and Craig 2013; De Roeck and Farooq 2018; Edwards et al. 2019). These high-profile cases exemplify the importance of EL and ethical values in organisations. Practitioners and educators have endeavoured to develop and incorporate ethical training in business school curriculums and programmes, as well as corporate ethics programmes within organisations (Zhang et al. 2020).

Despite the global significance of EL, research mainly focuses on Western countries, although countries in the Global South have been no exception in witnessing cases of moral failure; for instance, the deadly disaster of the Rana Plaza collapse in Bangladesh on 24 April 2013, which killed at least 1000 workers due to poor working conditions and safety standards (Huq and Stevenson 2020). Foxconn, an Apple manufacturing partner in China, has been reported for instances of very poor working conditions and low labour wages that have contributed to employees' suicides and protests (Fullerton 2018).

These exemplify serious and at times shocking instances, which call for greater awareness of multinational corporation (MNC) subsidiaries in the Global South, especially in the manufacturing sector, where the reputation of organisations is shaky and insecure. The question is posed as to why large organisations, whose governance structures should be better than most, are struggling to cope with ethical scandals in developing countries. This dilemma is also evident in Vietnam. Over the last decade, it has become the most strike-prone country in Southeast Asia due to unethical exploitative work conditions imposed by Korean and Taiwanese subsidiaries (Anner 2018; Siu and Chan 2015). Siu and Chan (2015, p. 75) found that Vietnamese workers *"do not take to harsh treatment as quietly as their Chinese counterparts"* and that within the Vietnamese psyche there is a strong sense of injustice and a willingness to act on it, which stems from the country's colonial past. This study therefore argues that the need for EL is especially high in MNC subsidiaries in developing countries such as Vietnam, where there exist strong traditional and cultural values, but unstable formal institutions such as the rule of law. It is important to examine the extent to which EL is distinctively perceived and practised in a Global South country such as Vietnam.

In responding to the interest in EL over the last two decades, research has attempted to describe ethical leaders as ones who possess certain desirable moral virtues and characteristics, such as trustworthiness, altruism and fairness towards their followers (Brown and Treviño 2006; Eisenbeiss et al. 2015). This is rooted in the morality underpinning the moral philosophies of Aristotle and Kant, in which individuals follow universal principles and values that are recognised by the majority (Maak and Pless 2006). Ethical leaders are also believed to possess the characteristics of attractiveness and

effectiveness (Nicholson and Kurucz 2019; Yukl et al. 2013). Being attractive means they are able to act as role models and influence the conduct of their followers through their ethical behaviours, while being effective means leaders are able to use their power, resources and status to achieve their organisational goals and duties. As they hold power and privilege, ethical leaders are expected to demonstrate their responsibilities in the meeting of work outcomes for organisations (Ciulla et al. 2018; Voegtlin 2016). With the recent awareness of society and environmental wellbeing, sustainability is another important mission for ethical leaders, who need to consider Corporate Social Responsibility (CSR) in their organisational behaviour (Mayer et al. 2013). Therefore, the main characteristics of EL in the current literature comprise (1) effectiveness and attractiveness, (2) morality and (3) responsibility and sustainability. These characteristics will be explained in more detail in section 2.2.

Following the emergence of EL, there are three main related orientations: mainstream, critical interpretive and institutional.

1.1.1 Mainstream Orientation

There has been an effort to make EL a separate leadership style, as pioneered by Trevino et al. (2000), Treviño et al. (2003) and Brown et al. (2005), who argue that leaders should possess appropriate characteristics and behaviours that are recognised by followers. This is mainly classified as the mainstream orientation, characterised by a positivist functionalist approach which celebrates ethical leaders with universal moral characteristics such as fairness, trustworthiness and honesty. Such an orientation has attempted to define what EL is by taking social scientific and cross-cultural approaches (Brown and Treviño 2006; Brown et al. 2005; Mayer et al. 2012; Ofori 2009). The social

scientific approach (see section 2.4.1) to research is rooted in social learning theory (SLT), which investigates the concept of EL as drawn on the idea that ethical leaders act as role models and that their followers perceive and reciprocate their ethical behaviour (Bavik et al. 2018). In particular, an ethical leader acts as a "moral person" by demonstrating moral characteristics such as trustworthiness and fairness to their followers, and as a "moral manager", who can communicate organisational ethical values (Brown et al. 2005).

Resulting from the social scientific approach, a great amount of empirical-descriptive research focuses on applying EL scales to measure the relationships between antecedents, moderators and mediators, and outcomes (see section 2.4.1.1). Such studies rely on the experiences and answers of the participants through empirical research designs such as surveys and case studies to demonstrate the characteristics and behaviours of EL. Extensive empirical studies have been conducted, mostly based on Brown et al.'s (2005) Ethical Leadership Scale (ELS), which examine the relationship between EL and outcomes at both the individual and organisational levels, such as employee trust (Tourigny et al. 2019; Xu et al. 2016); follower performance (Ahn et al. 2018; Mo and Shi 2018); organisational citizenship behaviours (Gerpott et al. 2019; Velez and Neves 2018; Yang and Wei 2018); CSR (Pasricha et al. 2018; Wu et al. 2015); and firm performance (Eisenbeiss et al. 2015; Shin et al. 2015). In contrast to empirical-descriptive research, philosophical-normative research investigates EL through the prescription of moral philosophies that lead to certain ethical behaviours and characteristics. EL *"is best represented by the makeup of the individual, the virtues he or she possesses"* (Riggio et al. 2010, p. 237), such as courage, forgiveness and self-control (Wright and Quick 2011). In other words, ethical leaders should practise desirable virtues from a set of predefined

moral principles. These moral philosophies are normally underpinned by Western philosophies such as Aristotle's virtues ethics (Yuan et al. 2022) and Kantian philosophy (Lawton and Páez 2015), in which leaders are seen to positively influence justice, power and sustainability (Eisenbeiss 2012; Olivier 2012).

To acknowledge cultural diversity EL has been applied across cultures (for more details, see section 2.4.2). The majority of the work from such a perspective favours powerful countries and regions such as China (Christensen-Salem et al. 2020; Eva et al. 2020; Zhang et al. 2020); the United States (Koopman et al. 2019; Kuenzi et al. 2020; Moore et al. 2019); and Western European countries such as the Netherlands (Den Hartog and Belschak 2012; Kalshoven et al. 2011) and Belgium (Stouten et al. 2010; Waldman et al. 2017). In comparison, there are much fewer studies on the Global South, rare examples being Pakistan (Naeem et al. 2020) and Nigeria (Babalola et al. 2019a; Mostafa and Abed El-Motalib 2020). This is despite the obvious relevance of this topic to developing countries (Huq and Stevenson 2020; Mitonga-Monga et al. 2016), as well as it has been in the interests of MNCs to have insights into the ethical practices, given that many of their subsidiaries are located in these countries (Tan and Wang 2011). The context for the current EL studies is fixed on Western perspectives, with the assumption that individuals are situated in homogenous organisations and that these are situated in stable political, economic and cultural institutions. Cross-cultural leadership studies place a high reliance on Hofstede and Minkow's (2010) "national cultural dimensions" and the GLOBE project (House et al. 2004) to identify differences and similarities between EL characteristics and demonstrations, whereby different cultures endorse different ethical values (Keating et al. 2007; Resick et al. 2011). However, these dimensions tend to be prescriptive,

geographically-focused and predominantly etic in the way they assign certain forms of thinking and behaviours to a broadly conceived set of cultural categories, such as individualism/collectivism, power distance, and uncertainty avoidance (Hartog 2015; McSweeney 2002; Schedlitzki et al. 2017).

The mainstream perspective and its research provide an understanding of EL as having universal moral characteristics, as demonstrated in ethical behaviours and practices, nevertheless, it possesses certain limitations. First, such approaches hold the deontological and rational view that leaders should be able to conform to and rely on a set of norms, standards and laws, as well as demonstrating masculine- and white-based characteristics of ethical leaders as being competitive and dominant (Ciulla et al. 2018; Edwards et al. 2019; Yuan et al. 2022). In other words, ethical leaders are those who function as role models, are able to communicate ethical values to their followers by providing resources to make strategic decisions, and comply with a set of norms and standards (Babalola et al. 2019b; Lemoine et al. 2019; Quade et al. 2019; Schaubroeck et al. 2012). Liu (2017a) criticises leadership theories in general and EL theories specifically for being dominated by Western values and social norms which leads to a dominant patriarchal, white, male and elite class approach. The perception of EL in mainstream research is static and fixed, despite the increasing complexities and changing nature of the business environment globally, which, for example, has become obvious during the Covid-19 pandemic, when leaders have had the chance to reinforce and reflect on their perceptions of EL.

In addition, EL is often framed in a hierarchical linear relationship, in that certain norms, rules and laws are appropriate to ethical behaviours and actions (Ciulla et al. 2018). EL is normally viewed in a dyadic relationship between leaders and followers, in which the

perceptions of EL rely closely on followers' evaluations and cognition (Banks et al. 2021). Keck et al. (2018) challenge EL studies for largely relying on a leader-centric approach, in which leaders' ethical behaviours and attributes are evaluated in the eyes of their followers. Scholars are concerned that these assumptions lack a holistic and nuanced understanding of the complicated and unpredictable ethical paradoxes that emerge from the different levels of organisational systems, individual interactions and institutions, which stands in contrast with leadership theory, which sees leadership as a social construction (Fehr et al. 2015; Liu 2017b). For instance, *"what is morally relevant to one individual at a given place and point in time often varies drastically from what is morally relevant to another individual in another place at another point in time"* (Fehr et al. 2015, p. 184). Overall, the current approach is still uni-dimensional, in that much of the EL research focuses on the dyadic leader-follower relationship, in which leaders are likely to be the focus of the judgement of their followers (Ciulla et al. 2018). Therefore, this study argues that EL is situated in a multi-layered and inter-related system comprising a variety of institutions, including historical, cultural, socio-political and economic systems, as well as industries, organisations and individuals.

Acknowledging the importance of context in the perceptions of EL, in their pioneering research Brown and Treviño (2006) and Treviño et al. (2003) make clear that EL underlies the subjective meaning of context. However, their studies and subsequent ones have not yet fully developed a sophisticated framework for understanding EL embedded in many complex institutions. This has led to most studies relying on the ELS developed by Brown et al. (2005) to measure the EL process in its relationship with other constructs, such as employee well-being, turnover intention and CSR. However, the conceptualisation of EL

by Brown et al. (2005 2006) is descriptive, and lacks a comprehensive and exhaustive view of norms (Keck et al. 2018). Research is still limited in understanding the individual and contextual differences in EL, which was confirmed by Brown et al., who point out that individuals and context are the factors that make and distinguish what is right or wrong. Therefore, this study challenges the current conceptualisation of EL as being a rigid, snapshot concept, which does not take into account the process from leaders' perceptions. In addition, although some studies have tried to use multilevel factors, such as individual and organisational levels, to explain EL, these also have some limitations. For example, a focus on the individual level tends to investigate the personality traits of leaders (e.g., ethical communication, virtues) and their leadership behaviours (e.g., role modelling, coaching). A leader is perceived as ethical if they have the aspect of a "moral person", which is characterised by their personal traits, character and altruistic motivations (Bedi et al. 2016; Brown et al. 2005; Kalshoven et al. 2016; Schaubroeck et al. 2012). On the other hand, the focus at the organisational level targets the organisational ethical climate and ethical culture as the main factors that influence EL (Eisenbeiß and Giessner 2012; Kaptein 2011). Nielsen and Massa (2013) argue that to date very few studies have been conducted on how macro phenomena of institutions impact the ethical nature and behaviours of individuals and organisations. Therefore, while Lok (2010) adds that few studies have attempted to understand how macro institutions influence the micro-level behaviours of individuals, Liu (2017b) agrees that assumptions of EL should be made with an awareness of the complex interaction and interplay between multi-level systems and individuals. This study hence advocates an overall picture and nuanced understanding of how multi-level, embedded institutional orders influence individual schemes of interpretation at the micro-level of behaviours.

1.1.2 Critical Interpretive Orientation

There has been a shift to a more ontological perspective, with the argument that ethics should be situated among daily activities (Clegg et al. 2007), in which leaders are not only individuals with certain traits and characteristics (Zhu et al. 2016) but are also embedded in a social system, with moral expectations, engagement and negotiation (Liu 2017b). This more critical interpretive perspective (see section 2.6), which employs hermeneutic and discursive approaches, takes into account the socially constructed and interpreted nature of EL, whose orientation is grounded in lived experiences and the meaning that people attribute to these, such as the ethical standards and theories of social justice developed by Emmanuel Levinas (Dale and Latham 2015). The critical interpretive approach offers a more experiential and embodied approach when compared to mainstream research, shifting EL from a masculine to a more feminine approach involving care and emotion. This approach calls for a more lived, experienced and phenomenological stance towards research into the ethics of leadership in order to acknowledge its complexity, materiality and ambiguity (Pullen and Rhodes 2015). The current study is aligned with this view, that EL should be understood through a complex inter-relationship of actors and institutions, as well as the importance of the lived experiences of individuals and meaning in confronting ethical dilemmas, which leads to ethical decision-making and perceptions of EL. However, to date the critical interpretive orientation has been largely conceptual with fewer empirical studies being published, fragmented, and ambiguous, in that it does not specifically focus on EL, but rather discusses affective ethics and its embodiment within organisations. In addition, there is a lack of empirical research that takes a critical stance

in relation to a non-Western cross-cultural approach, with the few related studies relying heavily on the issues of body embodiment, emotions, and feelings.

1.1.3 Institutional Orientation

The aforementioned analysis indicates that EL is currently fragmented into two (often competing) camps (Ko et al. 2017). One is a positivist approach, in which EL is a demonstration of a set of predefined values and normative foundations, whereas the second takes an interpretivist approach, in which EL is based on subjective experiences and the meaning ascribed to these in physical representations (i.e., leaders' body embodiment) and emotion. These two approaches are also set in a dyadic leader-follower relationship. Within the positivist approach, few studies have been conducted to understand the degree and extent, as well as the process, to which an individual leader is contextually embedded. What is missing from the current literature is a holistic and nuanced theoretical framework for achieving a deeper understanding of EL (Ciulla et al. 2018). The approach should be multi-dimensional to incorporate the inter-related factors as well as the process through which individuals make sense of and interpret EL. Therefore, this study argues that there should be a more phenomenological-based model to investigate EL in different contexts in which leaders are embedded historical, cultural, economic and political contexts. EL is not as simple as a mere leader-follower relationship; rather, it is the relationship between leader and organisation, and beyond that, the public and the government. There needs to be an approach that goes beyond the current stance to fully analyse EL issues.

One approach that has the potential to address the multi-dimensional complex nature of EL is the institutional orientation (section 2.7), which considers the comprehensive

systems of the daily experiences, relationships and institutions in which leaders are embedded, such as the family, religion, language, education, mass media, community groups, civil society, government and legal institutions (Thornton et al. 2012). For instance, Braga et al. (2021) reproduced and developed Scott's (2003) three institutional regulative, normative and cultural-cognitive pillars to investigate how human resource (HR) professionals in Brazil, Colombia and the UK perceived ethical dimensions in their roles and respective institutional contexts, as well as how they built these understanding into human resource management (HRM) ethical practices. They conclude that leaders do not always have the power to control workplace situations; instead, they are usually constrained by contextual dynamics, both internal and external. What EL represents and how it is translated into practice depends upon a set of factors and frameworks that HR professionals are influenced and constrained by; through this it sets the basis for ethical norms, values, belief systems and scripts.

The theory of institutional logic (IL) stemmed from institutional theory, which has been commonly applied in the fields of political science and organisational studies. While institutional theory relies on the conformity of rules in organisations and organisational behaviours, institutional logics (ILs) focus more on heterogeneity and changes. The principles of ILs are that cognition and behaviours in organisations are directed by broader sociocultural forces via a range of societal institutions (e.g., the family, state, religion, markets, law, and education) (Thornton et al. 2012). However, although the original definition of ILs was as *"the socially constructed, historical patterns of material practices, assumptions, values, beliefs, and rules by which individuals produce and reproduce their material subsistence, organize time and space, and provide meaning to*

their social reality" (Thornton and Ocasio 1999, p. 804), the socially constructed nature of ILs has been lost in the high reliance on the positivist approach (Zilber 2016). Studies on ILs normally identify two dominant types and analyse the extent to which their current data match the "ideal types" of ILs. In addition, ILs are often viewed at the macro- and meso-levels. Studies on ILs have called for a closer look into the microfoundations of ILs, in which they are reinterpreted at the micro- and individual levels (Bévort and Suddaby 2016; Lok 2010). As there is a need to have a nuanced understanding of EL, this study adopts the lens of the microfoundations of ILs. The efficacy of the microfoundations of ILs lies in its ability to capture the thinking and behaviour of leaders while taking into account an organisation's culture and the societal institutions that influence it.

Therefore, it is argued that EL is not only a set of traits and behaviours that simply come from certain ILs, but is also a process of perceiving, interpreting, and making sense of multiple ethical underpinnings within multiple institutions, in which perception is adapted, strengthened, and reinforced. There is also a need to extend the present literature by focusing on the Global South perspective to create a more complete understanding of EL as a global phenomenon in a heterogeneous culture. In fact, EL is elusive, in that there are so many ethical principles that people adhere to, and they often misunderstand that what they see as appropriate and worthy applies to everyone and those in other groups (Poff and Caldwell 2018).

In summary, following the institutional orientation in EL – specifically IL - this study does not reject the mainstream or critical interpretive orientations. Rather it functions as a bridge between these two orientations, acknowledging EL as a lived phenomenological experienced process, in which leaders are embedded in a complex institutional

environment. The current study draws on an institutional orientation that fills the gap between the mainstream and critical EL orientations while providing a philosophy and theory that is suited to capturing EL in a cross-cultural environment, in this case, Vietnam (see Chapter 4).

1.2 Research Objectives/Aims and Questions

The main research objective of this study is to inquire into EL by drawing on ILs as a theoretical framework. By doing so, the present study seeks to understand how managerial leaders' perceptions of EL shape and influence the implementation and operationalisation of ethical practices, in the context of a Global South country such as Vietnam. Therefore, the main research question (RQ) of this study is:

"How do Vietnamese managerial leaders working in MNC subsidiaries in Vietnam interpret ILs in their perception and practice of EL?"

To answer the RQ, we will address the following aspects. First, we investigate the perceptions of EL of Vietnamese managerial leaders working in MNC subsidiaries in Vietnam in the manufacturing sector. The study considers which ILs are strongly embedded in the perception and interpretation of the leaders, which in turn shape their ethical practices and the manifestation of EL. In other words, it strives to understand the underlying ILs and mechanisms to which Vietnamese managers are subject and are embedded, through which they translate their ILs and understanding of EL into the implementation and operationalisation of their daily ethical practices. The IL perspective provides a nuanced lens to systematise the embedded mechanisms through which the Vietnamese managerial leaders perceive and practise EL. Second, this study seeks to

develop insights into some of these issues in relation to managerial leadership in MNCs with subsidiaries in Vietnam. The study focuses on Vietnam as the country context and MNC subsidiaries as the type of organisation to examine EL for the following reasons. In 1986, the Vietnamese government instituted *Đổi Mới* (translated as renovation), moving from a centrally-planned socialist economy to a decentralised socialist-orientated market economy. Since 1986, Vietnam has become increasingly integrated into the global market economy, enjoying the benefits of foreign direct investment (FDI), a process which has seen it achieve some of the highest economic growth rates in the world in recent years (Fforde 2019). MNCs from a range of host countries have set up subsidiaries throughout the country. However, this has presented Vietnam with several challenges, one of which has been high-profile ethical crises putting at risk its FDI, the reputation of the MNCs, the health and wellbeing of workers and the country's increasing economic prosperity (London 2015; World Bank 2016).

More studies need to be conducted to investigate the aspects of cultures on individuals' moral judgement and their understanding of ethical issues (Robertson et al. 2002). As discussed in section 1.1, the examination of the literature indicates that mainstream research tends to present an overview of how ethical leaders should behave according to the "right" prescriptive moral principles yet lacks a fine-grained understanding of the more complex phenomena of interrelated relationships and multi-level institutional forces. Little effort has been made to investigate how EL is perceived and practised through leaders' interpretation of ILs, and which acknowledges EL as a phenomenological and socially constructed process instead of the current fixed and static definitions in the mainstream orientation. Within the IL perspective, this study also argues that there is a

lack of a micro-level analysis of ILs which considers how individuals interact with ILs in their daily life and situational contexts, a process which can reshape the ILs because organisational actors are not passive recipients of institutional orders and demands (Zilber 2016). The value of IL is that it provides an understanding of how thinking is embedded within a set of institutions through the lens of microfoundations of ILs and so it has the potential to offer a more holistic and nuanced interpretation of EL as a complex phenomenon that is underpinned by multi-level and inter-relating systems of institutions.

1.3 Research Methodology

Due to the exploratory nature of this research, which investigates EL and IL in the developing country of Vietnam, interpretivism was selected as the theoretical approach. As we became aware of the lack of socially constructed understanding during the review of the current EL and IL literature, within the interpretivism paradigm we therefore particularly chose a social constructivism framework. We contend that our chosen perspective allows insights into the socially constructed, interpreted perceptions of EL through individuals' interactions with each other and with institutional orders (Creswell and Poth 2016). The interpretivist paradigm allows more nuanced and in-depth knowledge of the ethical paradoxes and dilemmas that all Vietnamese managerial leaders experience. Therefore, our study adopted an exploratory qualitative approach, with participants recruited using the selective and snowball sampling methods (Polkinghorne 2005). Selective, because participants were identified through the researcher's professional and personal networks, and snowball, because they were recruited from among their acquaintances. Moreover, this kind of sampling yields great benefits, as research in

Vietnam needs to rely on local knowledge and networks and in-depth cultural exchange (Graham et al. 2014).

Overall, 33 semi-structured interviews were conducted with managerial leaders from the manufacturing sector in the Vietnamese language. This represented 17 MNC subsidiaries in the manufacturing sector in Vietnam (see Chapter 5). Due to the Covid-19 pandemic, the interviews were conducted online, with each lasting between 20 and 80 minutes. The interview process followed the ethics approval from the Kent Business School Ethics Committee (Appendix 1). Conversations were recorded and then transcribed and translated into English by the researcher, who is fluent in both Vietnamese and English. The process was then checked and verified by the supervisors and two other professional academics working in Vietnam, one being Vietnamese.

To qualitatively capture the ILs of the participants, a hybrid approach to data analysis was employed. This included combining Clarke et al.'s (2015) Thematic Analysis (TA) six-phase step-by-step approach and Miles and Huberman's (1994) three-step approach (data reduction, data display and drawing and verifying conclusions), supported by Reay and Jones' (2016) pattern inducing technique. The ILs were captured from a pattern-inducing approach (Reay and Jones 2016), in which insights from the interviews were organised into themes and categories to identify the ILs and perceptions of EL from the raw data. It was decided to identify ILs from the raw data instead of based on certain prescriptive ones, such as religion logic, community logic etc. because we argue that there is a process in which individuals interpret their ILs from the perceptions of EL. In a similar vein, Van den Broek et al. (2014) used this data-driven approach in their study of IL.

1.4 Research Contributions

This study provides *theoretical*, *methodological, empirical,* as well as *practical* contributions to a deeper understanding of EL and IL in MNC subsidiaries.

1.4.1 Theoretical Contributions

The study enriches the leadership and EL literature through the novel perspective of an IL approach. It contributes to the EL literature by shifting the traditional focus from predetermined variables, including both individual preferences and contextual determinants, to an approach that recognises the multi-level and inter-related systems of institutions embedded in the interpretation mechanism of individuals. This perspective enables a more complete understanding of EL as an institutional and social construction process, instead of a fixed and stable phenomenon. It aims to conceptualise EL by providing a more holistic and nuanced perspective, acknowledging the deeper micro-individual process within which managers are embedded as well as the structural levels of multiple ILs. In particular, the study employs the microfoundations of ILs (Pache and Santos 2013; Thornton et al. 2012; Zilber 2016) as a conceptual lens to provide a unifying and accessible framework for understanding EL in the evolving emergence of business ethics, leadership and cross-cultural studies. It thus contributes to the study of EL by showing that it is inadequate to simply construct the concept as a dyadic follower-leader relationship and as a set of individual traits that a person brings to their managerial leadership (Paterson and Huang 2019; Sosik et al. 2019), but rather that it is organisationally bound (Addai et al. 2019; Kuenzi et al. 2020). Instead, EL is subject to the degree and extent to which managers are embedded in a cluster of multi-level societal institutional forces (Chen 2010; Kimura and Nishikawa 2018).

Second, from a detailed review of the Vietnamese institutional context (see Chapter 4), the study establishes a situation in which leaders can confront ethical dilemmas through multiple sets of co-existing ILs, including competing and complementary ILs. For example, there exist certain institutional challenges that international organisations face in Vietnam as the corruption level remains high, and there is inconsistent application of labour standard compliance, as well as an ignorance of environmental protection. Vietnam is a Southeast-Asian country that shares similar cultural values with neighbouring countries that were historically influenced by Confucianism and Buddhism. Vietnam's informal institutions are strongly rooted in the Three Teachings, which include Confucianism, Taoism and Buddhism. These practices, however, diverge from that of other countries, in that Vietnam has never had a state religion and the communist government outlawed it for a period. So Vietnam does not have the sort of religious observance like other countries and nor does it dominate the government in the way it does in countries like the United States (Christianity), Saudi Arabia and Indonesia (Islam) etc. The situation in Vietnam is that all three gradually blended and were adapted into the life of local people in ways that suited the geography, staple food sources, governments and ruling classes at the time etc. Therefore, it would be incomplete to only view EL through the pre-determined and prescriptive ILs and institutional orders, as it is expected that there exist complexities in the interplay and structures of Vietnamese institutions. In contrast, the current study seeks to provide an understanding of how multiple ILs and the interplay between them can influence the perception of EL and ethical practices in Vietnamese managerial leaders. The study leverages current mainstream research on EL that often relies on the dyadic relationship between leaders and followers, as it demonstrates EL within a complex network and interplay of different ILs. It thus

challenges the current causal-structural, linear-hierarchical and positivist approaches in both EL and IL literature. Moreover, by employing Vietnam as an extensive institutional context, the study touches on the individual level and acknowledges the macro influence of institutional context. It brings an individual-level perspective, but with a multi-dimensional approach, as the individual level aims to consider the individual ways and processes Vietnamese managers use to manage and make sense of co-existing and competing ILs. At the same time, it is multi-dimensional because it considers the repertoire of logic to which individuals are attached, including their personal values, society, organisation and broader legal context. Specifically, it connects the multi-level aspects of institutions to the understanding of EL and individual actions. This means that the research contributes to a growing body of work on the microfoundations of ILs and provides a more systematic method to understand EL. The study highlights that macro- and meso-level institutional orders are questioned, reinterpreted, and modified at the individual level.

Finally, by emphasising the nature of the complexities in ILs and EL through the lens of the microfoundations of ILs, the study contributes by highlighting that ILs should be reconsidered in terms of their local structures and through the reinterpretation and social construction of individuals. This also improves the cross-cultural approach in EL, in which ethical leaders are normally expected to follow certain predefined and prescriptive characteristics of the "national cultural dimensions" of Hofstede and the GLOBE project. It demonstrates that to understand EL across cultures, it is important to understand the meanings of the indigenous institutions in which individuals are embedded, as well as the interplay of multiple ILs. In other words, the study shows that there is no constant,

prescriptive understanding and best practices of EL (Braga et al. *20*21). Instead, ILs and EL are socially constructed by individuals. This contributes to the gaps in the Western-based EL literature, where EL is normally perceived as white-based, superior and decontextualised (Liu 2017a; 2017b). It offers a reappraisal of EL from a geographical perspective (Resick et al. 2011). This is in contrast to the more traditional static view of EL, which ignores the dynamic nature of space and time in the phenomenon (Ng et al. 2021), instead proposing an approach that acknowledges these fundamental elements, in particular the degree to which an individual is immersed in a set of cultural, historical, political and economic factors (Thornton et al. 2012). The study seeks to contribute to the understanding of EL and practice in countries in the Global South, where the political and economic systems, historical legacy and cultural values are different to where most theories of EL have been constructed, namely developed countries in the Global North.

1.4.2 Methodological and Empirical Contributions

The present study offers empirical evidence on multiple ILs (Pache and Santos 2013; Reay and Hinings 2009) and the complexity in which organisational actors are embedded in multiple types of institutions, and that there exists an inter-institutional system with multi-level institutional orders that guides organisational actors' performance (Durand et al. 2013; Thornton et al. 2012). It also extends Lok's (2010) arguments on the need to explore the micro-level investigations of ILs without losing overall macro coherence. In doing so, the study pinpoints the heterogeneity in ILs and moves away from the isomorphism of institutional theory to understand organisational behaviours, contributing to the heterogeneous aspects of ILs. Sirris (2019) also argues that investigating how managers react to the intersections of multiple logics in a particular context will allow a fine-grained

analysis of individuals' priorities towards a set of co-existing ILs, which is similar to the objective of this study. Demers and Gond (2020) agree that the complexities created by different ILs provide a space of freedom for individuals to make sense of and exercise their judgments in situations by deciding which logic they can use in certain situations. The study contributes to the literature on individual responses to multiple ILs by bridging the interrelated and multi-level systems of ILs, especially focusing on the microfoundations of ILs, to understand how they are intractably connected to the social construction and perceptions of EL.

Cloutier and Langley (2013) agree that there have been limited studies on the IL perspective on the micro-level institutional process, especially the role of organisational actors in mobilising their moral arguments during the social construction and social interaction process. They argue that to date studies have tended to focus on field-level institutional change in the shifts of dominant ILs influencing organisational structures and practices. This study, therefore, adds empirical evidence to the understanding of how ILs are activated and how EL is perceived by Vietnamese managers working in MNC subsidiaries.

In addition, as Vietnam represents an underdeveloped field of research, this study adds insights into EL in the country. The ILs of EL are rooted in Vietnamese culture, history, education, and ethical philosophical-religious ideology, such as Confucianism, Taoism, and Buddhism, leading to distinctive ethical decisions subject to local conditions. The study also contributes to the leadership literature by offering an in-depth understanding of the underlying Vietnamese culture and history, which yield distinctive perceptions of EL and ethical practices.

Finally, the study complements current research on the macro- and meso-level of ILs; it considers the micro-level perspective by providing empirical study in the context of a developing country, namely Vietnam. Zilber (2016) concurs that it is astonishing that very few empirical studies have addressed the micro-level of ILs and their social-constructionist dynamics. This study adds empirical research to the currently understudied area of how ILs affect individuals from micro- and individual-level perspectives, as to date related studies tend to focus on industry-, field- and organisational-level analysis (Besharov and Smith 2014; Lounsbury and Boxenbaum 2013; Pache and Santos 2013). Referring to the call by Pache and Santos (2013) for a systematic analysis of individuals' responses to competing ILs, this study investigates the mechanism by which Vietnamese managers incorporate the repertoire of ILs into their perception and practice of EL.

1.4.3 Practical Contributions

The knowledge gained from an in-depth understanding of the perceptions of EL by Vietnamese managerial leaders will enable MNCs and other international business entities to promote improved ethical treatment for workers through their strategies and HRM (Braga et al. 2021; Eisenbeiss et al. 2015). From 1990 to 2010, Vietnam experienced some of the world's highest rates of economic growth and development. However, the country's economic prosperity has been stymied by a toxic mix of self-interest, political privilege, weak institutions and poor organisational governance (London 2015; World Bank 2016). This study seeks to develop insights into some of these issues in terms of how they relate to managerial leadership in MNCs with subsidiaries in Vietnam.

It will be the first time that IL has been applied to the Vietnamese context. Misangyi et al. (2008) investigated corruption in organisations and how it is influenced by managers' ILs,

which they argue provides the basis for pinpointing where there is a lack of support for, or promotion of, EL, either through a country's institutions and/or organisational governance. In addition, with an understanding of individuals' institutional processes in the perception of EL and ethical practices, Vietnamese managerial leaders can contribute to the understanding of EL. This can assist MNCs and international businesses in timely and appropriate interventions to motivate people to care, exercise and demonstrate EL. In a similar vein, Glaser et al. (2016) concur that it is necessary to understand the institutionally-embedded cues that trigger the decisions of individuals, which will allow organisations and practitioners to know where and when to focus the attention of their people.

By providing a more indigenous understanding of EL in Vietnam, the study questions pre-determined evaluations and training courses, in which instructors attempt to assign prescriptive EL characteristics to managers. The thesis indicates that it is important to re-evaluate and restructure manager leadership training, in a way that allows managers to reflect on and share their experiences of EL, instead of listing vague and ambiguous "normatively appropriate" characteristics for them to follow. The term "ethical leadership" should also be reconsidered and re-termed to suit the understanding of local people. The research contributes to the development of a unique model of the EL decision process for local MNC subsidiaries in Vietnam. For instance, Misangyi et al. (2008) and Pache and Santos (2013) developed institutional process models to understand individuals' recursive relationships with ILs, providing organisations with a holistic view of the interplay of organisational goals with institutional constraints. This consequently assists the hiring and socialisation process in organisations. Similarly, the implication of the

model in this study is to break the process of EL into something systematic, understandable and practical for managers and practitioners.

Finally, the study argues that there is a need to avoid predefined values of right or wrong or prescribed behaviour in terms of EL. Instead, training courses for Vietnamese managers working in MNC subsidiaries should allow the participants to reflect on their prior leadership experiences (as a follower and a leader) and the particular institutional context and the complexities and dynamics in their ILs, which can influence their perceptions of EL and ethical decision-making. Training programs based on a curriculum of self-reflection allow the participants to flexibly manage confusion and conflicts in their ethical practices at the micro-level through the impact of macro institutions. This will help managers to be confident in making ethical decisions, especially when they are confronting a pool of supposed "superior" and "valid" ethical practices which do not suit their own logics.

1.5 Thesis Structure

To answer the research question, the study is structured into eight chapters, which are outlined below. Figure 1.1 presents the organisation of the thesis.

The present Chapter - Chapter 1 - has sought to provide a background and overview of the thesis. Section 1.1 outlined the research background and problems related to the ever-changing state of affairs, pointing out current gaps in the EL literature. In short, while the mainstream orientation is closely based on a positivist approach, the critical (lived experienced) orientation is rooted in the embodiment of the body and lived experiences of leaders. In addition, a gap remains in the lack of an institutional and contextual approach

toward the understanding of EL. This section set out the urgent need to consider EL with a more holistic and comprehensive approach. Section 1.2 specifically stated the research aims and research question of the thesis and the main research question. Section 1.3 demonstrated the methodology of the research, followed by section 1.4 which emphasises the theoretical, empirical and practical contributions of the research in the field of EL, organisational leadership and management. Finally, section 1.5 mapped the visual structure of the overall thesis.

Chapter 2 presents a critical review of the literature on EL. Sections 2.1 and 2.2 clarify the definition and theory of EL; for instance, where the concept comes from and which leadership theories it is rooted in. This section demonstrates the three main elements of EL in mainstream research, namely effectiveness and attractiveness, morality and responsibility, and sustainability, as demonstrated in Figure 2.1. Following this, section 2.3 illustrates the important EL orientations in the literature, specifically the mainstream and critical interpretations. Section 2.4 focuses on the mainstream orientation, which includes the social scientific and cross-cultural approaches. It then reviews the studies that have come to dominant EL, including EL measurement and relationships, such as outcomes, moderators and mediators, and antecedents. Finally, gaps in the mainstream and critical interpretive orientations are considered (sections 2.5 and 2.6). The chapter proceeds with a review of EL and institutional orientation.

Chapter 3 represents the theoretical framework of the study. It discusses the emergence of studies on EL and institutional approaches, in particular institutional theory and ILs. It provides a rationale for the importance of integrating ILs into EL, through their microfoundations approach. This chapter explains the institutional process of EL,

especially at its micro-level. In summary, the chapter proposes ILs as a theoretical framework to interpret EL.

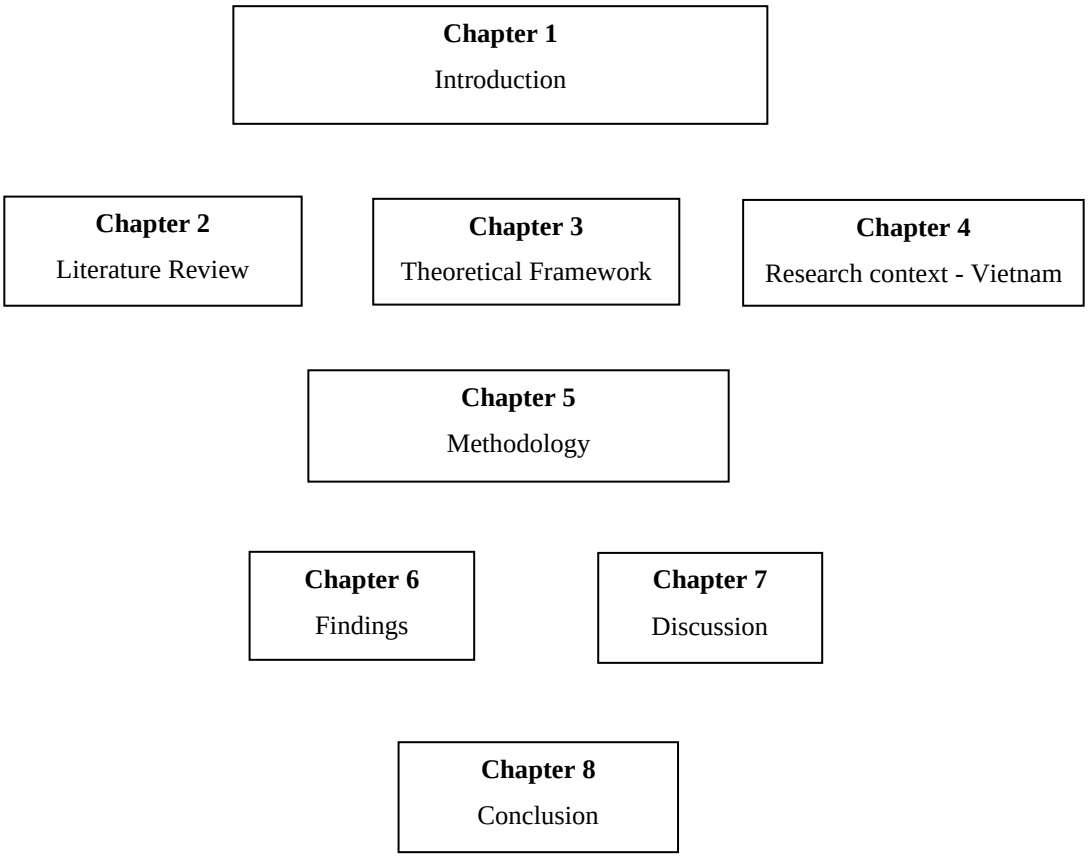
Chapter 4 offers an analysis of the research context of Vietnam, including its history of colonisation by the Chinese and then the French, the post-colonial context and the current business conditions and environments, such as regulations, legal systems, economic development and societal growth, together with its informal contexts, such as the Three Teachings and modern market-based values. The chapter also explains the current institutional challenges organisations face nowadays, including corruption, labour standard compliance and issues of environmental protection.

Chapter 5 outlines the methodology, which is based on the interpretivist paradigm. The chapter explains why this paradigm and the social constructivism framework were chosen. It also justifies why the interpretivist paradigm was more suitable for answering the research question than a positivist or post-positivist paradigm. It then maps out the research design, giving justifications for the exploratory qualitative, inductive and interpretive approaches to understanding EL. Subsequently, it demonstrates in detail the data collection and data analysis processes. Finally, reliability and validity are discussed.

Chapter 6 presents the empirical findings from the interviews with the Vietnamese managerial leaders, while Chapter 7 presents the discussions. These two chapters set out the theoretical and practice-based contributions of analysing EL from an IL perspective. Lastly, Chapter 8 presents the conclusions and implications of the thesis. It restates the research aims, objectives and motivations, and indicates the thesis contributions, including the theoretical, methodological, empirical and managerial leader implications. The

chapter recommends some fruitful lines for future research and the limitations of the present study ending with some concluding remarks.

Figure 1.1: Thesis Structure



Chapter 2: Ethical Leadership: Literature Review

2.1 Introduction

The aim of Chapter 2 is to provide an overview of the EL literature to identify the key gaps in current research. The chapter starts with an overview of the EL concept, its description, and its definition. It identifies the popular definition of EL and its related characteristics, such as effectiveness, attractiveness, morality, responsibility and sustainability. It then proceeds to present a detailed systematic review of research on EL and its theoretical orientations, including the mainstream, critical interpretive, and institutional. First, the mainstream orientation represents an essentialist view centring on cognitive elements, which considers EL as a set of pre-determined beliefs and values from moral philosophies. Within this orientation, there are two main approaches, the social scientific and the cross-cultural. Within the social scientific approach, there are two approaches, empirical-descriptive and philosophical-normative. Second, the critical interpretive orientation is rooted in lived experiences and leaders' emotions and embodiment. Third, the institutional orientation views EL from a contextual and cross-cultural stance, in which EL is embedded in a set of institutions. In addition, Chapter 2 provides information about different types of EL measurement and relationships (antecedents, moderators and mediators, and outcomes). The chapter identifies key gaps in the literature, highlights the adoption of ILs as a theoretical lens for this research, and concludes with a summary.

2.2 Definition of Ethical Leadership

Unlike other leadership theories, there is no specific theory for EL; rather, it used to be considered as only one component of different leadership styles (Brown et al. 2005; Kalshoven et al. 2011). Wart (2014) views EL as a broader theme and perspective from which different elements will lead to different leadership styles. For example, he argues that from an EL perspective, EL is divided into three main categories, which are classified as values-based leadership: virtue, proper means and proper ends. Virtue is associated with individuals or character ethics, matching the ethical philosophies of Aristotle. Proper means refer to "doing good", close to the deontological approach pioneered by Kant, which believed that being ethical/moral refers to following a set of universal social rules, laws and customs. Proper ends (similar to teleological ethics) mean taking ethical actions and considering those who are affected by this, a notion which is closely related to the utilitarian perspective, such as the philosophy of John Stuart Mill (1863) (Mill 1859). According to Wart (2014), proper intent is seen in authentic, virtuous and positive leadership; proper means are reflected in moral management leadership and professionally grounded leadership, whereas proper ends are seen in such as servant leadership in the form of social responsibility leadership and transforming leadership. Although Wart does not see EL as a separate construct, his review of the different schools of EL thought covers the actual EL characteristics listed in related studies. Hartog (2015) supports the notion that ethics and morality only received attention when scholars became aware of morality issues in leadership, such as the influence of transformational leadership in pursuing moral ends. That is why there is a need for a separate EL construct. The following paragraphs describe EL as a separate construct with its own characteristics.

With the increase in ethical awareness due to some big corporate scandals like Volkswagen, Enron and BP, etc., researchers have started to consider EL a separate and independent leadership style (Yasir and Mohamad 2016; Zhang et al. 2020) and therefore distinguished it from other leadership styles (Hartog 2015). According to Mostafa et al. (2021), EL is more relevant than other existing leadership styles because it *"explicitly emphasizes the moral aspects of leadership"* rather than *"including ethics as an auxiliary or secondary dimension"* (p. 357). In particular, while servant leadership prioritises the goals of followers/subordinates by putting their needs, well-being and welfare as the primary concern, EL focuses on the conduct and demonstration of ethical decisions (Yasir and Mohamad 2016). Brown and Treviño (2006) argue that although transformational leadership and EL share some similar personal characteristics such as integrity, altruism and ethical decision making, transformational leadership specifically focuses on role modelling where leaders should emphasise vision, values and intellectual stimulation. In contrast, EL encompasses the moral management aspects and *"predicted a number of outcomes beyond the effects of idealized influence"* (Brown and Treviño 2006, p. 599), which is more related to transactional leadership. While transformational leadership is closely related to the ethical theory of deontology, transactional leadership closely matches teleological ethics (Aronson 2001). Deontological ethics is the normative ethical theory, in which any ethical practice should be based on a set of universal rules and laws to define whether it is right or wrong, regardless of the consequences of the action. Teleological, or consequentialist, ethics emphasise the importance of the moral aspects any action can bring to human beings. The moral management aspect of EL means that along with some elements of transformational leadership, EL is expected to demonstrate the transactional component of setting clear ethical standards and executing appropriate

rewards and punishment for followers to hold them accountable for ethical conduct. The key element of moral management also makes EL distinct from authentic leadership wherein leaders concentrate on authenticity and self-awareness (Brown and Treviño 2006). Therefore, the main difference between EL and other leadership styles is the "moral manager" aspect in which ethical leaders need to explicitly demonstrate ethical characteristics and organisational ethical values to their followers even without a formal request from the organisation (Mostafa 2018; Mostafa and Abed El-Motalib 2020; Stouten 2012).

Although Enderle (1987) proposed that managerial EL should be conceptualised as a way of thinking, this approach was not advanced further until Trevino et al. conducted their pioneering empirical studies (Treviño et al. 2003; Trevino et al. 2000). This is when EL was formally 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 et al. 2005, p. 120). This definition is rooted in transformational and transactional leadership and incorporates a set of behaviours that are considered as "good" (Bass and Steidlmeier 1999) and "normatively appropriate" (Brown and Treviño 2006). In addition, some scholars support the idea that EL orientation is drawn from the value-based leadership theories of transformational and servant leadership (Jones and Millar 2010), including the internal driver of integrity, authenticity and life, as developed by Aristotle (Poff 2010). According to Addai et al. (2019), the definition of EL is based on transformational leadership theory, in that leaders possess certain characteristics and act as role models, influencing their followers through the communication of visions and

goals. Therefore, current studies normally characterise EL as having three main features: (1) effectiveness and attractiveness, (2) morality, and (3) responsibility and sustainability (see Figure 2.1). The following sub-sections will discuss these in detail.

2.2.1 Effectiveness and Attractiveness

The literature on EL indicates that ethical leaders must demonstrate the characteristics of (1) effectiveness and (2) attractiveness, as reflected through their power, status and influence on their followers (Brown and Treviño 2006; Nicholson and Kurucz 2019; Zhang et al. 2020). First, effectiveness is considered to be a key characteristic of an ethical leader. For instance, EL is said to have positive effects on the perceptions of leader effectiveness (Hassan et al. 2013), and team effectiveness (De Hoogh and Den Hartog 2008), also increasing leadership effectiveness and firm performance (Eisenbeiss et al. 2015). Yukl et al. (2013) emphasise the importance of leadership effectiveness in the construct of EL, including task-oriented behaviours (clear goals and rules, efficient uses of resources); relations-oriented behaviours (empowering, praise and recognition); and change-oriented behaviours (strategy design). They advocate that leadership effectiveness has a strong influence on followers and work unit performance. Being ethical is not only commendable, but also effective in the way leaders display task- and change-oriented behaviours. Communicating ethical guidelines in a "moral manager" dimension of EL is important for leadership effectiveness, as it increases followers' awareness of ethical issues in their work decisions (Hassan et al. 2020). Cels (2017) adds that an effective leader can attract followers through their "moral person", such as by demonstrating trust, fairness, and respect, as well as communicating these values through "moral manager" dimensions. In the world of globalisation, the EL compass is believed to centre around

competency and effectiveness, in which leaders should demonstrate the values of integrity, honesty, trustworthiness and virtuous commitment (Poff 2010). Quade et al. (2019) also contribute to the EL literature by demonstrating the circumstances in which EL become less effective. They argue that ethical leaders are those who act as role models and provide resources for employees; if hindrance or stress arises from supervisors, this can cause contradictory signals for employees, thus reducing their performance. The assumptions underpinning these studies demonstrate that leaders have the power and resources to influence and give clear instructions to followers (role modelling and resource provision) so that they can perform ethical practices. Communicating ethical guidelines, as part of being a leader, is important for leadership effectiveness, as it increases followers' awareness of ethical issues when it comes to decision-making (Hassan et al. 2020).

Second, EL is only achieved if managers appear to be attractive to their followers by exercising behaviours that are "normatively appropriate" as role models (Babalola et al. 2019b; Chughtai et al. 2015; Demirtas and Akdogan 2015). Therefore, in terms of attractiveness, Brown et al. (2005, p. 599) state that leaders must *"influence followers' ethical conduct by explicitly setting ethical standards and holding followers' accountable to those standards by the use of rewards and discipline"*. They need to make ethical criteria and attributes visible to their followers with a strong sense of morality and the ability to translate it into ethical decisions (Treviño et al. 2003). This is consistent with the widely cited definition of EL, that the key to its success is the cultivating of an ethical reputation through which leaders must be viewed as ethical by their followers (Brown et al. 2005; Treviño et al. 2003; Trevino et al. 2000). The assumptions here show that

followers only model their ethical behaviours if they see their performance as similar and "normatively appropriate"; in other words, attractive to themselves (Brown et al. 2005). Brown et al. argue that ethics and role modelling can be traced back as far back as Aristotle's principles, in which the demonstration of morality is awakened only if it is visibly practised and conducted by individuals. For instance, if leaders are concerned that their status in the social hierarchy is highly likely to be dependent on and possibly challenged by the observation and evaluation of their subordinates, they tend to be more ethical (Zhang et al. 2020). However, if they find that they can maintain or prove their status through alternative resources, the dependence of the status threat on their subordinates will be weakened, which can reduce their effort to demonstrate EL. Therefore, the current assumptions on the effectiveness and attractiveness of EL reflect that it is not achieved until it becomes effective, is witnessed, and is made attractive to followers.

2.2.2 Morality

As discussed, EL traditionally comprises two components, being a "moral person" (or moral agent) and a "moral manager" (or moral actions). While effectiveness and attractiveness generally emphasise the actions and behaviours of ethical leaders, morality rests more on the moral agency of leaders. According to Maak and Pless (2006), ethical leaders should be directed by moral virtues and principles. The logic of current EL studies is underpinned by the moral philosophies of Aristotle's virtues ethics and Kantian philosophies, in that EL relates to moral principles or moral reasoning. Much empirical research has developed EL through the concept of morality. For example, a public apology is considered relevant to the study of EL because it touches on the moral principles *"to*

restore conflicts and somehow restore an antecedent moral order" (Cels 2017, p. 160). In developing a model incorporating EL aspects in transformational, transactional, and directive leadership, Aronson (2001) agrees that the essential determining level of EL is the aspect of "moral development". In a similar vein, Kaptein (2019) adds one new construct, the "moral entrepreneur", to the definition of EL, making it more complete. This means ethical leaders not only follow ethical guidelines, but also create and lead them. The definition then integrates the aspects of the "new conduct" created from the "moral entrepreneur" with Brown et al.'s (2005) EL definition. Kaptein (2019) agrees the expansion of the EL definition can broaden the antecedents and outcomes of EL in terms of morality, such as moral development and moral identity, contributing to new empirical and normative research in the field. The moral dimensions are quite similar to the humane and justice orientations by Eisenbeiss (2012), which focus on people orientation and moral characteristics, such as altruism and respect. However, strongly emphasising moral values can lead to more conformity to the norms and standards of team performance, thus reducing team creativity (Stouten et al. 2013). Therefore, *"the display of too much EL may have undesirable consequences, such as less attitudinal and behavioural openness and more conformity"* (Mo et al. 2019, p. 231). The aspects of morality in the conceptualisations of EL indicate the importance of having moral principles and standards in understanding it.

2.2.3 Responsibility and Sustainability

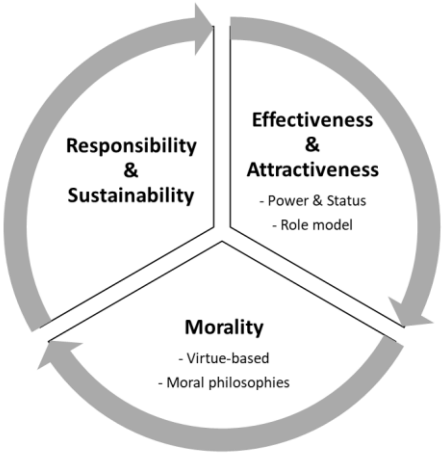
Responsibility and sustainability have recently emerged as new concepts in the EL construct (Sama and Shoaf 2008). Enderle (1987) highlights the importance of the dimensions of responsibility in EL managerial decisions. Ethical leaders should

demonstrate responsibility because it means that they understand the reality of the context with their openness and honesty, and act accordingly by being concerned with human beings (employees, human relations) and corporate goals. As leaders possess power and privilege, they are always expected to have a certain responsibility towards their decisions and work outcomes (Ciulla et al. 2018). This reflects the hierarchical position and relationship in the assumptions of EL. According to Voegtlin (2016), responsibility in EL means leaders can engage different stakeholders by motivating them in cooperative decision-making and sharing problem-solving. Voegtlin's (2016) empirical data from in-depth interviews with international leaders and non-governmental organisation (NGO) representatives working in CSR departments reveal that ethical leaders need to make critical judgements based on the prevailing norms and rules; communicate and engage effectively with stakeholders in both short- and long-term processes; and be a pioneer in positive thinking. These characteristics are considered the responsibility aspect of EL. Gardiner (2018) expands the dimension of responsibility to both the collective and the individual. The collective dimension emphasises the willingness to care for the world and the well-being of others, as well as to be held accountable for one's actions. The individual dimension is rooted in the willingness of reflection by the ability to judge for oneself and observe the multi-angles of any situation.

Furthermore, scholars support the notion that responsibility should always accompany sustainability in the study of EL. The sustainability aspect is normally reflected through the conduct of CSR and environmental sustainability. For instance, Eisenbeiss (2012) adds "responsibility and sustainability orientation" as one of the EL constructs. This takes the form of environment orientation and building community, referring to the fact that leaders

should be concerned about the success and welfare of society and the environment. Similarly, concern for sustainability is one important dimension of EL behaviours, as it indicates leaders' awareness of, and care for the environment through recycling (Kalshoven et al. 2011). Involving five key components of leader social responsibility in terms of moral-legal standards, internal obligation, concern for others, concern for consequences and self-judgments, EL includes the CSR-related dimension to allow leaders to become role models and encourage their followers to have a positive attitude towards CSR (Choi et al. 2015). Leaders are highly likely to be rated as ethical if they emphasise social responsibility and sustainability (De Hoogh and Den Hartog 2008). Sustainability should always be a focus and priority in the conduct of ethical practices, regardless of the variation in ethical beliefs across cultures (Poff 2010). Poff (2010) raises concern about the justifications for sustainability-oriented local or multicultural practices for wrongdoing, thereby encouraging leaders to reconsider today's reliance on the valuation of material wealth in human-inclusive and environmental nature for global sustainability and equity.

Figure 2.1: Ethical Leadership Characteristics



Source: Created by author

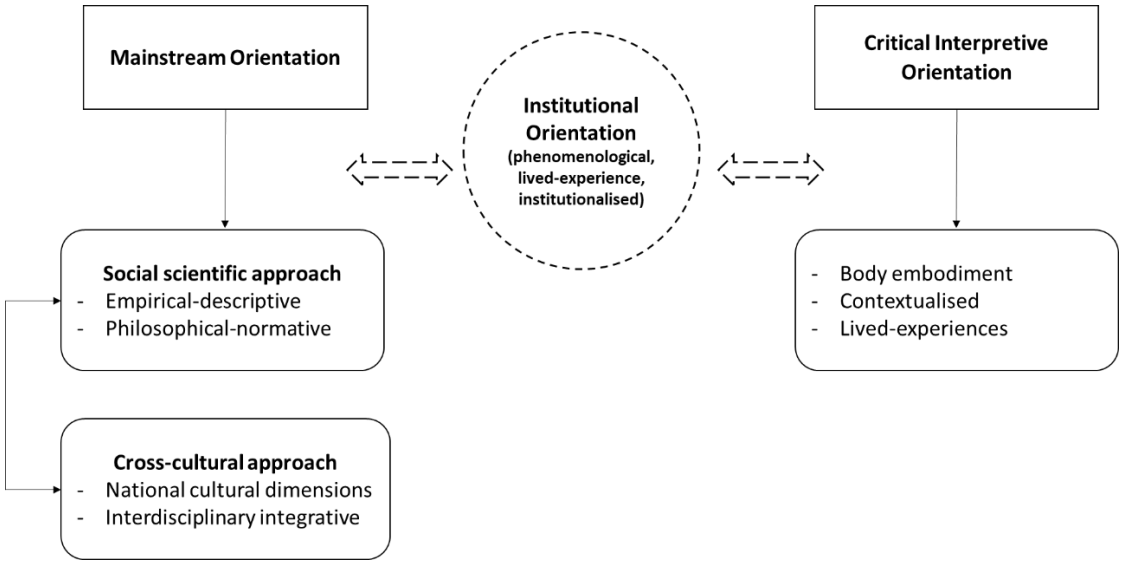
2.3 Ethical Leadership Orientations

With an increase in research on EL, there is a need for more systematic reviews of different EL theoretical lenses and orientations, as these remain limited. Only a few studies conducted by Brown and Treviño (2006), Den Hartog (2015), Ko et al. (2017) and Banks et al. (2021) have systematically reviewed EL. Brown and Treviño (2006) reviewed the descriptive and predictive social scientific approach to EL, focusing on SLT and individual characteristics and situational influences from the follower perspective. Providing more detail from organisational behaviour and psychological perspectives, Den Hartog (2015) reviewed EL behaviours, their key definitions and the related measurements, as well as the social scientific approach. Den Hartog also reviewed studies on the outcomes of EL, such as attitudes, and behavioural, ethical and performance outcomes, thus suggesting mediational outcomes. In another study, Ko et al. (2017) conducted a more integrative review of the empirical findings of EL, focusing on three main aspects. The first was the antecedents and drivers that impact EL development; the second was the underlying mechanism through which EL influences followers' outcomes, and the third was the contingency factors that enhance or hinder the effectiveness of EL. Their approach included a conceptual model that listed the antecedents, moderators, mediators (organisational and individual level mechanisms), and outcomes. By doing so, they concluded that EL should be identified as a complex and multi-dimensional concept instead of a fixed and single dimension. Finally, Banks et al. (2021) reviewed the behavioural aspect of EL, in particular the attributes of EL behaviours. They listed theories that clarify such behaviours; for example, signalling theory, stakeholder theory, attribution theory and role congruence theory. Their research contributed to extending EL behaviours

by understanding EL from beyond the individual to a more dyadic and group level, to develop a multifaceted reasoning approach.

This study finds that the current EL systematic literature review tends to focus on four main questions. First, what are the characteristics and behaviours of EL? Second, what are the antecedents, moderators, mediators and outcomes of EL and how do these affect EL? Third, how does EL differ from other types of values-based and moral-based leadership? And fourth, what are the constructs and measurements of EL? Hence, there is a lack of systematic literature reviews on the philosophical framework and theoretical lens used to analyse EL. Therefore, this section identifies and clarifies the questions of "What are the theoretical lenses of EL?" and "How do these influence the definition of EL?" This contributes to the current research gap by offering a systematic literature review of the key orientations in EL, which will help scholars and practitioners gain a more holistic and comprehensive view of the development of EL and its associated theoretical framework. This review starts with different EL orientations, including the mainstream orientation, the critical interpretive orientation, and the institutional orientation (see Figure 2.2). It then proceeds with the gaps related to each orientation.

Figure 2.2: Ethical Leadership Orientations



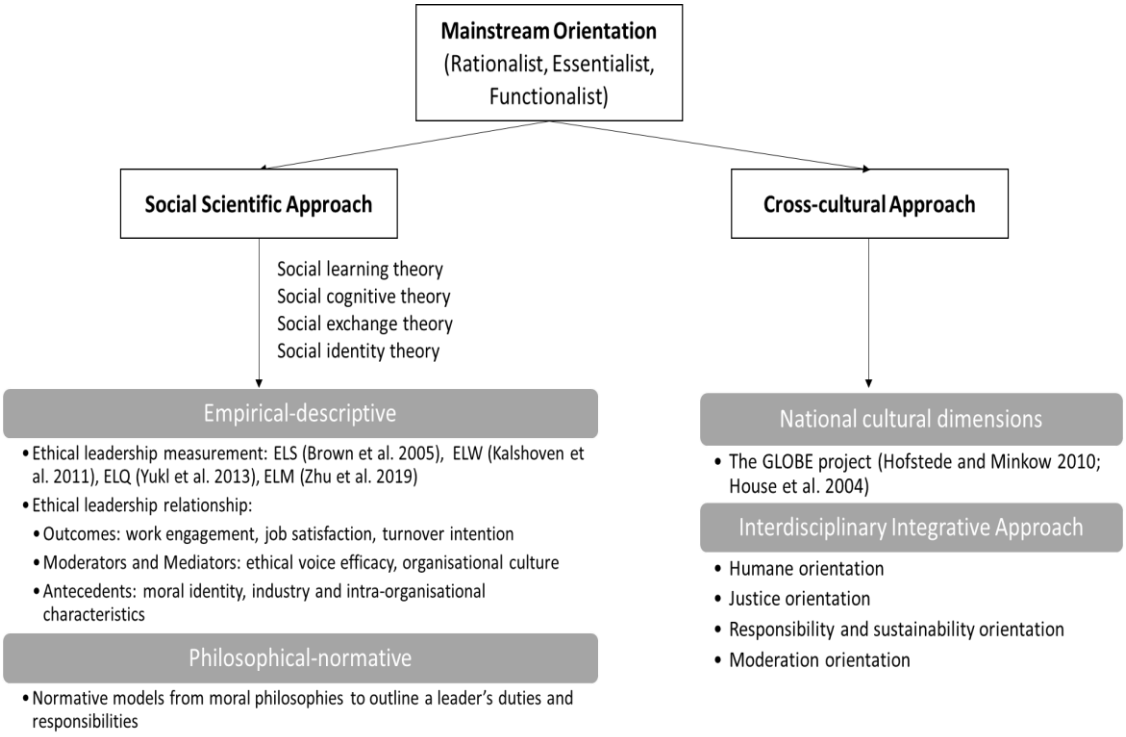
Source: Author's Synthesis and Integration (Braga et al. 2021; Brown and Treviño 2006; Eisenbeiss 2012; Eisenbeiß and Brodbeck 2014; Liu 2017b; Nite and Bopp 2017; Resick et al. 2011)

2.4 Mainstream Orientation

The mainstream orientation is dominant in studies of EL. It adopts a rationalist, essentialist, positivist/functionalist perspective that ethical leaders must possess and execute behaviours that are at least considered universal and "right" or "normatively appropriate" (Brown et al. 2005). It favours a more masculine and cognitive approach (Ciulla et al. 2018; Knights 2015) towards honesty, fairness, compassion, integrity and altruism (Bedi et al. 2016; Brown and Mitchell 2010; Eisenbeiss 2012; Fehr et al. 2015; Kalshoven et al. 2011), which tends to be dominant in western culture. This orientation is rationalist, in the way that ethical leaders are thought to have the power and resources to create, maintain and enforce organisational strategies, goals and an ethical climate to achieve attractiveness and effectiveness (see section 2.2.1) (Quade et al. 2019). On the

other hand, it is essentialist in that ethical leaders are thought to possess certain moral characteristics and attributes and are influenced by a set of pre-determined values (see section 2.2.2) (Brown and Treviño 2006). The conceptualisation of EL in mainstream research is strongly rooted in the leadership literature, in which leaders possess justice, power and sustainability (see section 2.2.3), as underpinned by the western philosophies of Aristotle (Olivier 2012). Within the mainstream orientation, there are social scientific and cross-cultural approaches (see Figure 2.3), which will be discussed in sections 2.4.1 and 2.4.2.

Figure 2.3: Mainstream Orientation of Ethical Leadership



Source: Author's synthesis

2.4.1 Social Scientific Approach

The social scientific approach is dominant in the mainstream orientation. It investigates how individuals model EL and how followers perceive ethical behaviours in their leaders (Bavik et al. 2018). It is based mostly on social learning theory (SLT) (Bandura and Walters 1977), social cognitive theory (SCT) (Bandura 1989), social identity theory (SIT) (Kalshoven et al. 2016) and social exchange theory (SET) (Blau 1964; Emerson 1976). SLT posits that individuals learn the appropriate norms of conduct through their own experiences and observations of others (Bai et al. 2019; Bedi et al. 2016). It can be understood that under SLT, subordinates observe and learn from the behaviours of their leaders, who they see as role models based on the leaders' presence in terms of status and power in the organisation (Moore et al. 2019). The study of Brown et al. (2005) was pioneering in employing SLT to define the concept of EL; they believe that all aspects of EL can be deduced from an individual's direct and indirect experience, which makes them attractive and credible (Babalola et al. 2018). Their definition of EL reflects the aspect of a "moral person" and a "moral manager" (Treviño et al. 2003; Trevino et al. 2000). A "moral person" is characterised in terms of the leader's traits, character and altruistic motivations. Leaders will be perceived as ethical if they are collectively thought of as moral by their followers. A "moral manager" is the key for EL to gain an ethical reputation, as it focuses on how leaders' behaviours attract their employees in organisations. Whereas the moral person aspect targets the personal characteristics of leaders, the moral manager aspect targets their transactional and transformational behaviours (Kuenzi et al. 2018). Similarly, Quade et al. (2019) emphasise that ethical leaders are those who are ethical role models and provide resources clearly and

strategically for their followers. The demonstration of EL is transmitted to followers through embedded primary and secondary mechanisms (Schaubroeck et al. 2012). Both mechanisms are similar to the "moral manager" dimension of Brown et al.'s (2015) definition. The primary mechanism reflects leaders' need to control, become role models, and teach and coach subordinates, while the secondary mechanism refers to the ability of leaders to communicate exemplary stories, design appropriate workflows, and organise the structures, procedures, and formal statements of their work. Mayer et al. (2012) therefore conclude that the characteristics of a "moral manager" is what distinguishes EL from other types of leadership. Consequently, according to the literature, EL needs to explicitly demonstrate the right behaviours and characteristics in the eyes of the subordinates. As leaders hold the power, their behaviours represent the normative ethical behaviours within organisations, which are key for subordinates to learn and imitate.

As a developed version of SLT, SCT (Bandura 1989) indicates that individuals learn and imitate others within their environment or situational contexts, such as the work environment and their leaders' characteristics (Babalola et al. 2019a; Pucic 2015). SCT points specifically to the cognition of followers through the process of vicarious expectancy learning, in which they perceive their leaders to be acting in their interests (Pucic 2015; Tu et al. 2017). It aims to understand the relationship between external and cognitive factors and individuals' behaviours. In other words, an ethical leader who exhibits ethical traits such as honesty and selflessness, and acts in the interests of followers (Zhu et al. 2018) will attract their attention, thus resulting in a process of vicarious expectancy learning. This will motivate followers to go through a learning process through which they observe leaders' role-modelling behaviours. For instance, through the lens of

SCT, Tu et al. (2017) found that the moral cognitive process is significant in influencing the relationship between a supervisor's EL and employees' subjective well-being.

SET reflects the way followers reciprocate ethical leaders' behaviours in both positive and negative ways, depending on how they perceive the engagement of their leaders (Kalshoven et al. 2016; Kuenzi et al. 2018; Mo and Shi 2018; Ng et al. 2021). SET explains how followers react in a leader-follower relationship in the form of reciprocity, subject to whether they perceive such ethical practices by their leaders as positive or negative. For example, if subordinates feel that their supervisors show care and concern for their well-being, they will in turn support them as a form of reciprocity. In contrast, if they feel that the supervisors are *"acting ethically superior towards them"*, they tend to be negatively involved in malbehaviour as part of the reciprocity posited by SET (Kuenzi et al. 2018, p. 31). Eva et al. (2020) support the notion that reciprocity is essential in all kinds of relationships which initially are built as a resource exchange, but gradually develop into obligations. This process improves the quality of relationships and exchanges. For instance, the relationship between perceived organisational support and follower work duty orientations becomes stronger when EL acts as a moderator (Eva et al. 2020). Employing SET, Ng et al. (2021) demonstrate that the more a leader represents EL through fairness and openness, the more they gain reciprocation from their subordinates. When employees perceive the changes in EL, they will act accordingly in their exchange relationship with their leader, resulting in organisationally-oriented behaviours that either serve or hurt the organisation through voice and turnover.

According to Loi et al. (2014, p. 44), SIT means that *"people tend to classify themselves and others into various social groups according to the prototypical characteristics*

ascribed to or abstracted from the members of the groups". Individuals have their self-identity in their association with the group that they belong to, and according to the extent to which they see themselves belonging to the social group, the more explicitly they will desire their behaviours to match the norms of that specific group (Kalshoven et al. 2016). Kalshoven et al. (2016) argue that the more followers integrate themselves into organisations, the more physically, socially and psychologically attached they are to the group, which enhances organisational performance, but also hinders their ethical behaviours with society, placing the organisations' benefits higher than those of society. Walumbwa et al. (2011) concur that SIT complements SLT and SET it helps to better understand the relationship between EL and followers. The more a leader demonstrates ethical values, the more they increase followers' group identification, which in turn improves their organisational performance.

Within the social scientific approach, the majority of studies focus on EL measurement and relationships (antecedents, moderators and mediators, and outcomes). Scholars have been attempting to systematise this kind of research into two lines of inquiry: the empirical-descriptive line and the philosophical-normative line (Constandt et al. 2020; Roth et al. 2019). The empirical-descriptive line focuses on "facts" from participants' experiences and practices and investigates how EL is perceived in daily life and its relationship with other constructs such as employee well-being, satisfaction and organisational culture/climate. Flanigan (2018) specifies that empirical studies address questions on ethics and leadership through empirical study designs such as surveys, experiments and case studies. On the other hand, the philosophical-normative approach is prescriptive, aiming to understand what EL looks like through moral reasoning. It aims to

answer the question “what should an ethical leader do?” through moral truths and principles. The following sub-sections will discuss these two approaches in detail.

2.4.1.1 Empirical-descriptive Approach

Empirical-descriptive research largely focuses on understanding perceptions of EL through empirical research designs, with studies attempting to investigate how EL relates to other constructs such as antecedents, moderators and mediators, and outcomes. Keck et al. (2018) argue that the pioneering studies of Treviño et al. (2003) and Brown et al. (2005) are case studies of empirical and descriptive approaches. Treviño et al. (2003) conducted a qualitative investigation of perceived EL through interviews with 20 corporate ethics officers and 20 senior executives working in large US organisations in a variety of industries. Through a systematic process of data analysis, their study supports the premise that ethical leaders are those who possess ethical traits such as integrity and value-based leadership, as well as values, such as engaging in prominent social behaviours that attract followers. Following their empirical study, Brown et al. (2005) continued to describe relevant EL constructs and measurements by proposing ELS. They define ethical leaders as those who display honest, trustworthy, and fair ethical behaviour and are able to make these ethical traits visible to followers.

As shown in Table 2.1, the most frequently applied measure comes from the ELS of Brown et al. (2005). This is a ten-item scale, centring around two key constructs of “moral person” and “moral manager”. The scale was tested and designed from the empirical data of participants in large, multi-location, financial services firms in the US. The items measure characteristics of EL such as trust and fairness (e.g., “Makes fair and balanced decisions”, “Can be trusted”), and role models (e.g., “Sets an example of how to do things

the right way in terms of ethics"). (p. 126). Expanding on ELS, Kalshoven et al. (2011) devised a more developed scale called Ethical Leadership at Work (ELW) relating to the Dutch context. The scale measures fairness, role clarification, ethical guidance, people orientation, power sharing, integrity and concern for sustainability. Adapted from ELS, Yukl et al. (2011) developed a 15-item scale Ethical Leadership Questionnaire (ELQ), aiming to improve the measure of EL by incorporating the morality and fairness scale of De Hoogh and Den Hartog (2008). They argue that the most significant characteristics should include moral aspects such as *"integrity, honesty, fairness, communication of ethical values, consistency of behaviour with espoused values, ethical guidance, and altruism"* (p. 45). In another improved version of ELS, Zhu et al. (2019) developed the New Ethical Leadership Measurement (ELM), which they argue reflects Chinese philosophies of leadership and management, including *xiuji* (cultivating oneself) and *anren* (bringing the good to others), as well as contemporary western conceptualisations of ethical leaders. The ELM adds new sub-dimensions, including moral self-conception, moral cognition, and moral managerial behaviours. A virtue-based approach is one of the key characteristics of EL and so Riggio et al. (2010) proposed a Leadership Virtues Questionnaire (LVQ), focusing on leaders' virtues of prudence, fortitude, temperance, and justice, based on the characterological view of Aristotle and virtue ethics. The LVQ supports the notion that EL is best conceptualised by the makeup of individuals' morality, the virtues they possess, and the self-knowledge and self-discipline that guide leaders' moral actions. Finally, the Ethical Leadership Style Questionnaire (ELSQ) (Chikeleze and Baehrend 2017) is a 45-question self-assessment tool that aims to measure how leaders cope and lead decision-making when faced with ethical dilemmas in their organisations. The ELSQ was developed based on six ethical orientations: duty ethics, utilitarianism

ethics, virtue ethics, caring ethics, egoism ethics and justice ethics. It was designed for leaders to have an internal self-assessment, which, unlike other scales evaluated EL based on external assessments from the employees. It aims to provide an easy tool for leaders to measure and reflect on their ethical perspectives and whether they have fulfilled or underestimated important issues.

Table 2.1: Ethical Leadership Measurement

Ethical Leadership Measurement	Items & Dimensions	Participants & Data Sources
Ethical Leadership Scale (ELS) (Brown et al. 2005) 10-item scale	*Moral person*: honesty and trustworthiness. E.g.: "Makes fair and balanced decisions"; "Can be trusted." *Moral manager*: role models and ethical communication. E.g.: "Conducts his/her personal life in an ethical manner"; "Discusses business ethics or values with employees."	Context: USA. MBA & doctoral students in universities. Employees from large, multi-location, financial services firms.
Ethical Leadership at Work Questionnaire (ELW) (Kalshoven et al. 2011) 46-item scale	Seven ethical leader behaviours: fairness, role clarification, ethical guidance, people orientation, power sharing, integrity and concern for sustainability. E.g.: "Cares about his/her followers", "Shows concern for sustainability issues", and "Clarifies priorities."	Context: Netherlands. Business students in universities. Leaders/employees in financial and business services, health care, government, construction, and education organisations.
Ethical Leadership Questionnaire (ELQ) (Yukl et al. 2013) 15-item scale	Integrity, honesty, fairness, communication of ethical values, consistency of behaviour with espoused values, ethical guidance, and altruism. E.g.: "Regards honesty and integrity as important personal values"; "Holds members accountable for using ethical practices in their work."	Context: USA. Graduates in Master's programs. A wide variety of industries (e.g., aerospace, technology, pharmaceutical, media, consulting, retail, software, telecommunications, banking, government, and nonprofit).

New Ethical Leadership Measurement (ELM) (Zhu et al. 2019)	Based on the ELS "moral person" and "moral manager", Chinese philosophies of leadership and management: (*xiuji* (cultivating oneself) and *anren* (bringing the good to others. New sub-dimensions: moral self-conception, moral cognition, and moral managerial behaviours. E.g.: "Is benevolent"; "Reflects on the moral appropriateness of his/her decisions."	Context: China and USA. MBA students, middle and senior managers. Broad varieties of industries.
Leadership Virtues Questionnaire (LVQ) (Riggio et al. 2010) 19-item scale	Aristotle's and St. Thomas Aquinas's cardinal virtues: prudence, fortitude, temperance, and justice. E.g.: "Considers a problem from all angles and reaches the best decision for all parties involved"; "Gives credit to others when credit is due."	Context: N/A Managers. Wide varieties of industries.
Ethical Leadership Style Questionnaire (ELSQ) (Baehrend 2016; Chikeleze and Baehrend 2017) 45-question leader self-assessment	**Six ethical orientations**: duty ethics, utilitarianism ethics, virtue ethics, caring ethics, egoism ethics and justice ethics. E.g.: "…What would you do in this situation? I would do my duty or I would do what a good person would do." (p.46)	Context: North America & Canada.

2.4.1.1.1 EL outcomes

There is a great deal of empirical research concerning ELS, investigating whether EL produces significant results at the individual, team/group, and organisational levels in both positive and negative ways. Regarding each level, Table 2.2 provides details of the outcomes of EL in the form of willingness, work attitude, performance, affection, consciousness and context. For instance, EL can trigger and motivate follower voice (Bai et al. 2019); follower/employee performance (Sosik et al. 2019); organisational cognitive and affective commitment (Dust et al. 2018); organisational citizenship behaviours (OCB) (Gerpott et al. 2019) and organisational CSR; and firm performance (Wang et al. 2017a).

Table 2.2: Outcomes of Ethical Leadership

Individual level	
Willingness	Follower voice (Bai et al. 2019; Brown et al. 2005; Schaubroeck et al. 2012; Walumbwa and Schaubroeck 2009; Zhu et al. 2015) Organisational citizenship behaviours (OCB) (Avey et al. 2011; Gerpott et al. 2019; Ogunfowora 2014; Páez and Salgado 2016; Velez and Neves 2018; Yang and Wei 2018) Work engagement (Ahmad and Gao 2018; Chughtai et al. 2015; Demirtas and Akdogan 2015; Den Hartog and Belschak 2012; Sarwar et al. 2020) Willingness to report ethical problems (Hassan et al. 2014) Socially responsible behaviours (Choi et al. 2015; De Roeck and Farooq 2018) Absentism (Hassan et al. 2014) Workplace bullying/conflict (Ahmad 2018; Babalola et al. 2018) Employee knowledge sharing (Bavik et al. 2018)

Work attitude	Job satisfaction (Avey et al. 2012; Ng and Feldman 2015; Ogunfowora 2014) Organisational commitment: cognitive and affective commitment (Addai et al. 2019; Demirtas and Akdogan 2015; Hansen et al. 2013; Hassan et al. 2014; Ng and Feldman 2015; Zhu et al. 2004) Turnover intention (Babalola et al. 2016; Demirtas and Akdogan 2015; Elçi et al. 2012; Suifan et al. 2020)
Performance	Follower/employee performance (Ahn et al. 2018; Mo and Shi 2018; Ng and Feldman 2015; Piccolo et al. 2010; Sosik et al. 2019; Zhu et al. 2015) Innovative work (Yidong and Xinxin 2013) Counter-productive/deviant behaviours (Avey et al. 2011; Demirtas and Akdogan 2015; Kuenzi et al. 2018; Mayer et al. 2010) Uni-level & individual-level ostracism (Christensen-Salem et al. 2020)
Affection	Trust (Newman et al. 2014; Tourigny et al. 2019; Xu et al. 2016; Zhu et al. 2004) Creativity (Chen and Hou 2016; Chughtai et al. 2015; Hartog 2015) Employee psychological well-being (Avey et al. 2012; Sarwar et al. 2020) Emotional exhaustion (Den Hartog and Belschak 2012; Dust et al. 2018)
Team/Group level	
Willingness	Ethical voice (Huang and Paterson 2017; Walumbwa et al. 2012)
Consciousness	Performance (Walumbwa et al. 2012)
Affection	Creativity (Huang and Paterson 2017)

Organisational level	
Willingness	CSR (De Hoogh and Den Hartog 2008; Pasricha et al. 2018; Tourigny et al. 2019; Wu et al. 2015) Firm-level OCB (Shin et al. 2015)
Consciousness	Firm performance (Shin et al. 2015; Wang et al. 2017b) Financial performance (Sarwar et al. 2020)
Context	Organisational culture/climate (Fehr et al. 2015; Kaptein 2011; Kuenzi et al. 2020; Mayer et al. 2010; Shin et al. 2015; Wu et al. 2015)

2.4.1.1.2 EL moderators and mediators

Table 2.3 shows current research on the moderators and mediators of EL. It has been contended that organisational factors, typically the ethical context, play an important role in setting the ethical culture of EL. The ethical context, including the ethical climate and culture, is considered to be the main moderator and mediator that influences the perception and demonstration of EL. The ethical climate is defined as the shared belief and perceptions of organisational individuals about what is considered correct and acceptable behaviours, which guide organisational members in their decision-making and conduct (Cels 2017; Peterson 2002). On the other hand, ethical culture can be understood as the surface level of organisational culture (Schaubroeck et al. 2012). It offers a set of formal (e.g., normative rules, procedures, policies, codes of conduct) and informal (norms, peer behaviours, language) systems that impact members' ethical conduct (Bedi et al. 2016). However, the ethical climate and culture often cause confusion and misunderstanding (Kuenzi et al. 2020). While they both reflect the ethical context and environment of an organisation, they are different. Ethical culture refers to how the social environment is created, whereas the ethical climate explains employees' own experiences of the ethical

environment. Table 2.3 demonstrates the characteristics of followers and leaders, as well as their efficacy, willingness and role in fostering or weakening the relationship between EL and other constructs.

Table 2.3: Moderators and Mediators of Ethical Leadership

Moderators	
Follower characteristics	Employee/follower exchange ideology (Ahn et al. 2018) Perceived organisational support (Wang and Xu 2019)
Leader characteristics	Self-control and self-evaluation (Sosik et al. 2019)
Organisational factors	Workplace ostracism (Yang and Wei 2018) Organisational culture/climate (Kaptein 2011; Pasricha et al. 2018; Wu et al. 2015)
Mediators	
Willingness & efficacy	Leader ethical voice (Paterson and Huang 2019) Employee resolution efficacy (Babalola et al. 2018) Ethical voice efficacy (Huang and Paterson 2017) Employee-controlled motivation (Bavik et al. 2018) Psychological empowerment/organisational identification (Suifan et al. 2020)
Morality	Follower role ethicality (Paterson and Huang 2019) Interactional justice (Ahmad 2018) Follower moral identity (Bavik et al. 2018; Gerpott et al. 2019) Reflective moral attentiveness (Miao et al. 2020)
Organisational context	Organisational culture/climate (Kuenzi et al. 2020; Sarwar et al. 2020)

2.4.1.1.3 EL antecedents

Compared to studies on outcomes, moderators and mediators, those on antecedents have received little attention. For instance, Eisenbeiß and Giessner (2012) attempted to systematise possible contextual antecedents of EL into three characteristics, namely societal, industry and intra-organisational. Societal characteristics indicate the implementation and spirit of human rights and ethical cultural values, whereas industry characteristics reflect environmental complexity, the ethical content of the organisation and the ethical interests of stakeholder networks. On the other hand, intra-organisational characteristics focus on the elements of organisational ethical infrastructure and the EL behaviours of peer group leaders. Table 2.4 shows some causes of EL, such as cognitive moral development (Jordan et al. 2013) and moral identity (Giessner et al. 2015; Mayer et al. 2012), and their influence on the demonstration and conceptualisation of EL. Although scholars have endeavoured to examine EL and its antecedents at the individual or micro-level, such as in terms of leader personality and characteristics, and the meso-level, such as organisational culture and climate, these studies remain abstract and highly reliant on SLT, which lacks an in-depth understanding of the mechanism through which they work (Zhang et al. 2020). In addition, few studies have paid sufficient attention to context and its impact on leadership and ethical behaviours. Contextual factors not only impact EL outcomes but also act as antecedents that motivate leaders to execute ethical decisions and practices (Zhang et al. 2020). In most empirical work on the antecedents of EL, scholars have tended to examine the internalised preferences of leaders. Over-attributing EL to individual differences contrasts sharply with macro-level studies on business ethics, which note that such ethics are strongly motivated by external factors (Joyner and Payne 2002). Therefore, discovering how contextual forces encourage, shape,

or perpetuate EL behaviours will lead to a more all-inclusive understanding of EL and provide alternative practical approaches that can encourage it, something this thesis will seek to explore.

Table 2.4: Antecedents of Ethical Leadership

Individual – Micro-level	
Leader characteristics and influence	Honesty, fairness, care, loyalty, sanctity, authority, and liberty (Den Hartog 2015; Sharma et al. 2019; Walumbwa and Schaubroeck 2009) Moral identity (Giessner et al. 2015; Mayer et al. 2012) Moral courage (Sosik et al. 2019) Cognitive moral development (Jordan et al. 2013) Agreement between supervisor and subordinate (Kuenzi et al. 2018) Leader Machiavellianism (Frazier and Jacezko 2021)
Organisational – Meso level	
Organisational ethical context	Organisational culture/climate (Brown and Treviño 2006) Industry and intra-organisational characteristics (Eisenbeiss 2012; Eisenbeiß and Giessner 2012)

2.4.1.2 Philosophical-normative Approach

Some scholars have criticised the empirical-descriptive approach and argued that EL should be considered through the philosophical-normative approach. According to Meckler and Baillie (2003), the scientific approach means that the world is perceived and assigned meanings in a certain way that is prescribed with certain specific aspects which are believed to be "facts". If these aspects are achieved and correspond to the "facts", they are considered to be true. This notion is regarded as normative. The philosophical-normative approach offers a set of normative models from moral philosophies to outline a leader's duties and responsibilities (Avey et al. 2011; Bedi et al. 2016). It is

deontological because obligation and duty are the precedents for ethical dilemmas (Avella 2017; Lemoine et al. 2019). The approach emphasises the importance of moral philosophy in analysing EL, instead of basing it on empirical data from the experience of participants. It helps to understand what a leader should do, as there are always truths about morality (Flanigan 2018). This is similar to Kant's philosophy (Wart 2014). For instance, Price (2018) proposes the role of Kant's philosophy of duty in calling on leaders to accept the obligation to help others and to respect others as rational agents, rather than instruments to be used. Riggio et al. (2010) define EL through the lens of the characterological perspective and Aristotle's ethical principles. In particular, EL is shown to be a structure of individuals' characteristics, such as their virtues, which include prudence, temperance, fortitude and justice. Wright and Quick (2011) argue that the character-based approach recognises the importance of personal and moral qualities (i.e., being courageous, forgiving, and self-controlling) in the attainment of individual betterment and fulfilment, as well as the long-term well-being of organisations and the greater societal good. In addition, EL is in the possession of moral intelligence because it is derived from a model of transformational and transactional leadership (Sama and Shoaf 2008). Moral intelligence is an individual's ability and capacity to behave and reason morally, with the essential feature of a sense of fairness, empathy, responsibility for others, self-actualisation and self-control. Sama and Shoaf (2008, p. 41) therefore agree that moral intelligence is part of Kohlberg's moral development stage, whereby the individual *"recognizes rules as part of a social contract and that elevate the social contract above the moral minimum of law"*. In summary, the philosophical-normative approach tends to rely on western moral philosophies such as those of Kant and Aristotle, and Kohlberg's moral development. Therefore, Avella (2017) argues that the main judgment of the

philosophical-normative approach is placed on the leader's characteristics, which is the virtue that varies according to culture, society, time and geography. The philosophical-normative approach assists leaders in knowing what to do when faced with morally difficult situations by answering the question "What should a leader do?" instead of considering questions such as "what conditions?" or "what characteristics?" in the empirical-descriptive approach, such as case studies, surveys and experiments (Flanigan 2018). By doing so, the approach touches on aspects of morality in the conceptualisation of EL, as discussed in section 2.2.2.

2.4.2 Cross-cultural Approach

The cross-cultural perspective is a branch of mainstream orientation. It focuses on a more contextually-based approach, in which it still applies normative underpinnings in the concept of EL, but goes beyond that to a more cross-cultural perspective, incorporating predominant western and eastern moral philosophies. The most commonly employed theoretical perspective in interpreting EL in a cross-cultural context is national cultural dimensions research, including the GLOBE project (Hofstede and Minkow 2010; House et al. 2004). In more recent years, the interdisciplinary integrative approach has featured more prominently (Eisenbeiss 2012; Lawton and Páez 2015) by incorporating different dimensions to reflect significant complementary principles of EL so that it can be applied in different sectors and contexts.

2.4.2.1 National Cultural Dimensions

One of the most popular and enduring approaches to EL theorising has been the national cultural dimensions perspective, in particular, the GLOBE project (Hofstede and Minkow

2010, House et al. 2004). This primarily draws on the western view of business ethics and ethical theories. Its application to EL has been to identify the differences and similarities in the leadership mindset, with different cultures espousing different ethical values. These dimensions facilitate a more culturally-specific investigation of EL between countries and regions, allowing an understanding of how EL and its characteristics remain similar or different across cultures. This dimension has provided scholars with an initial understanding of how ethical behaviours related to leadership are shared within cultures while acknowledging the differences between them that exist.

For example, the Confucian Asia cluster typically emphasises "consideration and respect for others", whereas the Anglo cluster tends to emphasise "individual character traits", such as trustworthiness, integrity and honesty (Resick et al. 2011). Resick et al. (2011) employed the findings from the GLOBE studies to compare three different national clusters: Confucian Asia (People's Republic of China, Hong Kong, Taiwan); (2) Anglo (USA, Ireland); and (3) Germanic Europe (Germany). Their study concludes that EL beliefs across the Confucian Asian and Anglo/Germanic clusters converge and diverge in many important ways. Respondents from the USA, Ireland, Hong Kong and Taiwan considered a leader's "integrity" and "self-discipline" to be the most important aspect of EL, which is also in line with at least half of the responses from China and Germany. Respondents from China, Hong Kong and Germany also believed that ethical leaders needed to have "consideration and respect for others and a collective orientation"; however, this diverges with managers from Ireland, the U.S. and Taiwan, who identified "accountability" as the second most important element. Similar studies have also investigated individualist and collectivist national dimensions such as

"character/integrity", "collective motivation", "encouragement" and "altruism", providing evidence of similarities and differences in ethical elements between German and U.S. managers (Martin et al. 2009), and Irish and U.S. ones (Keating et al. 2007). These two studies employed the GLOBE dimensions as a basis from which to interpret cultural variations in the perception of EL. In addition, studies have also applied the national cultural dimensions to investigate the relationship between EL and other factors. For instance, classifying Australia as a high individualist culture and Pakistan as a collectivist culture, Ahmad (2018) argues that EL can reduce bullying in organisations through the mediating role of perceived interactional justice, even in two different cultures.

2.4.2.2 Interdisciplinary Integrative Approach

The interdisciplinary integrative approach (Eisenbeiss 2012) has emerged as an alternative for understanding EL from a cross-cultural perspective, providing a more integrative cross-level understanding of it. It incorporates principles from western and eastern moral philosophies, both ancient and modern. Eisenbeiss provides a further level of analysis by dividing EL into four orientations: (1) human, (2) justice (3) responsibility and sustainability, and (4) moderation. Human orientation takes the normative approach in the form of respect for the dignity of others, altruism and serving others. Justice orientation means to make fair decisions without favouring or discriminating against others, and can be expressed by *"leaders' consistent decision making, respect for diversity, and non-discriminatory treatment of others with regard to sexual differences, nationality, religion, political beliefs economic or social status"* (p. 796). Responsibility and sustainability orientation take the form of environment orientation and building community, referring to

the fact that leaders should be concerned with the success and welfare of society and the environment. Finally, moderation orientation relates to temperance, humility and leader behaviour which balances organisational objectives and stakeholder interests. Eisenbeiss (2012) argues that the current literature on EL (e.g., Brown et al. 2005) has only touched upon humane and justice orientation, while her four orientations *"reflect a cross-disciplinary and intercultural view of the normative foundation of ethical leadership and consider both the leadership components of setting goals and influencing others"* (p.794).

In a more recent article, Eisenbeiß and Brodbeck (2014) investigate perceptions of ethical and unethical leadership from a cross-cultural context. They draw on a cross-sectional approach in analysing western and eastern cultures, as well as private and public sector organisations. Their findings reveal that in eastern regions of the world (e.g., South Asia, Eastern Europe, Africa and the Middle East) EL attributes modesty and openness to ideas from other cultures, such as those in the west (e.g., Germanic Europe, Nordic Europe, Anglo, and Latin Europe). EL in public sector organisations tends to be more associated with kindness and compassion than in private ones. In support of this, Eisenbeiß and Giessner (2012) draw on another set of multi-level factors to interpret the development and maintenance of EL in organisations by invoking three different factors: (1) society, (2) industry and (3) intra-organisation. Societal factors include the degree to which human rights in society are respected, together with ethical cultural values such as responsibility, justice, humanity and transparency. Industry factors include the degree to which an organisation seeks to protect the interests and integrity of stakeholders in terms of environmental complexity. Finally, 'intra-organisational characteristics' cover the organisational ethical infrastructure and the EL behaviour of a leader's peer group.

2.5 Gaps in Mainstream Orientation

Mainstream orientation assists us in having an overall understanding of EL in terms of a "moral person" and a "moral manager", which is able to demonstrate desired moral characteristics to influence followers. However, there exist some limitations to such an orientation.

First, the normative conceptualisation in mainstream research tends to be unclear and ambiguous due to its lack of an effective framework to understand in-depth the contextual influences of EL on individuals' evaluations (Keck et al. 2018). The widely cited definition of EL by Brown et al. (2005) tends to be descriptive. Although later research has attempted to use other methods to understand EL, for instance, value-driven, characterological, and behavioural approaches, to date it remains as a single dimension of a causal relationship between leaders and followers. Keck et al. (2018, p. 478) emphasise that EL "*is not a behavioural prescription, but a perception phenomenon"* and that people are undeniably subject to socially-accepted principles in forming their EL. In particular, the social scientific approach is rationalist in the way it uses post-hoc explanations for the ethical decision-making of leaders (Thiel et al. 2012). In other words, the EL construct is one-dimensional, in that it simply merges the two concepts of a "moral person" and "moral management", whereas in reality, the two constructs are interrelated and much more complex (Pircher-Verdorfer and Peus 2019). Scholars have attempted to add further dimensions to the concept of EL; for instance, responsibility and sustainability (Gardiner 2018; Voegtlin 2016) (as discussed in section 2.2.3). However, the continual addition of dimensions does not make EL more sophisticated; in practice, it just makes the concept more complex and vaguer to follow, increasing the fragmentation of empirical research,

as indicated in section 2.4.1.1. Therefore, more work is needed to investigate EL holistically and systematically. The design of the EL concept should apply to different contexts but remain unique. It is currently viewed in one way, with the fact that individuals rely on their past experiences and possess the self-awareness to evaluate and reinforce their perceptions. Accordingly, future research could consider a two-way approach to investigate EL, through, for example, a longitudinal approach (Gümüsay et al. 2019; Ko et al. 2017). Banks et al. (2021) support the notion that EL should be reconceptualised in a time-sensitive way, with correctly modelled repeated measures.

Second, although the "normatively appropriate conduct" proposed by Brown et al. (2005) leaves flexibility for scholars and practitioners in relation to the issues of norms, the definition has remained vague and ambiguous with regard to understanding the embedded context of EL, including within organisations, industries and cultures. Hartog (2015) argues that the empirical-descriptive inquiry on EL has not yet specified the minimum requirements for the normative reference points for leaders to make ethical decisions and that the field needs more studies to understand the question of *"ethical for whom, what constitutes ethical failure, and does this include out-group members' moral rights?"* (p. 412). As mentioned above, the assumption is that ethical behaviours in leadership are measured by their degree of effectiveness and attractiveness (Treviño et al. 2003; Trevino et al. 2000; Yukl et al. 2013) and the way they act as role models for followers. It has been observed that tradition in mainstream EL tends to prioritise the cognitive dimensions of leaders (e.g., cognitive moral development) (Jordan et al. 2013), and emphasises notions of rationality. For example, ethical leaders are value-driven because, for the sake of their leadership agenda and organisational effectiveness, they foster employee cognitive

engagement and minimise the cost of employee turnover (Lam et al. 2016). It draws on normative foundations and predominant moral philosophies, as well as ethical principles to set out what is "normatively appropriate" for leaders (Brown and Treviño 2006). Although the empirical-descriptive and the philosophical-normative approaches can complement each other, as the former indicates how EL is perceived in practice, and the latter explains the prescription of EL, these views are incomplete in understanding the more complex dilemmas leaders face in their performance of EL. Werhane (2019) raises the point that it is misleading to distinguish between the descriptive and normative approaches in business ethics, as the concepts are overlapping, especially in the language used to refer to their positions. Werhane thus concludes that descriptive ethics include normative ethics and that normative ethics are subjected to descriptive analysis. Constandt et al. (2020) agree that these two views influence each other, but also lack context-specific issues in the way leaders deal with ethical dilemmas and paradoxes. Therefore, there should be a more holistic and integrative view of EL to develop an improved understanding of it, which acknowledges its social construction and meaning-making in the perceptions of the individuals rooted in the subjective institutional context.

Third, EL is often framed in a hierarchical linear relationship, in which certain norms, rules and laws are appropriate for ethical behaviours and actions (Ciulla et al. 2018; Liu 2017b). As Liu (2017b, p. 346) argues *"these assumptions are often unable to account for the complex and unpredictable ways in which social actors, from all levels of an organisational system, shape one another's perceptions and behaviours"*. Mainstream research holds the essentialist view that EL relies on a set of universally correct behaviours, such as honesty, trustworthiness, agreeableness and conscientiousness

(Babalola et al. 2019b; Kalshoven et al. 2011; Sharma et al. 2019). Ethical leaders are thought to possess certain moral characteristics, which are influenced by a set of pre-determined values and have the power to create and enforce organisations' ethical climate and culture (Paterson and Huang 2019; Zhang et al. 2020). However, this stands in contrast with some leadership theories and research, which argue that it is a social construction in which morality is subject to the nature of individuals and their associated time and place (Fehr et al. 2015). This means that individual perception of EL keeps changing, depending on people's position in time and place. In addition, the context in which EL is embedded is complicated, in that it is both dynamic and multi-layered. EL is a construction and interrelation of multiple actors, such as individuals, groups, organisations, industries and socio-historical contexts (Liu 2017b). For example, ethical leaders are value-driven because they act in this way (e.g., following organisational goals) for the sake of their leadership agenda and organisational effectiveness by fostering employee cognitive engagement and minimising the cost of employee turnover (Lam et al. 2016). The concept of EL is drawn on normative foundations and predominant moral philosophies, as well as ethical principles, setting out what is "normatively appropriate" for leaders (Brown and Treviño 2006). Although leadership is considered to be a social construction process, in which the perceptions of an indicative leader depend on the individuals, mainstream orientation normally relies on a set of universally desirable behaviours which are too narrow for understanding EL (Fehr et al. 2015). It tends to focus on EL with pre-existing ethical standards and justice (Ciulla et al. 2018), with ethical leaders almost treated as individuals with desirable traits and behaviours situated in a fixed context (Liu 2017b). The philosophical-normative approach, however, is similar to the social scientific approach in terms of its high reliance on delineating leaders' traits and

behaviours (Knights and O'Leary 2006), but with a lack of perspective on social construction. According to Brown and Mitchell (2010), current research on EL tends to centre around the conventional Kohlbergian approach to moral reasoning, assuming that it involves careful reflection. They propose that EL be considered an intuitive process. Therefore, this study concludes that EL is currently framed in a static and fixed mechanism, in which ethical leaders are assumed to follow certain prescriptive moral philosophies, ethical characteristics and behaviours. However, this standpoint lacks in-depth knowledge of the increasing complexities and changing nature of the business environment, as seen in the Covid-19 pandemic. It is also proposed that there is a need to consider EL from the multiple interpretations of individuals; not only individuals themselves, but also the relationship between actors. The multiple actors can be external or internal ones, at different macro-, meso- and micro-levels.

Fourth, the cross-cultural orientation still relies on limited fixed cultural categories with national (geographical) dependence, as well as being static in understanding the inter-relationship, power dynamics, tensions and paradoxes of EL. The national cultural dimensions perspective represents an essentialist view, being etic dominant, with a high focus on national (geographic) categorisation (Schedlitzki et al. 2017). It focuses on how national cultures and subcultures impact individual thinking and behaviours towards EL. Tung and Stahl (2018) argue that it has the potential to paint an overly simplistic picture and set of conceptualisations, which are incomplete and rely too heavily on a positivist, dimensional-based model of culture. The perspective fails to reckon with the dynamic and constantly evolving nature of national cultures, nor the specific aspects of organisational culture and societal institutions. The essence of context in its impacts on the emergence

and development of EL has not been robust enough to explain cross-cultural differences (Hartog 2015). Cross-cultural ethical research has long relied on this model in the absence of other appropriate alternatives. For example, the national cultural dimensions approach typically views culture as an independent factor, neglecting the interdependencies and interactions it has with a country's institutions, geography, politics, and economy. The context for current cross-cultural studies is fixed around western perspectives, with assumptions that individuals are situated in homogenous organisations and that these are situated in stable political, economic and cultural environments. However, these dimensions tend to be prescriptive, geographically-focused and predominantly etic in the way they assign certain forms of thinking and behaviours to a broadly conceived set of cultural categories, such as individualism/collectivism, power distance, and uncertainty avoidance (Hartog 2015; McSweeney 2002; Schedlitzki et al. 2017).

In addition, the interdisciplinary integrative approach is limited to certain dominant normative moral philosophies from western and eastern countries. The approach is the combination of both normative and empirical-descriptive approaches, which act as normative reference points for ethical behaviours, assuming that EL is logical and analytical-inclined in the way that leaders make ethical decisions based on predefined rights and rules from society, industry and intra-organisations (Eisenbeiss 2012). This approach is in some respects more theoretically sophisticated than that of national cultural dimensions. However, it fails to situate leaders in their particular context, where a range of complex contingencies related to individual followers and organisations, as well as societal institutions, will influence ethical decision-making by leaders (Dale and Latham 2015; Kenny and Fotaki 2015). Therefore, it could be argued that this approach lacks a

deeper understanding of the individual differences, organisational culture and societal-level forces (e.g., family, state, religion, market, law, and education) (Thornton et al. 2012). More work needs to be done to understand the underlying mechanisms and embedded institutions that organisational actors face when performing EL and making ethical decisions; for instance, how EL is interpreted through the historical process lens, together with the institutional pillars (Braga et al. 2021).

Finally, within the EL relationship literature, a gap remains in relation to the antecedents of EL (see section 2.4.1.1). First, it has been observed that mainstream EL tradition has generated a huge number of studies focusing especially on the outcomes and effects of subordinates'/followers' attitudes and behaviours (Pircher-Verdorfer and Peus 2019). In contrast to this phenomenon, research on the antecedents of EL is limited (Ahn et al. 2018; Qin et al. 2017). Qin et al. (2017) argue that simply knowing when and why some managers perform EL and others do not will help organisations to assist leaders to adopt appropriate strategies. Even in the few studies of the antecedents of EL, Zhang et al. (2020) notice that the majority focus on, for example, the personality and characteristics of leaders; advanced stages of moral development; and contextual influences, such as family, the ethical culture/climate or role model, and only employing the SLT process. In addition, according to Sosik et al. (2019), gaps in the current literature on EL remain in relation to its over-emphasis on the subordinates' side and outcomes, where EL is normally believed to generate followers' ethical behaviours that are beneficial for organisations. Sosik et al. conclude that future research should also consider how the perception of EL affects the attitude and performance of leaders. In addition, the antecedents of EL centre around (1) individual factors strongly rooted in social

psychology and philosophy, such as individual personality, and their interaction with situational factors; and (2) organisational factors, such as organisational culture and climate. This, however, provides little understanding of the inter-relationship between these factors, nor of how an individual is embedded in these kinds of complexities. The antecedents are treated as merely fixed and independent factors standing in isolation from one another, without addressing the changing nature of business practice. Therefore, a holistic approach incorporating both the multi-level systems and the micro-level individual process is important for understanding EL.

2.6 Critical Interpretive Orientation

Although the social scientific approach is the most dominant in EL research, it has received increasing criticism for its limitations (see section 2.5). Paterson and Huang (2019) challenged SLT for its incompleteness in accounting for the complexities and social dynamics that organisational members confront in their work. It is seen to be simplistic in assuming that respondents are accurate judges of whether a leader acts ethically, and therefore the social scientific approach lacks insightful paths to moral knowledge and reasoning (Flanigan 2018). Flanigan thus argues that a person's belief about what to do should be justified based on moral reasons. Focusing on ethical responsibility informed by Arendt's multidisciplinary perspective, Gardiner (2018) demonstrates that philosophers tend to *"privilege abstract accounts over those rooted in lived experience"* (p. 31), which can result in solipsistic thinking that favours oneself over others, leading to destructive ethical actions. Therefore, the critical interpretive orientation with a phenomenological approach has emerged as another orientation toward EL studies (see Figure 2.4). Other examples of the critical approach include leadership as a form of

embodiment (Pullen and Rhodes 2015), Spinoza's affective ethics (Thanem and Wallenberg 2015), and Hegel's philosophy of tragedy (Amiridis 2018).

This orientation takes a more ontological perspective. It argues that ethics should be embedded, situated and contextually bound in everyday activities and lived experiences (Clegg et al. 2007). As mentioned in section 2.5, one of the gaps in mainstream research is that there are rules and normatively appropriate norms for leaders to make ethical decisions. In a similar vein, Thanem and Wallenberg (2015) argue that ethics is generally assumed to be in the form of rationality where ethical problems are resolved by adhering to certain rules, maximising outcomes and acting virtuously. By adopting Spinoza's ethics, the authors argue that ethics should be in the form of recognition and embodiment. *"Spinozian ethics is neither a normative ethics of moral rules and guidelines, nor merely a diagnostic analytical framework. Rather, it offers a theory of the good, joyful and powerful life, which helps us analyse, enact and hopefully enhance the affective relations we embody within and around organizations."* (Thanem and Wallenberg 2015, p. 248). Ethics in organisations should be conceptualised from the interaction, connection and relation between people and their embodied encounters (Pullen and Rhodes 2015). Arguing that mainstream research in ethics tends to favour rationality, self-centred control, and masculinity, which are underpinned by corporate goals, Pullen and Rhodes call to rethink ethics in organisations from an embodied perspective which favours the *"enactment of care and respect for difference as it is lived and experienced"* (p. 159).

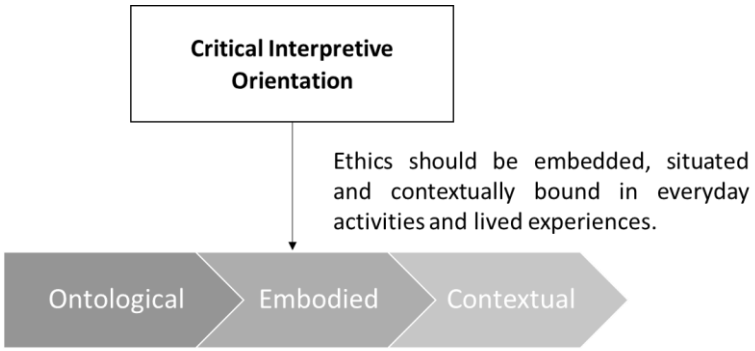
Liu (2017a) and Edwards et al. (2019) advocate that the mainstream orientation has long naturalised and romanticised ethical leaders as rational, powerful and pragmatic, depending highly on a masculine viewpoint. Both studies thus call for an ontological,

embodied and contextual-based approach to ethics in organisations through the recognition of otherness, differences and connection (Dale and Latham 2015; Kenny and Fotaki 2015). The purpose of Liu's (2017a) study is to investigate how the mainstream print media employs visual and verbal discourses to create particular rationality of EL. It provides an analysis of how two Australian banking CEOs (John Stewart of National Australia Bank and Ralph Norris of Commonwealth Bank of Australia) embody EL characteristics, as portrayed in the media before and during the global financial crisis (GFC) of 2008. It asks two main research questions: (1) *"How is ethical leadership dis/embodied among banking CEOs via verbal and visual discourses in the media?"* and (2) *"In what ways did the GFC inform the media representation of ethical leadership dis/embodiment?"* (Liu 2017a, p. 264). Much of the current literature views EL from both rational and practical perspectives; however, Liu (2017a) supports the argument that it is reinforced by a masculine orientation, which can be seen in the way it is presented and detached from its historical, social, cultural, economic and industrial context. A similar contention was made by Liu (2017b) in another paper published the same year, in which she argues that existing theories of EL tend to be individualised, decontextualised and depoliticised. Employing a feminist, communitarian and corporeal approach to ethics, Liu (2017b, p.359) views EL as *"occurring in the space between people, embedded in context and exercised via a collective political project towards the goals of equality, justice and emancipation"*. Leaders are not only individuals with certain characteristics and personalities, but they are also embedded in a social system and moral agency of integration, cohesion, and bargaining. The current literature on leadership, and especially EL, tends to view leaders in the beautiful light of competition, power, and domination, ignoring their ugliness (Edwards et al. 2019). EL should be situated in context through

Bakhtin's dialogical approach to understand how “looking good” can be conflated with “being good”. Edwards et al. (2019, p. 738) emphasise that taking a dialogic approach will enable researchers to understand *“the multiple, fractured sources of opposition, and the unfinalized nature of organizational reality”*. Using an ethno-narrative approach to a case study of Enron, Edwards et al. argue that their study goes beyond the dyadic relationship of leader-follower towards a more relational approach, focusing on the aspects of aesthetics and dialogue.

Drawing on Hegel's interpretation of tragedy, Amiridis (2018) shows that leaders often face ethical dilemmas, not only with clear lines between good and bad choices, but also between different good ones, requiring them to sacrifice one or other moral ends. Amiridis’s study therefore reveals the lived experiences of leaders, who are often constrained by the impossibility of moral resolutions. In addition, this perspective supports the notion that EL cannot be governed by a set of predefined rules, but should come from the interpretation and attribution of leaders in their relations with the social context (Liu 2017b). This means EL should respond to the needs of employees; leaders should show love and care rooted in the nature of affection, rather than relying solely on organisational rules and policies to make ethical decisions. Specifically, EL is not just about how leaders guide and demonstrate alignment and adherence to organisational goals and CoCs, but also how they understand the needs of their followers through a caring and emotional relationship between the two parties. In the observation of a French investment bank, Pérezts et al. (2015) found that body sense and gut feeling were used as tools by anti-money laundering analysts to trigger ethical judgments and resist constant external pressure from difficult files or hostile front officers.

Figure 2.4: Critical Interpretive Orientation of Ethical Leadership



Source: Created by author

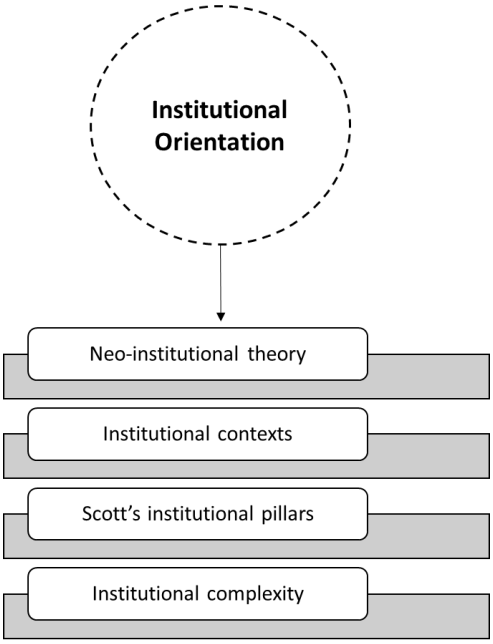
2.6.1 Gaps in Critical Interpretive Orientation

The critical interpretive orientation currently relies on the issues of body, emotions and aesthetics. Therefore, there should be more approaches to understanding relational-contextual, normative-empirical, and normative-descriptive studies (Edwards et al. 2019). For example, only focusing on media discourse in the embodiment of EL, as well as employing participants from a western country such as Australia, is not sufficient to understand how EL is embodied in everyday practice and how different cultural, industrial and economic contexts can inform the demonstration of EL (Liu 2017a; 2017b). This study argues that more research needs to be conducted, especially empirical research, to understand this theoretical lens of EL. In addition, this orientation is somewhat subjective and largely conceptual, so requires more work to understand EL in its entirety. Although the critical interpretive orientation offers a phenomenological understanding of morality, it is not sufficient to understand the multi-dimensional and other external factors that can strongly influence and impact the perception of EL. Future studies could also incorporate this theoretical lens as part of the EL process.

2.7 Ethical Leadership and Institutional Orientation

The literature review demonstrates that mainstream research views EL as a set of incorporated behaviours rooted in transformational and transactional leadership, in which leaders are thought to rationally act with consciousness and be competitive for the sake of their attractiveness and organisational effectiveness. This has led to a large number of empirical studies centring on dominant developed countries, and these studies tend to employ the ELS (Brown et al. 2005). Fehr et al. (2015, p. 200) recommend that *"leaders cannot easily rely on a set of best practices for ethical leadership"* and that scholars should *"adopt a more contextualized approach to the measurement of ethical leadership"*. This orientation lacks an exhaustive consideration of contextual and intersecting factors that influence EL (Braga et al. 2021; Liu 2017b). Although the critical interpretive orientation rooted in phenomenology acknowledges the contextual factors that influence EL, many of them tend to be conceptual and emotionally oriented. For example, EL is driven by the affection of love, care and body embodiment. The cross-cultural approach supports the convergences and divergences of EL, as well as highlights concerns regarding the adequacy of ELS due to its invariance across contexts (Ahmad et al. 2020). However, the cross-cultural approach is still limited in terms of geographic dominance, and also ignores the underlying reasons why EL diverges across cultures. Some studies have started to view ethical practices and EL from an institutional perspective (Figure 2.5). There are different institutional approaches, ranging from neo-institutional theory (Chan and Ananthram 2020); institutional contexts (Chen 2010; Tan and Wang 2011); Scott's institutional theory (Braga et al. 2021; Chen 2010); to institutional complexity (Nite and Bopp 2017). The following sub-sections will discuss these studies in detail.

Figure 2.5: Institutional Orientation of Ethical Leadership



Source: Author's synthesis (Braga et al. 2021; Chan and Ananthram 2020; Chen 2010; Nite and Bopp 2017; Tan and Wang 2011)

2.7.1 Ethical Leadership and Institutional Theory

Using the institutional theory of Scott (2013) and the comparative institutionalism approach (Hotho and Saka-Helmhout 2017), Braga et al. (2021) examine how the regulative, normative and cultural-cognitive institutional pillars influence HR professionals' ethical response to ethical issues in the workplace. Their study contributes to a new approach toward HRM ethical practices using institutional theory. They conclude that ethical HR practices are directed by the institutional orders of the regulative, normative and cultural-cognitive pillars. Although HR professionals can have the same views on what is considered ethical, their actual practice can be manifested differently due to institutional complexities. Chen (2010) supports the contention that the institutional context with internal and external factors has a significant impact on EL, and that this is

believed to vary across countries and cultures. For instance, the institutional environment in which firms operate, such as pressures and practices from the CEO, subordinates, shareholders, financial analysts and the financial press, can have a great influence on the level of misreporting behaviour in financial organisations. In a similar vein, Huq and Stevenson (2020) employed institutional theory to examine how institutional pressures influence the implementation of socially sustainable practices and explore how firms decouple their ethical practices. Their study provides an understanding of EL and the institutional approach in a non-western context by demonstrating the implementation of ethical practices, in particular the socially-sustainable practices in apparel industry suppliers in Bangladesh, and the pressures of institutional challenges on the country's suppliers. Chan and Ananthram (2020) document the ethical challenges experienced by senior executives in an MNC in India, which resulted in frequent problems as the MNC sought to institute host country regulations, norms and expected behaviours. They found that the Indian bureaucratic and legal system's institutional forces, the nature of its emerging economy, and broader social and cultural forces, in particular the role that religion plays in day-to-day life, strongly influence how ethical behaviours are perceived by employees. The studies mentioned above, however, mostly rely on the isomorphism of institutional theory and its impact on ethical decision-making and ethical practices in organisations. They also do not specifically draw on the concept and perception of EL. The following section discusses the IL approach in investigating EL.

2.7.2 Ethical Leadership and Institutional Logics

Some research has started to employ the IL approach to study the beliefs and perceptions of EL and its impact on ethical practices. For example, the unique Japanese culture (a

combination of Confucianism, Buddhism and Shinto) and features of future orientation and institutional collectivism have impacted the aspects of business ethics that characterise institutionally-driven processes (Kimura and Nishikawa 2018). In particular, the Keidanren policy, which aims at instilling compliance in Japanese business practices to prevent bribery, has influenced the way Japanese managers see EL as accountable and desirable (Kimura and Nishikawa 2018). In another study employing the IL perspective in particular institutional complexity, Nite and Bopp (2017) show that a leader can exhibit all the characteristics of EL, but the logic that drives them to do so determines whether they are ethical or unethical. However, organisational members such as leaders and other stakeholders (e.g., employees) tend to be viewed through a systematic and positivistic ethical framework of institutionalised ideals, within which the organisational actors are believed to be embedded, situated and influenced. Although current research has made great efforts to understand what it means to be an ethical leader, there remain difficulties in investigating the perception of EL due to the different kinds of ethical philosophical frameworks, (discussed in section 2.4.1.2) as well as the complexities of the institutions in which the leaders are embedded, which can lead to a variety of ILs. In addition, few studies have paid sufficient attention to utilising the IL approach to understand organisational ethics, in particular EL.

Concurring with these studies, in a similar vein this research employs ILs as a practical and useful lens to understand EL, taking into account the multi-layered context in which managers are embedded to make ethical decisions and practices. However, while current EL studies using ILs focus on the prescriptions and compliances of ILs in demonstrating EL, this study goes beyond this, investigating not only the ILs in which managers are

embedded, but also the process through which an individual perceives and makes sense of their ILs and translates them into their ethical practices. For instance, by providing a two-by-two matrix, Tan and Wang (2011) offer a conceptual framework for future empirical studies investigating the demonstration and practices of EL in MNCs through an IL lens. They argue that MNCs will choose from the strategies of defiance, compliance, negotiation and camouflage to respond to ethical challenges. The IL perspective applied in this sense is centred on the practices of the organisation, which is the MNC; however, this study focuses on the individuals for the following reasons.

Within the IL perspective, scholars have recognised the lack of understanding of the microfoundations of ILs (see details in section 3.4); in particular, the individual micro-level process (Bévort and Suddaby 2016; Currie and Spyridonidis 2015; Pache and Santos 2013). For example, drawing on institutional change, in particular the micro-analytics of ILs, Bévort and Suddaby (2016) attempted to understand how accountants in a Big Four organisation understand and interpret conflicting ILs when taking on new managerial roles in the organisation. Their study concludes that to date the approach from an institutional perspective has tended to focus on the macro- and meso-levels (the organisational level), while few have attempted to investigate the perception of individuality and interpretative subjectivity that individuals subscribe to and which is inculcated by their professional identity. Cloutier and Langley (2013) agree that ILs can be seen as *"bundled sets or ensembles"* of different levels of meanings, values and norms, which allow individuals to be subject to, make sense of and make decisions based on their interpretation. Organisational actors are embedded in different ways; for instance, using raw

materials/guidelines, cultural building blocks or symbolic grammar as reference points to make decisions.

Therefore, what is missing in the literature is a novel conceptual lens to investigate the repertoire of ILs and the way individuals, in particular managers, interpret and perceive ILs and translate this knowledge into their understanding and practices of EL. The essence of this study is that, despite the influence and prescriptions of certain macro- and meso-level institutional orders, individuals are also their own agents when interpreting and making sense of a particular phenomenon. This research approach has to date been neglected in institutional theory studies. By understanding how multiple ILs manifest inside organisations and are embedded in individuals' perceptions of EL, this study investigates the degree and extent to which individuals are influenced by such phenomena. This will be discussed in Chapter 3 – the theoretical framework.

2.8 Unethical Leadership

In contrast to the proliferation of research on EL, studies on unethical leadership remain limited. Brown and Mitchell (2010, p. 588) describe such leadership as *"behaviors conducted and decisions made by organizational leaders that are illegal and/or violate moral standards, and those that impose processes and structures that promote unethical conduct by followers"*. In other words, unethical leadership means leaders are involved in unethical behaviours which are believed to be illegal or socially immoral. Such behaviour includes, for instance, dishonesty, corruption, egocentrism, and manipulation (Eisenbeiß and Brodbeck 2014). In addition, unethical leadership is normally understood to be destructive leadership, while according to Brown and Mitchell (2014) studies have been using different terms such as abusive leadership (Tepper 2000), toxic leadership (Frost

2004), tyrannical leadership (Ashforth 1994), leader hypocrisy (Greenbaum et al. 2015), Machiavellian leadership (Den Hartog and Belschak 2012), and autocratic and malevolent leadership (Lašáková and Remišová 2015). Therefore, unethical behaviours are believed to be those of a destructive leader. It has been observed that, although there are few studies on unethical leadership, the approach to such leadership is similar to that of EL, whereby unethical leaders are believed to possess certain characteristics that are perceived as "dark", "destructive", "narcissistic", "toxic", "bad", dysfunctional", "Machiavellian", and "self-protective" (Lašáková and Remišová 2015). The conceptualisation of unethical leadership normally rests on defining its constructs and boundaries. For instance, in comparing ethical and unethical leadership across cultures, Eisenbeiß and Brodbeck (2014) argue that besides the compliance-oriented perspective on both ethical and unethical leadership, there is also the value-oriented perspective, which indicates the particularities in culture and sectors that lead to different demonstrations of unethical leadership. The compliance-oriented perspective is similar to the empirical-descriptive approach in EL, in which leaders are perceived to be ethical or unethical depending on their adherence to or violations of, certain rules and regulations. On the other hand, the value-oriented perspective is similar to the philosophical-normative approach in EL, in which ethical or unethical leaders have certain predefined sets of moral values to be internalised in their conduct and ethical practices.

In addition, unethical leadership is reflected in unethical decision-making. For instance, by being deeply committed to organisational goals and their role as leaders, leaders may make unethical decisions to achieve and attain such goals encouraged by their feelings of responsibility and confidence (Hoyt et al. 2013). This means that perceiving the self to

have more power can lead to negative psychological effects, resulting in unethical decision-making and behaviours. Managers who are involved in a hectic working environment and become overloaded with pressures and tasks may be involved in unethical behaviours such as discrimination, leaking of confidential data, and property theft (Joosten et al. 2014). Organisations hence need to organise and schedule appropriate workloads for their employees wisely. Egorov et al. (2020) show that current research on EL and unethical leadership takes a leader-centric perspective, while they argue there should be a follower-centric approach to understand the process and interplay between leaders and followers in the understanding of EL and unethical leadership. Therefore, the literature on unethical leadership holds a similar view to that on EL, in that leaders have power (e.g., demonstrating effectiveness and attractiveness) and that this is a dyadic relationship between leaders and followers. Throughout the EL literature review, we have observed that there exist unethical elements in the investigation and demonstration of EL. This means that failure to perform EL can lead to negative outcomes, such as increased turnover intention and poor employee well-being. Scholars also use unethical elements to point out the practical and subjective meaning of EL. For example, Paterson and Huang (2019) show that even EL can promote unethical behaviours. This occurs when leaders behave ethically but fail to speak up when they have witnessed unethical behaviours, degrading their image and showing them to be morally inconsistent and dishonest towards their followers. Therefore, unethical elements can be used to demonstrate EL.

While EL engages in virtuous acts and behaviours that benefit others for altruistic purposes, creating role models for followers, unethical leadership involves egoistic motives, which show leaders to be self-absorbed, manipulative and inconsiderate towards

their followers (De Hoogh and Den Hartog 2008). This has led to studies on the outcomes of unethical leadership, such as a reduction in followers' well-being; increased counter-productive behaviours and turnover intention (Schyns and Schilling 2013); a reduction in the social capital of the group and organisation (Den Hartog and Belschak 2012); and a decrease in leaders' trustworthiness, affecting the personal lives of employees (Lašáková and Remišová 2015). As unethical leadership is viewed as a contingent aspect of EL, this study argues that unethical elements should also be considered through a more contextualised and institutional approach to the overall understanding of EL.

2.9 Summary

Overall, current approaches are uni-dimensional, in that much of the EL research focuses on the dyadic leader-follower relationship, in which leaders are normally the focus of the individual or moral agent acting alone (Ciulla et al. 2018). For instance, affective dynamics normally occur in leader-follower relations (Munro and Thanem 2018). In real life, however, leaders have faced ethical contradictions, demonstrating the diverse but interconnected spheres of business, politics and society (Amiridis 2018). EL is currently viewed as a rigid, snapshot concept which does not take into account the changes in leaders' perceptions. In addition, the mainstream orientation largely sets out a certain rule-based perspective that leads to universal or normative ethical behaviours and practices. The social scientific approach presents a causal mechanism through which people learn, observe and behave similarly. Kuenzi et al. (2018) show that it seems as if followers simply follow what is set out in the ethical standards demonstrated in the workplace and learn from the modelling behaviours of their leaders. We know that individuals learn from others and imitate them when making decisions. However, within a different logic, and

faced with so many types, which logics are activated and how does this process take place? This remains unknown. In addition, Ng et al. (2021) argue that the traditional EL mainstream is static and that there is an emergence of consideration of the dynamic changes of perception in EL. Given that there are only a few studies that consider the changes in perception of EL, there is a need for a more dynamic, rather than static, view of EL (Ng et al. 2021). This thesis concurs with this perspective by arguing that ethical leaders are subject to certain logics, but depending on their perception and intention with regard to an issue, their activating and dominant logic will change and be contingent on the situation. Ng et al. studied the changes in EL perceptions, but this thesis intends to examine the root causes of such changes. This study, therefore, argues that there should be a more multi-dimensional approach that considers the comprehensive systems of daily experiences, relationships and institutions in which leaders are embedded, such as community groups, government and legal institutions, the education system, the mass media, markets and religion (Thornton et al. 2012).

In summary, what is missing from the current literature is a holistic and nuanced theoretical framework for achieving a deeper understanding of EL (Ciulla et al. 2018). There exists a need to understand a deeper level under the perceptions of EL, as the current understanding of EL is often superficial. Ethical leaders may have the same characteristics around the world, but with different embedded logics, which can result in unique ethical decisions. For instance, Braga et al. (2021) employed an institutional approach to investigate how HR professionals in Brazil, Colombia and the UK perceived ethical dimensions in their roles and how they built these into their practices, concluding that leaders do not always have the power to control workplace situations. Instead, they are

usually constrained by the contextual dynamics, both internal and external, embedded in a set of institutional pillars such as regulative, normative and cultural-cognitive. What EL represents and how it is translated into practice depends upon a set of factors and frameworks that HR professionals and managers are influenced and constrained by, which set the basis for ethical norms, values, belief systems and scripts.

From the above discussion, it is clear that EL is currently fragmented into two extremes (Ko et al. 2017). One is a positivist approach, in which EL is a demonstration of a set of predefined values and normative foundations, whereas the second is merely a socially-constructed approach, in which EL is subjective and interpretive in leaders' daily experiences and emotions. The mainstream orientation resonates well with the "ethic of judgment" (Ezzamel and Willmott 2014, p. 1017), whereby *"knowledge production is conceived to be governed by an impersonal structure of rules that are applied to objectively test, confirm or discard truth claims"*. Ezzamel and Willmott argue that studies that take a social scientific approach rely on ethical compliance and neglect the issues of motivation and consequences, ignoring the possibilities of context and history. The dominant mainstream literature has been criticised for being "masculine" (Knights 2015; Liu 2017a; Liu 2017b). In contrast, the critical interpretive orientation focuses on the "feminist" side of EL, which resonates well with the "ethic of care" (Ezzamel and Willmott 2014; Liu 2017a). According to Ezzamel and Willmott (2014, p. 1018), the ethic of care *"conceives of knowledge production as inescapably culturally embedded and historically contingent. It eschews establishing rules for objectively testing truth claims"*. This study does not reject the mainstream and critical interpretive approaches; instead, it offers a novel approach that complements and fills the gap in these EL orientations,

namely ILs (see Chapter 3). The IL approach helps to understand in which ILs individuals are embedded and on which prescribed values the behaviours of the individuals are based. However, this study argues that EL is not simply ascribed to certain types of institutions that exhibit causal behaviours; instead, there are multiple ILs, both co-existing and competing, which confuse and create ethical paradoxes and dilemmas for individuals when they are making ethical decisions. Therefore, this study aims to understand what particular ILs exist in the mind of managers in relation to EL and how individuals translate these into their EL practice.

These two dominant approaches in EL are also set in a dyadic leader-follower relationship. The positivist approach has not extensively explored the degree and extent, nor the antecedent process, to which individual leaders are institutionally embedded. The current literature on EL is set in a linear-causal relationship. A closer evaluation taking a holistic and multi-dimensional approach, incorporating the inter-relating factors, the degree and extent, as well as the process at and during which individuals make sense of and interpret EL, is missing. Keck et al. (2018) argue that Brown et al.'s study is descriptive, lacking a comprehensive and extensive view of norms. Research is still limited in its understanding of the individual and context differences in EL, as was confirmed by Brown et al. when they highlighted that individual and context are the factors that constitute and appropriately distinguish what is right or wrong. Moreover, current studies on EL employ the lens of a leader-centric approach, in which ethical leaders are viewed and evaluated through the eyes of their followers. However, EL is not as simple as a leader-follower relationship; it is more than that, being the relationship between leader and organisation,

and beyond that, the public and the government. Consequently, there needs to be an approach that goes beyond this to a full analysis of EL issues.

This study argues that to date research has acknowledged that there is key ethical guidance for EL; however, it is not simply the case that people follow this accordingly, as they are their own selves and are subject to different kinds of logic, depending on their institutional context. Therefore, this study investigates the micro-level individual process that managers relate to and are embedded within in order to understand the extent of antecedents and the circumstances in which they are activated, as well as the association of the individual with these antecedents in specific situations. As discussed above, EL is believed to possess typical characteristics such as honesty, compassion and integrity. For instance, Sosik et al. (2019) show that ethical leaders must prescribe to certain organisational codes of conduct and ethical compliance and need to be honest, trustworthy and humble. However, it is important to understand whether honesty and humility mean the same thing in different contexts. For instance, do the basic meanings of these traits remain the same from country to country and from culture to culture? If there is a difference in the logic embedded in these perceptions, will it result in different behaviours? Is the underlying intention of ethical practices the same? In different circumstances, are compliance and adherence to the organisation's rules equally strong? Surprisingly, such gaps have received little attention in the relevant literature. Therefore, this study argues that there is an urgent need to understand the kinds of institutions within which leaders are embedded and which form their perceptions of EL and affect their ethical decision-making.

Chapter 3: Theoretical Framework

3.1 Introduction

Chapter 2 presented a detailed literature review of the three theoretical EL orientations: mainstream, critical interpretive, and institutional. It outlined the key assumptions that underpin EL research and the gaps that need to be addressed. By understanding the relevant literature, why and how research topics and questions are generated becomes explicit. The chapter showed that there is a need for in-depth insights into the EL embedded within a variety of institutions in order to understand how individuals confront ethical paradoxes and dilemmas. This study adopts the institutional orientation in understanding the multi-level factors that influence EL from an interpretation of the individual level. We argue that although the institutional approach, namely the IL perspective, has begun to emerge recently with its meta-theory essence and as a method of analysis (Thornton et al. 2012), it has received little attention. The IL perspective opens up a new avenue to the culture, structure and process of EL (Thornton et al. 2012). Therefore, Chapter 3 outlines the definitions of institutional theory and IL concepts, including multiple ILs, the microfoundations of ILs and the institutional process. Finally, the chapter argues for the integration of ILs into the understanding of EL.

3.2 Institutional Theory

Institutional theory rose to prominence in the 1970s (Alford and Friedland 1985; Friedland and Alford 1991; Jackall 1988) and has been most commonly applied in the fields of political science, management and organisational studies, in the latter to understand how organisations remain stable and maintain themselves over time (Gümüsay et al. 2020). This has been complemented more recently with new institutionalism or "neo-institutional

theory", which focuses on the evolution of societal institutions and their impact on organisations (Valle-Cabrera 2006). According to Suddaby and Greenwood (2009), an institution is defined as the established social orders and practices that often represent taken-for-granted and repetitive social behaviours rooted in a set of normative systems and cognitive understandings. Institutions elicit rules, norms, conducts and cognitive structures that set out social arrangements that are widely practised, uncontested and resistant to change. As a result, organisations are expected to manifest the norms, values and beliefs drawn from existing institutions. An important principle in neo-institutional theory is that organisations have been found to mimic one another to compete and achieve success by focusing on homogenisation and the adoption of shared business models (Beckert 2010; DiMaggio and Powell 1983).

According to Shadnam and Lawrence (2011), institutional theory is a powerful lens for examining morality and moral conduct, as it is considered a multi-level theory, with an explicit focus on the multi-level social process of moral conduct. Morality in organisations is an inter-relating system between community, organisations, and individuals, in which the ideology nested within the community is transferred through organisations and then down to individuals. Therefore, Shadnam and Lawrence argue that institutional theory helps to understand not only the multi-level social process that influences organisational actors and their activities, but also the relationship between values, beliefs, and symbolic meanings within the behaviours of organisations. Institutional theory helps to understand the underlying socially-constructed beliefs, norms and rules that guide and allow organisational actors to negotiate within their field, as well as the compliance and conformity when organisational actors adhere to the social norms. The essence of

institutional theory versus the normative perspective in understanding morality is its emphasis on the sociological foundations. Shadnam and Lawrence (2011) concur with our argument set out in Chapter 2 that the current literature on EL tends to place too much emphasis on the social scientific approach (empirical-descriptive and philosophical-normative), in that what is considered to be right or wrong, or ethical or unethical, must be based on the dominant ethical and moral philosophies. Therefore, this study argues that adopting an institutional perspective allows for a more sociological understanding of EL, which lies within an inter-relating system of relationships and negotiation between individuals, organisations and large communities (Braga et al. 2021; Liu 2017b). This means that institutional theory allows us to understand how a given phenomenon is constructed and enacted in social systems, rather than what is appropriate or inappropriate from a social scientific (empirical-descriptive and philosophical-normative) point of view. Institutional theory helps to understand the behaviours and actions of organisations through the relationships between actors (i.e., individuals, organisations, communities, and societies) in which they are embedded. It is vital to understand the aspects of morality and their formulation within a social and historical context (Shadnam and Lawrence 2011).

Institutional theory is normally applied in the study of organisational behaviours because it assists in the recognition of the underlying structure of society and its norms, values and beliefs that guide actors' behaviours, thus allowing us to understand how actors within a field or a system respond to a set of regulative, normative and cognitive-cultural pillars (Scott 2013). The regulative pillar refers to a set of rules, standards, laws, and regulations that derive from the state, government, or other organisations to enforce compliance.

Actors operating within this pillar need to demonstrate conforming activities and strategies, otherwise there will face sanctions. The normative pillar refers to the binding expectations deriving from social and organisational obligations to perform what is deemed appropriate. Failure to adhere to normative institutional orders may provoke a more severe reaction from society and the public than with regulative orders. The cognitive-cultural pillar refers to a set of shared understandings and taken-for-granted beliefs held by actors related to doing what is considered acceptable, thus guiding their decision-making and actions. As mentioned in section 2.7.1, institutional theory has been applied to understand ethical practices in both organisations and their organisational actors. In other words, the theory is rooted in isomorphism and the taken-for-granted routines of human behaviours. However, an over-emphasis on institutional isomorphism on the part of organisations and their leaders neglects the constantly changing environment in which they are situated (Lounsbury 2008). Institutional theory is thus incomplete and unconvincing for understanding changes and heterogeneities within organisations, as it cannot segregate institutional explanations from organisational learning and resource dependence theories (Greenwood et al. 2017). Institutional theory has been mainly adopted to discuss the persistence and homogeneity of phenomena, but neglects the variations, changes and transformation within the institution itself and the institutional process (Dacin et al. 2002). In line with this, Lounsbury (2008) emphasises the role of the individual actors (leaders) in creating heterogeneity. Hence, researchers have shifted their focus to one of the most dominant and emergent approaches in institutional theory, the IL approach or perspective. It is argued to be a more systematic theoretical lens for understanding cultural heterogeneity (Thornton et al. 2012). The IL approach offers *"a plausible explanation for what might be at the source of institutional conflict and by*

association numerous insights as to how institutional arrangements are formed and how they come to change over time" (Cloutier and Langley 2013, p.360). Therefore, this study adopts IL as a central orienting lens to examine EL, because as argued, EL is situated in complex and ethical institutional dilemmas. The details of ILs will be discussed in section 3.3.

3.3 Institutional Logics

The concept of IL is based on the principle that cognition and behaviour in organisations are shaped by broader sociocultural forces via a range of societal institutions. The IL perspective is more complete than neo-institutional theory, which for a long time focused in a limited way on three institutional pillars, including the regulative, normative and cognitive (Scott 2003). IL is defined as *"the socially constructed, historical patterns of cultural symbols and material practices, including assumptions, values, and beliefs, by which individuals and organizations provide meaning to their daily activity, organize time and space, and reproduce their lives and experiences"* (Thornton and Ocasio 2008, p. 101). Core logics are derived from main institutions such as the market, state, family, and religion, which enhance and hinder actors' behaviours. Although scholars such as Meyer and Rowan (1977), Zucker (1977), DiMaggio and Powell (1983), Tolbert and Zucker (1996), and Tolbert and Zucker (1983) have previously paid attention to the neo-institutional theory, which is the foundation for the development of the later IL approach, the key term IL was initially introduced by Friedland and Alford (1991) in their seminal work *Bringing society back in*, in which they defined ILs as a set of material (structures and practices) and symbolic (meaning and ideation) elements which provide templates and categorise organising principles for organisational actors to give meaning, interpret

and make decisions (Kyratsis et al. 2017). Goodrick and Reay (2016) supported the premise that IL provides actors with expected goals to be achieved, together with the corresponding expected actions, interactions, and interpretations, thus shaping their behaviours.

The IL perspective comprises distinct elements from institutional theory. Thornton et al. (2012) explain the IL perspective through three macro-, meso- and micro-level mechanisms to understand how organisations and organisational actors compose and decompose ILs in their behaviours and decision-making. Initially termed by Friedland and Alford (1991), the inter-institutional system (i.e., connected system) provides a macro-historical approach to social life and organisational studies (Lounsbury and Boxenbaum 2013). It is a set of connected multi-level subsystems in which culture informs the practices, vocabularies and norms used within society (Thornton et al. 2012). Within the inter-institutional systems, there are seven institutions, family, religion, state, market, profession, and corporation (Friedland and Alford 1991), with community recently added by Thornton et al. (2012). Each institution generates appropriate institutional orders. These are the predefined societal subsystems within the multi-level system. The seven institutions are categorised based on institutional sectors rather than specific contexts, with each possessing its own logic and rationality, including sources of authority, legitimacy, identity and core values (Skelcher and Smith 2015) (see 3.4 for more details). Therefore, by integrating the symbolic and material dimensions, the IL perspective is a theory of cultural heterogeneity in which the essence of culture is derived from the categorical elements of one or more of the seven institutions. The IL framework helps to understand the inter-relationships among individuals, organisations and institutions within a social

system (Durand and Thornton 2018). ILs are referred to as organising principles that guide field-level actors and participants through a set of belief systems and taken-for-granted values, thus determining the meaning and structures of an institution (Reay and Hinings 2009).

From an organisational field perspective, the IL approach helps to understand the connection, relationship and causation of particular institutional orders and associated beliefs and practices, as well as indicating the common goals in a particular field. Pureza and Lee (2020) argue that IL shares some characteristics with institutional theory, in that cultural and cognitive structures shape organisational ones. For example, ILs integrate the three main dimensions of structural, normative and symbolic structures. The structural dimension reflects the coercive and regulative structures from legal frameworks and political power to enforce the practices, and the responses of organisations. The normative dimension reflects the symbolic aspects of professionalism through the structures of organisational laws, regulations, and policies, while the symbolic dimension refers to types of informal institutions, such as culture and society, which determine the behaviours of organisations. However, the IL approach is more advanced than institutional theory, because it helps to understand the heterogeneity and stability of actors through not only the above three dimensions, but also the inter-relationship between the dimensions within the inter-institutional system. Societies can be seen as an inter-institutional system which helps to understand the integration and multiple levels of ILs that influence and shape the cognition and behaviours of its actors, in particular organisations and individuals (Thornton et al. 2012). According to Gümüsay (2020), the IL perspective complements the old and new institutionalism theory by incorporating macro-level and deeper

principles, norms and values of the underlying reasons for actions, as well as cognitive legitimacy.

The difference between institutional theory and ILs is that while the former emphasises isomorphism and structural aspects, and how organisations and organisational actors cope with compliance and conformity, ILs focus on the different principles and institutional orders in which actors are embedded in terms of variety, change and agency (Johansen and Waldorff 2017). In other words, IL provides a set of social principles that guide actors to make sense of, hold assumptions and interpret the situation that led to what they consider to be appropriate behaviours (Greenwood et al. 2010). It can be understood that when facing a contextual situation, organisations or individuals will search for appropriateness through a pool of possible sets of social norms, which is the main approach of the IL perspective (Vurro et al. 2011). IL is a reference system and source containing meanings and values that trigger, motivate or even hinder actors to perform accordingly. It is a combination of both formal and informal rules, values, beliefs, interactions and interpretations, which allow actors to hold certain assumptions about a specific issue and thus make decisions based on these (Nielsen and Lockwood 2018). The IL approach focuses on the relationship and interaction between organisational form, normative frames and individual agency, which according to Skelcher and Smith (2015) is considered a *"more substantial social theory"* (p. 436).

According to Gümüsay et al. (2020), although the IL approach has been criticised for being uncritical as it has been *"distorted and overextended"* (p. 4), it offers valuable insights into analytical and social values. Gümüsay et al. identify four main dimensions of ILs that offer a potential understanding of significant global challenges such as climate

change: macro-level positioning, contextuality, temporality, and value plurality. Macro-level positioning allows us to understand how macro-level institutional orders and their related principles are embedded in the inter-institutional system. Contextuality refers to the instantiation of logics subjected to context and the corresponding interactions across the inter-institutional system. The notion of temporality considers the constellation of logic and its changes. This means that logics are not static, but time-bound, while ILs possess dynamic relational aspects of spatial and temporal settings; in other words, historical contingency (Skelcher and Smith 2015). Therefore, changes in logic lead to changes in the concepts, beliefs, and values of institutional orders. Finally, value plurality explains the value-ladenness of logic, signifying that logic provides meaning, but is also created by meanings, and is subject to changes. In addition, ILs possess a reasoning mechanism which leads to the possession of infused values. The interplay between ILs is unequal, as some may become more dominant and take precedence over other kinds. Gümüsay et al. (2020) thus conclude that the IL perspective is a more nuanced lens for understanding cultural differences, as logics are framed divergently across contexts, and subject to local conditions and respective cultures.

As discussed in the literature review (section 2.7), there is a lack of research on EL to understand how it is contextually and institutionally interpreted and perceived. In addition, EL is normally viewed as a static concept within a stable contextual phenomenon. The literature review leads us to propose that the IL approach is novel in filling the gaps in current theoretical orientations, where EL should be situated in a heterogeneous environment and complex institutional context. Touching on the aspects of social constructions, this study adopts IL as a theoretical lens to examine EL. Nielsen and Massa

(2013) advocate that the ILs within institutional systems can both enhance and hinder ethical practices in business management and individual behaviours. The demonstration of EL is believed to vary across different cultures and institutional arrangements due to the uniqueness of local conditions and the ethical challenges confronted in each country and its associated institutions (Podger and Menzel 2014).

Moreover, studies have yet to explain how institutional rules and values affect the ethics of organisational actors. Considering the complexities of institutions, IL is a suitable lens for investigating the Vietnamese context, which possesses institutional complexities in its legal, economic, political and cultural arrangements (see Chapter 4). That is, the perceptions of EL by managers in MNC subsidiaries will be influenced by the ILs in which they are embedded, which leads to unique behavioural responses in their ethical decision-making. However, it is significant to note that individuals subject to different contexts and institutions will interpret the institutional orders divergently, rather than structurally. According to Dacin et al. (2002), institutions are not usually uniformly deterministic, but rather have effects that are particularistic. For example, while religion IL prescribes a rule-based approach in Muslim family companies, it also leads to a principle-based approach in Christian family companies (Fathallah et al. 2019). Using an institutional approach based on the regulative, normative and cognitive structures is limited to understanding organisational behaviours, as individuals and organisations are embedded in both organisational and institutional environments, where there exist formal and informal institutional arrangements (Misangyi et al. 2008). The IL approach indicates the relationship between multiple factors within an inter-institutional system. While studies based on institutional theory normally apply a deterministic, functionalist and normative

approach to understanding organisational actors' performances, the IL approach emphasises non-deterministic analysis, as well as the agency of logic plurality and multiplicity (Skelcher and Smith 2015). Attention normally centres around a dominant or single logic towards isomorphic responses, neglecting its multiplicity and the heterogeneity of responses (Greenwood et al. 2010). Therefore, scholars have attempted to understand how multiple ILs manifest themselves and influence organisational and actors' behaviours. Subsequently, we also draw on multiple ILs to understand EL, which will be discussed in the following sub-section.

3.3.1 Multiple Institutional Logics

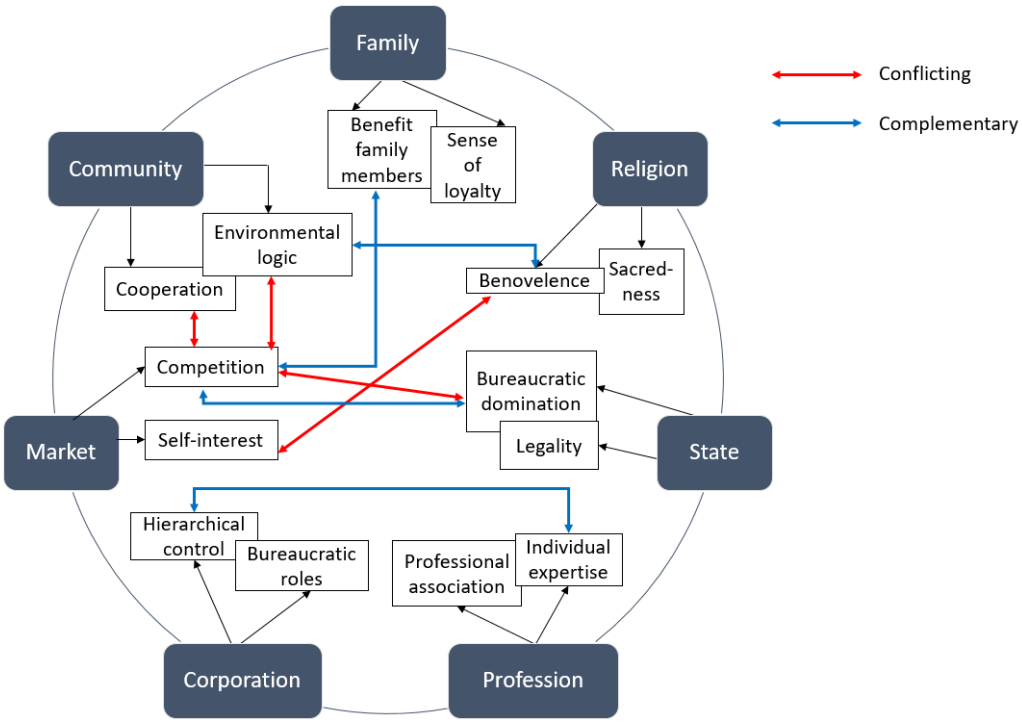
One of the main differences between ILs and institutional theory is that the IL perspective emphasises the *"differentiated institutional patterns of material practices, assumptions, values, beliefs, and rules by which individuals provide meaning to their social reality, that changes in individuals and organisations happen, shaping heterogeneity and stability"* (Cloutier and Langley 2013, p. 1412). It is not sufficient to view institutions as merely constraining or enhancing human behaviours; rather, institutions are negotiated by social actors who face conflicts, paradoxes and dilemmas (Cloutier and Langley 2013). This is when organisational actors exercise agency, whereby they confront the normative (predefined) institutional arrangements from one logic, but at the same time situated in an organisational context whose logics possess different rationales and reasons. For instance, Misangyi et al. (2008) report that issues of corruption have been dominated by two alternative frameworks. The first emphasises the economic perspective, from which the act of corruption is explained through the state logic of formal regulative structures and the market logic of rational self-interest, success, and efficiency. The second framework

emphasises the role of normative and cognitive aspects of corrupt behaviours, through explanations of culture, structure, and cognition only within an organisational level. Misangyi et al. argue that to have an effective solution to corruption, it is necessary to investigate the interplay of ILs and the resources used to nurture or sustain them. The actors who perform such remedies or solutions are regarded as institutional entrepreneurs, who play an active role in interpreting, defining, making sense of, and justifying the underpinning values, which according to Misangyi et al. are regarded as a *"noncorrupt sense of identity"* (p. 751). These two studies above are examples of the shift to understanding multiple ILs where there is no longer a single logic that can be dominant or mostly influence the behaviours of organisational actors (Reay and Hinings 2009). Each logic hints at and provides embedded actors with differing orders, rationales, and identities. This suggests the IL perspective as an interconnection of multiple and sometimes competing and conflicting logics, and that decision-making is based on the effect of constellations of ILs (Durand and Thornton 2018; Ezzamel and Willmott 2014). The logics mentioned here can be described as a set of cultural rules and beliefs that form, shape, and constitute human cognition, leading to distinctive decision-making and associated actions. Concerning the complexities and ethical dilemmas of today's diverse and challenging society, this study posits that managers inevitably and continually face conflicts and the interplay of multiple logics.

In particular, multiple logics can co-exist, leading to potentially conflicting or complementary ILs subject to the context and situation. Conflicting logics mean that the core (ideal-typical) values are contradictory, incompatible and incongruous with other logics, thus resulting in divergent demands and paradoxes (Thomann et al. 2016). For

example, while religion logic emphasises modesty and personal sharing for a better society, on the other hand, market logic favours the achievement of personal wealth and materialistic values. Multiple logics can also be complementary and compatible, rather than oppositional (Besharov and Smith 2014; Smith and Tracey 2016). They are complementary when practices implemented under one logic can enhance or supplement the core values under another, and vice versa (Smets et al. 2015). For instance, the practice of religion logic and community logic corresponds to the belief in greater achievement. According to Thornton et al. (2012), there are seven major ILs: family, community, religion, profession, market, state and corporation. Each of these prescribes different institutional orders to guide the behaviours of organisations and organisational actors. Many studies have adopted and considered these ILs as ideal-typical types of logic. Figure 3.1 shows co-existing ILs within an inter-relating system in which logics can be both conflicting and complementary. There have been inconsistencies in the term 'logic'. For instance, religion logic, profession logic and corporation logic can be called religious logic, professional logic, and corporate logic. This study uses the terms family logic, community logic, religion logic, profession logic, market logic, state logic and corporation logic.

Figure 3.1: Interplay between Multiple Logics



Source: Institutional Logics - Adapted from Thornton et al. (2012)

First, family logic will be evidenced when there exist values of family embracement, such as a strong sense of loyalty, solidarity and uniformity between members (Miller et al. 2017). In a business setting, family logic reflects how firms can be organised primarily to benefit family members (Fathallah et al. 2019; Reay et al. 2015). Following this logic leads to stable family firm investment and family solidarity. Taking an example of family logic in Spain during the period 1936-1939, Greenwood et al. (2010) highlight that the core values of such logic reflect traditional Catholic values, emphasising a paternalistic tradition and family stability. Specifically, women were only allowed to work with authorisation from their husbands. However, family logic can be influenced by other market logic that targets efficiency, so can alter the practices (e.g., the recruitment process) of the family business and its policies.

Second, market logic describes the behaviours of firms in focusing on effectiveness, profitability and success (Reay et al. 2015). This results in competition between firms to boost sales and market share, aiming to maximise value from business transactions. That is to say, market logic indicates the core values of competition, entrepreneurship, rewards for performance and competency, as well as achievement of economic success and merit (Miller et al. 2017). Market logic can influence family logic in the way that family businesses can shift to being more aware of the competency of their hiring process, and focusing more on firm-centric incentives rather than family-centric priorities. The blend of these logics can lead to healthy business performance.

Third, community logic reflects how firms are organised to serve community needs. Within such logic, participants share the same goals, which motivate them to possess an emotional attachment such as trust and reciprocity and to undertake cooperative actions for the sake of everyone's benefit (Reay et al. 2015). The ideal types of this logic in the organisational context result in cooperation between firms instead of competition. For instance, the development of open-source software is the outcome of the cooperation elements in community logic (Thornton et al. 2012). In addition, under such logic, there can be different types of IL, one of which is environmental logic. On one hand, this logic is triggered by the community logic of economic development (Thornton et al. 2012). On the other hand, firms which possess environmental logic will be aware of environmental protection, resulting in activities that reduce the negative impact on natural resources (Dahlmann and Grosvold 2017). This can be due to their compliance with environmental regulations and strategies, or be triggered by moral motivation and obligations. According to Gümüsay et al. (2020), environmental logic also refers to the attitude of caring between

humans and nature for the sake of the well-being of future generations. It can be seen that the assumptions of environmental logic diverge in each circumstance.

Fourth, state logic is based on the political aspects and forms of government (Gümüsay et al. 2020). This logic is specifically evident *"when there is a discourse about who is part of the electorate. In history, the right to vote has been made dependent on characteristics such as disability, gender, national identity, race, religion, sexual orientation and social status"* (p. 8). State logic represents the core values of legality, equity, security and correctness, in which law, rules and directives are the main orders (Thomann et al. 2016). The source of authority and legitimacy of state logic indicates bureaucracy and democratic participation. For instance, by indicating the condition in which it creates conflicting logics between state and market logic in private policy implementation, Thomann et al. (2016) found that actors may perform deficiently in such circumstances.

Fifth, religion logic describes the significance of faith and sacredness in guiding and providing the moral principles for individuals to act responsively towards a power such as a god (Fathallah et al. 2019). Firms adhering to this logic will focus on humility and benevolence by creating trust and support for their employees and stakeholders. Its sources of authority come from priesthood and charisma, whereas its sources of identity relate to the connection with deities or power (Skelcher and Smith 2015). A society in which market logic is dominant can weaken the traditional bonds of religion logic.

Corporation logic is the sixth logic, in which a corporation (organisations, firms etc.) is seen as a type of hierarchy with market orientation, and is run by the board of directors and different levels of managers (Thornton et al. 2012). The organisational members need to follow and immerse themselves in the organisational culture, fulfilling their assigned

roles. An ideal-typical corporation logic specifies the hierarchical control of work from the managers and work is subject to firm routines (Goodrick and Reay 2011). In this ideal type of logic, managers are immersed in bureaucratic roles, and are expected to hold responsibility for the organisation of work (e.g., workflow and content, quality assurance, employees' education and work experience) and the evaluation of workers' performance. Managers can be professionals or non-professionals.

Finally, profession logic can be understood as the expertise that a person brings to their work, which gives them status and increases their reputation (Thornton et al. 2012). According to Kyratsis et al. (2017), profession logic specifies the all-inclusive and underlying symbols and practices that professionals (e.g., accountants, lawyers, physicians) adopt to make sense of and perform their work. For example, physicians can practise profession logic based on certain principles, subject to their context and regions. Profession logic draws on the logic of generalism (primary care via family medicine), which is dominant in western healthcare systems. This requires physicians to *"think about a particular medical problem caring for the "whole person" in the context of their family and wider social environment"* (Kyratsis et al. 2017, p. 611) and then collaborate with other health professionals to provide holistic treatment instead of narrow specialism (primary care via specialist polyclinics).

However, as discussed by Thornton et al. (2012), ILs are not limited to the above institutions. Studies have demonstrated that there are a variety of ILs with many different terms, which has been argued to create confusion. ILs can include bureaucratic logics (Haveman and Rao 1997); managerial-market logics (Scott 2003); new public management logics and decentralised politically tolerant logics (Greenwood et al. 2010);

and professional service logic and the logic of commerce under accounting firms (Greenwood et al. 2011). The IL approach can thus result in analytical problems due to the specific focus on the previously described seven ILs, as well as overlaps of the categories (Gümüsay 2020). This study therefore argues that there exist certain predefined ILs, as described by Thornton et al. (2012), that can influence organisational actors' behaviours; however, it is also noteworthy that there can be more ILs that are generated from the raw data of the participants. For this reason, we adopted an exploratory qualitative approach and an inductive and interpretive mechanism to investigate the interpretation of EL in its understanding by Vietnamese managerial leaders (see section 5.8.3). In addition, the IL perspective remains western-focused, with the main institutions coming from the contemporary capitalist western context. Related research has been developed from theoretical conceptions and empirical studies conducted in western countries, in particular US ideologies and organisations (Gümüsay 2020). For instance, religion logic refers to the Christian religion, whereas market logic indicates capitalism. Gümüsay (2020) argues that these logics are in the form of plurality, and that their concepts possess not only general meanings, but also remain different across contexts. This study hence contributes by providing more empirical settings to pinpoint the geographical diversity in the understanding of ILs. In particular, we focus on Vietnam as the research setting context (see Chapter 4), moving away from the western-dominant and positivist approach of both EL and ILs.

Table 3.1: Ideal types of Institutional Logics

Institutional logic	Source of legitimacy and authority	Core values	Basis of strategy
Family logic	Family interests. Patriarchal domination.	Unconditional loyalty. Family solidarity.	Benefits family members. Protects family interests and family business.
Community logic	Unity of will and emotional connection.	Belief in trust and reciprocity.	Committed to community values. Achieve a greater good. Supports community and members.
Market logic	Self-interest. Impersonal. Shareholder authority. Market status.	Competition. Entrepreneurship. Effectiveness. Profitability. Success.	Increases profit efficiency. Rewards for effective performance. Boosts sales and market share. Benefits shareholders.
State logic	Democratic participation. Bureaucratic domination.	Legality. Equity. Security.	Increases community good. Serves society and public interests.
Religion logic	Association with deities.	Faith and sacredness.	Follows beliefs and acts responsively towards God. Emphasises benevolence and humility. Support for believers.
Corporation logic	Hierarchical control of work. Market position. Bureaucratic roles (board of directors and management).	Responsibility. Performance evaluation.	Manages organisational routines and work performance.
Profession logic	Personal expertise. Professional association.	Association with quality expertise	Maintains status. Increases individual reputations.

Source: Author's Integration - Adapted from Thornton et al. (2012), Skelcher and Smith (2015) and Thomann et al. (2016)

3.3.2 Institutional Complexity

Due to the confrontation of multiple ILs, actors face an organisational paradox which requires them to make decisions. Similarly, in an era full of contradictions and complexities, managers are also doubtlessly confronting ethical paradoxes and dilemmas. Scholars investigate this complex nature through the lens of institutional complexity, which is becoming a burgeoning area (Greenwood et al. 2010; Zilber 2002). Institutional complexity is defined as irreconcilable, conflicting and contradictory institutional orders resulting from multiple logics which occur to either a greater or lesser extent, subject to the experiences of organisations and actors within them (Greenwood et al. 2011; Vermeulen et al. 2016). Smith and Tracey (2016) argue that institutional complexity creates conflicting demands and guidelines from societal-level institutions. However, to date institutional complexity approaches have tended to focus on field-level organisational actors, and studies have attempted to simplify such complexities using only one or two pairs of logics. The term institutional complexity is sometimes used interchangeably with institutional pluralism (Kraatz and Block 2008), which creates confusion. Institutional pluralism specifically targets the conflicting aspects of multiple ILs. Research to date has addressed ILs using different words, such as competing, contrasting, contradicting, co-existing, conflicting, and complementary ILs. In addition, institutional complexity and plurality are only at the field level with less focus on the individual (micro-level) perspective. Therefore, some scholars have called for a closer look at the micro-level analysis of institutional complexity. For instance, using institutional complexity as a situation in all the work of non-managerial professionals in Canadian public universities, Shams (2020) focuses on how individuals interpret the institutional contradictions

between managerial and professional ILs. His study finds that non-managerial professionals perceive the institutional complexities situation as a threat to their identities, which they try to mitigate through delegitimisation, selective identification and the appropriation of realised publicness. Greenwood et al. (2010) advance institutional theory by employing ILs as a conceptual lens to understand how and why non-market institutions such as regional state logic and family logic influence organisational practices. Their study helps to understand the historical and cultural context within which the Spanish manufacturing sector is faced with institutional complexity. The study then uses institutional complexity as a situation and a condition (Pache and Santos 2013) that individuals confront in their interpretation of ILs and EL, instead of adopting it as a theory.

Furthermore, Dacin et al. (2002), Zilber (2016) and Lok (2010) highlight the importance of the agency and heterogeneity of ILs by focusing on more micro-levels. They pinpoint the diversity and divergences of multiple ILs through the perceptions and interpretations of the individuals who give meanings to institutions in a variety of relational contexts. That is to say, behaviours are not automatically subject to certain prescribed institutional pressures and institutional orders, but rather, they are a process of assigning meanings by the actors within the organisations. In support of this, Kyratsis et al. (2017) argue that IL provides vocabularies, values, and beliefs in the field-level process as options for individual-level actions in a specific sociocultural context. For that reason, the IL approach is more advanced to understand insights into the perceptions of EL across context and across culture. This is when the microfoundations of ILs emerge, as this approach examines socially constructed aspects of ILs, shifting away from the heavy

reliance on the positivist nature of current studies on ILs. Section 3.4 will discuss the microfoundations of ILs in detail.

3.4 Microfoundations of Institutional Logics

Although the institutional perspective is usually adopted in the international context of MNCs, it tends to rely on the concepts of isomorphism and legitimacy, in which it sets out systematic responses of headquarters and subsidiaries for certain institutional arrangements (Molina 2012). This, however, leaves out the complexity and plurality of MNCs subsidiaries in both a global context and an indigenous context rife with confusion and diversity. Molina, therefore, proposes ILs as a theoretical lens towards a thorough approach in understanding individual and organisational behaviours. According to Thornton and Ocasio (2008), IL provides individuals with certain taken-for-granted or ready-to-wear means-ends prescriptions which provide a set of issues, solutions, practices, behaviours and norms. Pache and Santos (2013) indicate that institutional scholars tend to focus on the isomorphism of ILs, in that they act as a prescription for organisational actors' behaviours and attitudes, with an emphasis on compliance, especially at the field level. This has thus resulted in many studies viewing ILs as having a positivist structure. Within the IL perspective itself, ILs are normally taken as isomorphic pressures, although according to Cloutier and Langley (2013), this is not always the case, as co-existing ILs can be preferred and prioritised by different groups of actors during the transitional phases. Studies on ILs that use multivariate analysis, in particular variance methods, tend to assume ILs and organisational behaviours to be causal, structural, and linear relationships of dependent and independent variables (Suddaby and Greenwood 2009). This assumes that organisations and institutions are situated in a fixed and stable condition and have a

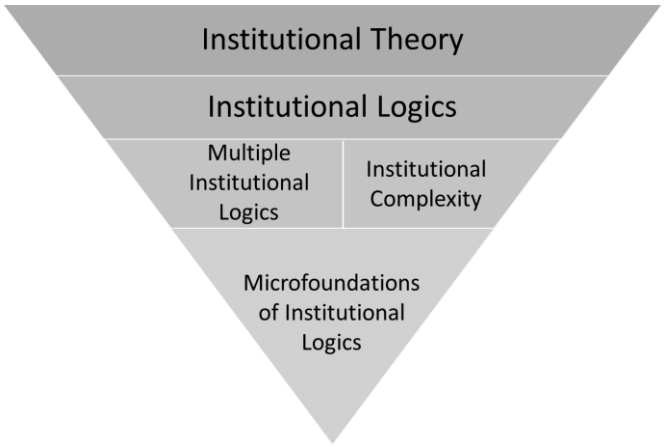
structural-causal relationship. Likewise, studies on morality and EL are most likely to have a positivist nature, with ethical leaders believed to possess certain moral characteristics and practise certain defined ethical behaviours, which align with dominant moral philosophies (see Chapter 2). Reay and Hinings (2009) and Pache and Santos (2013) agree that to date very few studies have addressed the micro-level view of organisational actors in managing the condition of institutional complexity (co-existing and competing ILs) in their daily basic activities, although the nature of the micro-level view provides more nuanced insight. Studies tend to focus on field-level actors such as organisations or governments to understand ILs, which creates a "blind spot" in understanding them (Cloutier and Langley 2013). Zilber (2016) emphasises that *"hardly any study was dedicated to individuals and to their interactions as pivotal to the workings of institutional logics"* (p. 141). Being rooted in the conformity aspects of institutions, moral or ethical values are generally considered to be right or wrong if they align with the normative, regulative and social-cognitive pillars (Cloutier and Langley 2013). This gap is similar to those in the mainstream EL literature where EL is demonstrated in a positivist approach to right or wrong. As discussed in section 2.7.2, current studies on EL using ILs tend to focus on the prescriptions and compliances of ILs in demonstrating EL. Moreover, the gaps in the mainstream orientation of EL remain in its prescription and reliance on norms and ethical/moral philosophies, in which EL is viewed as a static concept with a hierarchical linear relationship between leaders and followers (see 2.5). In addition, only considering prevailing or dominant logics to understand moral motives leads to a lack of nuanced and in-depth views of institutional dynamics and complexities (Cloutier and Langley 2013). Cloutier and Langley suggest that future institutional research should further examine how individuals (organisational actors) justify and negotiate their

socially-constructed and contextual ILs in making decisions, which is an interesting path to take. It is also important to understand the influence of institutional orders on individuals'/organisational actors' cognition and behaviours and how these influences can be challenged and questioned by the organisational actors, such as in relation to corruption (Misangyi et al. 2008). An analytic framework is urgently needed to understand *"micro-level processes and recursiveness by conceptualizing individuals as competent social actors capable of rhetorically mobilizing repertoires of cultural-cognitive and material resources in an effort to impose a particular worldview on a given situation"* (Cloutier and Langley 2013, p. 371). Moreover, individual perceptions of moral senses are usually guided by dominant institutions, underestimating individual agency and the effort to manage conditions of institutional complexities (Demers and Gond 2020). This has been long-established and deeply rooted in sociological, philosophical, and psychological traditions, which ignore the interpretive mechanism and justification work of individuals. This study, therefore, responds to Demers and Gond's (2020) call for future research to investigate individuals' judgmental processes when mobilising institutional complexity. By doing so, we employ an individual-level understanding of how Vietnamese managerial leaders interpret ILs in their perceptions of EL.

Therefore, together with the recognition of ILs at the macro level, this study deals with micro-level explanations, especially the microfoundations of ILs, to investigate how individuals direct their attention towards multiple ILs and demonstrate these in their behaviours. By adopting the microfoundations of IL as the theoretical orientation, the study addresses the gaps in the current EL orientations, shifting away from (1) universal best practices of what is right or wrong, acceptable or unacceptable, a stance which is

dominant in mainstream orientation (see 2.4); (2) the "isomorphism" of organisational behaviours; in other words, the conformity and compliance with a set of norms (see 2.4); and finally (3) the solely subjective individual factors and mechanism in emotion and the embodiment of body in critical interpretive orientation (see 2.6). Thereby, this study provides a holistic framework and explores an understanding of the interpretations of multi-level ILs that individuals (Vietnamese leaders) have embedded in their perceptions of EL. It is argued that the perception of EL is not simple, as its position is rooted in the ideology of society and the organisation. It is in fact more than that, being a combination of a range of institutional orders that are interrelated and complicated for individuals to make sense of, interpret and make related decisions, thereby reinforcing and reproducing their perception. Therefore, the study uses the term "institutional logics" as a key concept/approach for the theoretical frameworks. Similar to Arena et al. (2018), the study relies on the concept of multiple ILs, but with a focus on the individual-level, to explain how Vietnamese managerial leaders working in MNC subsidiaries in Vietnam interpret ILs in their perceptions of EL.

Figure 3.2: Institutional Approach Inverted Pyramid



Source: Created by author

In addition, as individuals attempt to resolve rival logics, they can draw on their existing knowledge of the field and institutional context to devise appropriate change strategies (Reay and Hinings 2009). This is when institutional change occurs, defined as a process whereby there are shifts in ILs and the emergence of new field-level logics. Empirical studies on institutional change take a macro (e.g., political-legal fields) and field level (e.g., organisational and industrial levels) analysis, but with very few capturing the micro level, especially the individual level, in their interpretations and translation of ILs (Becker-Ritterspach et al. 2017; Beckert 2010). The scope of this study, however, is not to explicitly focus on institutional change to establish new logics. Instead, it aims to support the institutional theory, in particular the IL approach, in understanding a more micro- and individual-level process of how actors interpret and perceive the meanings of co-existing logics (i.e., competing, complementary logics). In addition, the study aims to understand the IL approach in a Vietnamese setting. By doing so, we inform future studies in the core disciplines of institutional change to understand what micro- and individual agency-level IL sources can influence individual (leaders) behaviours in responding to the condition of institutional complexity, leading to institutional changes and the potential for new forms (Dacin et al. 2002). This will help to understand the contribution of ILs to institutional theory at large.

3.5 Integrating Institutional Logics into Ethical Leadership

3.5.1 Institutional Process of Ethical Leadership

As previously discussed, there is a lack of EL research to understand the institutional process at the micro level on a day-to-day basis (Cloutier and Langley 2013). For example, Lok (2010) extends the analysis to understand how ILs conditioned at the societal level

are translated, worked and reproduced through identities and practices at the micro level and from an individual perspective. In other words, macro-level ILs are reworked through the mediating effects of individual identities, which helps to understand how practices are demonstrated from a micro-level perspective. The conceptualisations of ILs based on neo-institutional theory (institutional isomorphism) tend to neglect the "moral" aspects in understanding why organisational actors activate certain ILs over others (Cloutier and Langley 2013), and therefore have an incomplete understanding of the interpretation of the mechanism of individuals towards the perceptions of any phenomena, especially EL. This is the situation which has encouraged scholars to call for a closer examination of the microfoundations of ILs. Precise and fine-grained differences in organisational practices can only be resolved through work at the individual level, enabling researchers to understand how actors make sense of and interpret the meanings of ILs and assign their own identities to institutional practices (Lok 2010; Zilber 2002). The IL approach is usually employed to resonate with the macro-level phenomenon, while little attention has been paid to understanding the mechanism at the micro level (Glaser et al. 2016). Vince (2019) therefore encourages researchers to consider how individuals provide meaning to institutionalised structures and processes. In doing so, Glaser et al. (2016) propose the need to understand individual behaviours by connecting the internalisation of macro-level cultural insights to micro-level behaviours (e.g., psychological underpinnings). Scholars have recently advocated a practice-based view of IL perspective that recognises how individuals translate their understanding of logics into everyday actions and organisational activities, and how these activities take place at the micro level, reproducing and transforming organisational structures (Currie and Spyridonidis 2015). Institutional complexity, specifically ethical complexities, will explain and make explicit the values of

micro-level investigations of ILs. Following the above discussion, this study argues that it is necessary to go beyond simply investigating the multiple ILs that managers are embedded within, to the analysis of the individual processes that a person perceives, and how they make sense of EL and translate this into their ethical practices. Pache and Santos (2013) argue that motivations for associated responses may vary between organisations and individuals. For instance, they show that *"whereas organizational responses are driven by a concern to satisfy institutional referents to ensure survival, individual responses are mainly driven by concerns related to social acceptance, status, and identity"* (p. 12).

While mainstream discourse tends to focus on how organisations respond to conflicting ILs and their arrangements, studies on the microfoundations of ILs focus on how individuals respond to their subjected ILs. For example, Pache and Santos (2013) identify five main types of individual responses towards any two competing ILs: ignorance, compliance, resistance, combination and compartmentalisation, depending upon their relationship with a particular IL, such as novice, familiar or identified. An organisational actor can be a novice with a logic if they have little information or knowledge of its type, while they will be familiar with a given logic through moderately accessible mechanisms. An individual is identified with a logic if they have full or high access to it, meaning it has a high chance of being activated. The actions of individuals towards a certain logic can range from adhering, resisting, being indifferent or complying. An ignorant response may happen if the individuals are unaware of their subject logic, which they simply unconsciously ignore. Compliance describes individuals' tendency to fully adopt the values, norms, and practices prescribed by a certain IL, while defiance refers to how

individuals reject the prescribed values and norms of an IL which they strongly perceive and therefore disagree with its characteristics. Compartmentalisation takes place when individuals purposefully segment their compliance with competing logics. For example, they can fully comply with a given logic and reject another in a particular context, but may choose to adhere to the other one in another context. The combination is the way individuals try to blend the prescribed values, norms and practices of the competing logics, thus promulgating strategies such as selective coupling or developing new values, norms or practices that synthesise the competing logics. Andersson and Liff (2018) argue that another strategy can be co-optation, by which individuals may utilise the best and the most strategic elements of each logic in their response to competing ILs. In addition, Reay and Hinnings (2009) highlight there can be issues for which there is no dominant logic for participants to make decisions, so they may be involved in practical collaborations to maintain their identities. The participants can also form mutual adjustments in the face of competing ILs depending on their social position (Currie and Spyridonidis 2015).

Cloutier and Langley (2013) argue that in addition to understanding multiple ILs (co-existing and competing ones), it is necessary to understand the conditions of multiplicity in which institutional processes exist at multiple levels of analysis (Suddaby and Greenwood 2009). Martin et al. (2016) contend that the institutional orders and forces that stem from the IL perspective can be both competing and co-existing, shaping organisational and individual behaviours. The IL framework thus provides agency, autonomy, heterogeneity, and conformity to offer rich and nuanced explanations of the understanding of institutions and behaviours. Martin et al. argue that micro-level studies have yet to resolve the contradictions in institutional forces, or in other words, the

institutional dynamics that affect individuals' day-to-day practices. Jensen (2019) supports the notion that IL is a significant theoretical lens to explore the multiple institutional processes in interdisciplinary collaborations, allowing researchers to explore the multiple ILs, as well as the interactions between organisational actors. This is particularly suitable for studies of the Global South such as Vietnam, where there exist rich cultural values, a long history, and gaps between formal and informal institutions. Therefore, ILs are integrated into the process of actors (organisations and individuals) in this study, and managers in MNC subsidiaries in turn form their attitudes and perceptions of a phenomenon.

Informed by the studies discussed above, this thesis focuses on understanding the institutional processes of EL at a micro level, in which organisational actors (Vietnamese managers) interpret ILs in their perceptions of EL. For instance, studies should move beyond reliance on certain ILs such as market liberalisation or legal accountability to explain the association between individuals and organisations, such as cases of corruption (Misangyi et al. 2008). Research should delve into understanding how organisational actors co-create, maintain, or create new opportunities to tackle corruption. In this regard, this research not only contributes to understanding EL from an IL perspective, but is also an empirical study into the micro-individual level and institutional process within the IL schools of thought. It therefore takes an exploratory and interpretive approach, which will be discussed in Chapter 5 – Methodology.

3.5.2 Micro-process of Ethical Leadership

First, as discussed in section 3.4, individuals are confronted with multiple ILs; there is no longer a single or dominant one that can constrain or enhance their organisational

practices. According to Thornton et al. (2012), there is a range of ILs that can influence the decision- and sense-making of individuals in an inter-institutional system. The IL perspective thus helps to examine the availability, accessibility and activation of individuals' prior knowledge and experience, which impact how they recognise, attend and activate the ILs in order to negotiate and communicate with their surrounding environment of social interaction. The perception and practices of EL are not simply compliance and conformity to the institutional pillars, such as the regulative, normative, or cultural-cognitive ones. Instead, there is an interplay between a variety of institutional orders subject to certain institutional environments and contexts that shape the embedded ILs of the individuals in terms of EL (Gümüsay et al. 2020). It is not simply that organisational actors will only rely on or conform to the beliefs and values of ILs, but they also negotiate and question them (Misangyi et al. 2008). For example, individuals can select only certain aspects of ILs depending on their socialisation and situations in a process of "situational fit" (Furnari 2019). Factors that can influence this process can be cultural knowledge or social situations. Furnari argues that it is important to understand people's definition of the situation; however, not easily through the causal activations of pre-existing ILs, but in the way individuals negotiate and assign meanings to situations. Therefore, this study agrees that it is insufficient to consider ILs and perceptions of EL through an external lens, but that it is vital to understand how ILs are institutionalised and negotiated in individuals' situations, contexts and cultures, as this enhances our ability to understand the *"richness, complexity, and unpredictability of social situations"* (Furnari 2019, p. 195).

Second, personally institutionalised to different kinds of ILs, individuals will interpret and assign meanings to an ethical issue or paradox in certain different ways. This is what the microfoundations of ILs are concerned with, as discussed in section 3.4.2. Reay and Hinnings (2009) argue that micro-level organisational actors (managers) can face a paradox when there is no dominant logic to guide them, but that there exist certain types of co-existing but competing logics that require them to maintain their identities and be involved in practical collaborations. The attitudes of an individual toward a given IL depend on the extent and degree to which they are embedded in this logic through education, professional experience, or even the background of the people they are related to, such as family members, friends, or colleagues. They also experience ILs through their organisational context at both the field and organisational levels, as well as experiencing societal ILs such as family, state, religion, market, law, and education (Thornton et al. 2012). The ties that individuals are associated with in each kind of IL vary and cannot be assumed to be equal. Therefore, any individual is confronted with multiple co-existing and competing ILs. Touching specifically upon the IL approach and institutional change process, Pache and Santos (2013) and Reay and Hinnings (2009) argue that the rivalry between co-existing and competing ILs can be managed through the development of actor and group identities and their collaborative relationships. More specifically, to manage the two competing ILs, which are the business-like healthcare logic and the medical professionalism logic, the actors in healthcare in Alberta rely on the mechanisms of collaborative relationships, such as (1) constructing collaborations to maintain independence but also achieve organisational goals; (2) keeping their own identities and participating in collaborative relationships to sustain the co-existing logics; and (3) through micro-level collaboration, which enables macro-level actors to develop field-level

structures (Reay and Hinnings 2009). Reay and Hinnings' study particularly focuses on ILs with group collaborations to understand how they manage to resolve and respond to competing and co-existing IL. Similarly, focusing on the micro level of ILs, Currie and Spyridonidis's (2015) study focuses on examining how the parallel existence of variegated - professional logic and ambiguous - policy-given logic influence how interdependent actors such as policymakers, organisational managers and nurse consultants manage and respond to their practice in the UK National Health Service. Reay and Hinnings' (2009) study highlights the interdependency between actors and ILs and their situational constraints. It finds that social position guides and shapes the way individuals interpret multiple ILs, and that there takes place a mutual adjustment between participants when facing institutional complexity. However, this is only enacted when it causes no threats to the power, position or interests of the more powerful actors; in this case, the policymakers and organisational managers. In a similar vein, although employing institutional theory to explain how the regulative, normative and cultural-cognitive pillars influence the way HR managers make ethical decisions, Braga et al. (2021) show that there should be further studies which take into account personal values and individual preferences to understand the way managers make sense of ethical issues. Our study argues that Vietnamese managers working in MNCs would be exposed to different levels of relatedness to certain institutional contexts. This allows the managers to confront a set of co-existing and competing ILs that require them to manage and make ethical decisions.

Third, organisations and individuals are not only situated and influenced by the frames of references supplied by ILs, but also by their interaction, interpretation and negotiation, which therefore open up agency for organisational structures and practices, leading to, for

instance, institutional change or stability (Lounsbury and Boxenbaum 2013; Reay and Hinings 2009; Zilber 2002). This study argues that EL is not a static and fixed concept, but rather that it develops over time (Koning and Waistell 2012; Shakeel et al. 2019) and is maintained, reinforced and reproduced due to its level of subjection, exposure and relativeness to ILs. For instance, Koning and Waistell (2012) acknowledge that EL is not simply a homogenous construct, but rather it should be subject to a process of "*becoming in context*" (p. 75), taking into account contextual factors such as the business culture to understand how business leaders construct their narrative identity in responding to and answering ethical/unethical practices. Koning and Waistell argue that EL is *"not as an 'either-or' but as a non-dual synthesis; ethical leadership can be, and often is experienced as, both individual and relational, past, present and future, continuous and discontinuous, internal and external, and ethical and unethical"* (p. 75). IL is not simply a mere analytic institutional order of ideal types, models or basic principles that require equivalent compliance; instead, the study of ILs should be rooted in the dynamics and complexities of multi-level fields and cultural categories (Weber et al. 2013). The current approach to IL tends to identify certain types of dominant and pre-existing ILs and then focus on investigating their effect and relationship, neglecting the realities of complexities and multi-dimensions. In support of this, current studies on ILs offer explanations at both the organisational (meditation, hybridisation and selective coupling) and individual (hierarchisation, sense-making, reinterpretation and hijacking) levels (Andersson and Liff 2018). However, these assume that ILs remain unchanged; the studies demonstrate that professionals and managers in the healthcare sector can adopt co-optation as a response to competing ILs. Co-optation is a strategic response when an organisational actor adopts the most significant and relevant elements from another logic in addition to the current

one. For instance, managers can co-opt diagnoses as an argument, or a strategic element of professional logic, to move resource-demanding patients to other organisations so that they can maintain accountability for their resources.

3.6 Summary

Gaps in the EL literature remain in the absence of cross-cultural and institutional perspectives, with most studies focusing on applying the best practices of ethical behaviours through predefined values and empirically-tested characteristics, such as fairness, integrity, and consciousness. The research largely relies on western culture and moral philosophies to construct EL. In addition, EL is viewed merely as a dyadic relationship between leaders and followers (Keck et al. 2018), lacking a holistic approach toward the multi-level underlying structures based on historical, cultural, economic and political factors. Therefore, a nuanced approach towards IL will contribute to the investigation not only of the multi-level institutional forces that influence EL in a Global South country such as Vietnam, but also go deeper into the institutional process in which EL is reinterpreted at a micro-level of analysis. Ko et al. (2017) argue that research is needed to understand the concurrent individual and organisational level aspects to understand EL. We argue that multiple ILs can address this problem as this approach examines the competing and co-existing ILs embedded in the thinking of leaders to understand EL through a more sophisticated lens.

Chapter 4: Research Context – Vietnam

4.1 Introduction

Chapter 3 explained the merits of ILs, in particular their microfoundations, in understanding EL as a perception phenomenon rooted in an institutional context and environment. It argued that the institutional context creates confusion about institutional arrangements, resulting in an institutional complexity of ethical paradoxes and dilemmas. In order to demonstrate the significance of the institutional context in setting out the divergences of institutions, Chapter 4 therefore specifically presents Vietnam as the main case study of the thesis. The study focuses on Vietnam as the country context and MNC subsidiaries as the type of organisation to examine EL for the following reasons. Vietnam presents a historical and institutionally complex case study, with a mixture of economic models and multiple economic reforms (Do et al. 2020). Fuelled by global integration and the process of adopting modern values and innovation, the country possesses an institutional complexity in its politics, legal system and culture. The institutional context has significant impacts on the operating systems for management and business in Vietnam. Although traditional and cultural values such as Confucianism are still deeply rooted in Vietnamese society, as a country in the Global South, Vietnam has witnessed the integration of political and legal environments, such as the "socialist market economy" in its organisational practices and human management systems (Zhu and Verstraeten 2013). Vietnam is currently moving towards global economic integration with strong FDI inflows, relatively low inflation, a strong manufacturing sector and a stable currency, in addition to a young population, a stable political system, and a commitment to sustainable growth. Therefore, Vietnam serves as an important case study due to its colonial, socialist

and capitalist background (Tran and Jeppesen 2016), including its complicated history with China, France, and the US.

This chapter begins with an introduction to the history of colonisation in Vietnam and its post-colonial context. It then continues to analyse the country's formal institutional context, including its economic development and business system, political-legal system, and social development. The main Vietnamese informal institutions are then presented, such as the Three Teachings (Confucianism, Buddhism and Taoism), and modern market-based values. The chapter ends with an identification of the current institutional challenges of corruption, labour standard compliance and environmental protection that the country is facing, followed by a chapter summary.

4.2 Vietnamese Colonial and Post-colonial Context

Vietnam is a Southeast Asian country, bordered by China to the North, Laos and Cambodia to the West, and is located along the west coast of the East Sea (Rowley and Truong 2009). The country is run, monitored, and controlled under the sole leadership of the Communist Party of Vietnam (CPV). It has a long history of more than 4000 years, having experienced the invasion and domination of China, the French colonial period, and the war with the US. The French colonial era in Vietnam lasted from 1858 to 1945 (Goscha 2016), during which time the Vietnamese were influenced by French values such as elitism, formalism and individualism, in addition to the long-time Chinese cultural values such as hierarchy, nobility, and respect for seniority (Truong et al. 2017).

This period was followed by that of the Republic from 1945 to the present day, which began with the war between Vietnam and the United States in 1945, leading to the

reunification of North and South Vietnam in 1975 (Schulzinger 1997). The American values from this time of democracy and the merit system influenced the Vietnamese socialist characteristics, such as egalitarianism and collectivism. This is considered the post-colonial context and can be divided into three main periods. The first period started on the day of unification on April 30, 1975. During this time, Vietnam faced enormous difficulties in economic and social development (Rowley and Truong 2009; Van Arkadie and Mallon 2004). The shortage of food and other basic commodities was severe and the majority of the population suffered from poverty, which had a dramatic impact on the development of the country. In an effort to unify the North and South, the CPV attempted to enforce its centrally planned socialist structure by shutting down thousands of private enterprises and converting them into nationalised or state-owned entities. However, central planning, agricultural collectivisation and industrial nationalisation had left the country's economy vulnerable. Due to the trade embargo by the US, the country was suffering from very high inflation, low GDP growth and foreign trade. The Đổi Mới policy was then implemented, leading to the second period of the political-economic landscape (Schwenkel and Leshkowich 2012). This period witnessed the impressive development and transformation of Vietnam in almost all fields, with high-tech industries and value-added services receiving more attention. This was also spurred by the lifting of the US trade embargo in 1994 and the restoration of relations between the two countries in 1995, at around the same time that Vietnam joined the Association of Southeast Asian Nations (ASEAN) and ASEAN Free Trade Area (AFTA) (Bilowol and Doan 2015). With the signing of the Vietnam-US bilateral trade agreement, Vietnam began to establish a stock market and give higher recognition to private enterprises in 2000. In 2001, the CPV 9th National Congress aimed to make the country an industrialised economy by 2010,

following accession to the World Trade Organisation (WTO) in 2007. The third period began in 2010, during which Vietnam industrialised and modernised itself to integrate into the global economy, witnessing strong FDI inflow and increased business international relations (Fforde 2019).

With its current development, the country has integrated into the neo-liberal global economy, in which the political-economic context, especially the economic reforms, strongly affects the operating context of management and business in Vietnam, as well as witnessing socio-cultural changes (Rowley and Truong 2009; Schwenkel and Leshkowich 2012). The following sections will reflect on the Vietnamese institutional context in the post-colonial period, highlighting the country's formal and informal institutions.

4.2.1 Economic Development and Business System

Vietnam is a Global South country, currently undergoing a rapid transformation in its economy with FDI and MNC inflows as a result of the Đổi Mới (or Renovation) process established by the government in 1986 (Fforde 2019; Nguyen et al. 2015). Đổi Mới has transformed the country from “centrally-planned and subsidised resource allocation” to “market-based allocation”; from a predominantly “state-owned economy” to a “multi-actor economy”; a “closed economy” to an “open and internationally integrated economy”; and from a “centralised” to a “decentralised” governance structure (Do et al. 2020). This new policy is particularly socialist-oriented, in which economic liberalisation mechanisms move towards equitisation rather than privatisation (Vu et al. 2018); that is, the boundaries of businesses are created through their financial responsibility.

At the same time, however, the government maintains a monopoly of power and socialist elements (Gillespie 2018). Đổi Mới not only serves as a response to the difficult economic situation of a country that experienced hunger, high inflation and high poverty rates in the early 1980s, but also as a means of planning economic stability, which has had a strong impact on social changes (Migheli 2012). For instance, since the start of the Đổi Mới reforms, 45 million Vietnamese people have been lifted out of poverty, leading to a sharp drop in the poverty rate, from more than 70% to just 6% in 2018 (Eckardt et al. 2016). Transforming itself from one of the world's poorest countries to a low-middle-income one in 2009 (Fforde 2019), Vietnam has observed strong GDP growth, peaking at 7.1% in 2018. Vietnam is no exception when it comes to being affected by Covid, of which GDP decreased to 2.6% in 2021, however due to the resilience of manufacturing, GDP is predicted to increase sharply to 7.5% in 2022 (World Bank 2022). Although there are other risks that Vietnam is still facing such as on-going disruptions of global supply chain, the emergence of Covid-19 new variants, and commodity and gasoline price increases, Đổi Mới has created the basis for innovation and fostered new impetus to celebrate socio-economic development.

During its 30 years of renovation, Vu et al. (2018) report that Vietnam’s export turnover reached over $170 million in 2016. According to the General Statistics Office of Vietnam (2022), in December 2021 the United States was Vietnam's top export destination, followed by China, Japan and Korea. Multilateral trade agreements will boost Vietnam’s FDI, especially in the service sectors, as well as create conditions for domestic private enterprises and SMEs (Small and Medium-sized Enterprises) to expand into the global economy (World Bank - Press Release 2018). In a statement, Sebastian Eckardt, the World

Bank Lead Economist for Vietnam, predicted that such new agreements would bring great benefits to Vietnam, including trade liberalisation, market access and domestic reforms (World Bank - Press Release 2018). Following the success of Đổi Mới, the Vietnamese government committed to social and economic development and reform acceleration through the implementation of several strategies. For example, at the XIIth Party Congress in 2016, the government committed to transforming the economy to one of "industrialisation and modernisation" while maintaining the "socialist-oriented market economy" (Fforde 2019). In addition, Vietnam's 2011-2020 Socio-Economic Development Strategy (SEDS) and 2016-2020 Socio-Economic Development Plan (SEDP) targeted three breakthrough areas, namely (i) encouraging and developing transferable skills for modern industry and innovation; (ii) further developing market institutions, and (iii) improving infrastructure (World Bank 2016). According to Bloomberg, Vietnamese Deputy Prime Minister Vuong Dinh Hue stated that foreign investment, along with good investors, is a key factor for domestic companies to improve corporate governance (Nguyen and Boudreau 2018).

The implementation of these strategies led to a significant increase in FDI inflows of nearly 7% from 2015 to 2016. Korea was the top foreign investor in Vietnam in 2019, with a $7.92 billion inflow of FDI into the country, followed by Hongkong, Singapore, Japan and China (VNA 2019). According to London (2015), Vietnam saw robust economic development from 1990 to 2010, as demonstrated by its average economic growth rate of 7%, which was just behind that of China. Due to the increase in FDI projects, MNCs have begun to see Vietnam as a viable destination for manufacturing hubs and research and development (R&D) activities (Lien-Hoang 2020; Vietnam-Economic-

Times 2018). For example, Samsung has poured billions of dollars into the country to set up factories and research centres for applications and smart devices, focusing on advanced technologies to develop home appliances and electronics. These products account for a quarter of Vietnam's total exports. Bosch Vietnam, a subsidiary of Germany's Robert Bosch GmbH, established a software centre and engineering lab, recruiting and leveraging the Vietnamese workforce. Intel has chosen Vietnam as the place for its largest chip factory globally. Having Asia's first and only R&D centre for two-wheeled vehicles, Piaggio emphasises innovation and added value in reducing fuel consumption and emissions to meet the growing demand in the Southeast Asian region. Other MNCs with subsidiaries in Vietnam include Panasonic, Yamaha, GE and HP. Efficiency and cost savings are beneficial when R&D and innovation centres are located near production sites. From a purely manufacturing economy, Vietnam has become a preferred destination for high-tech companies with higher added value.

The Vietnamese government advocates an institutional policy and programme based on three main pillars: balancing economic prosperity with environmental sustainability; promoting equity and social inclusion; and strengthening capacity and accountability of the state (World Bank 2016). The CPV is aiming for *"prosperity, creativity, equity, and democracy"* by 2035 (World Bank 2016). First, a prosperous society will transform Vietnam into an upper-middle-income country, led by the private sector, which is closely integrated with the global economy. Modern and free market institutions ensure fair competition for citizens and businesses, secure property rights, and competitive and transparent capital markets. Second, a modern, creative, and democratic society will enhance the learning and innovation capacity of individuals and organisations, with equal

access to development opportunities. Third, all citizens and socio-political organisations should strive to exercise democratic rights. Fourth, responsibility and sustainability will help the country keep abreast with global responsibilities such as peace, security, and economic integration, as well as protecting the environment during the development of the economy.

There are five types of business systems in Vietnam: SOEs (state-owned enterprises), POEs (private-owned enterprises), FOEs (foreign-owned enterprises), FIEs (foreign-invested enterprises), and SMEs (Truong 2013). The five main ownership types are POEs, FOEs, SOEs, collective enterprises and household enterprises. SOEs used to be dominant before the Đổi Mới policy in 1986, with the monopolistic dominance of the CPV, with decision-making based on democratic centralism, collective leadership, and responsibility in the form of resolution. However, because of poor economic performance, a transformation to a more open and market-based economy has fuelled a shift to other business systems, with joint-venture enterprises (JVEs) added as the most dominant established entity in the early entry mode, which will then gradually become FOEs when the MNCs or foreign partners gain sufficient access to local resources.

However, although Vietnam's economy has achieved certain positive outcomes as described, there are still a number of strategic goals that have not been achieved (Bui 2021). In particular, the goal of becoming a modern industrialised country by 2020 has not yet been achieved while the economic growth is low compared to the targeted goals. Due to the serious impact of the Covid-19 pandemic, the manufacturing industry in general and the supply chain, in particular, faced many difficulties and limitations. This

has revealed the inefficiency and lack of synchronisation of the socialist-oriented market economy institutions.

4.2.2 Political-Legal System

According to Gillespie (2007), the legal system in Vietnam is the result of adaptation from its historical practices and habits from China, France, the former Soviet Union/bloc and more recently Western capitalist economies. The history of legality in Vietnam reflects a reliance on and interaction with different legal systems and foreign ideas, which have enabled it to move to a more law-based state. With the introduction of Đổi Mới, the renovation policy, Vietnam has seen international legal cooperation, especially in trade and investment law, which has promoted its economic and political change from a command economy to a more market-based economic and legal system, whilst still remaining within a socialist framework (Rose 1998) and as an authoritarian state (London 2009). Rose (1998) argues that the country's history of intervention reflects its legal systems, ranging from vestiges of Chinese, French, Communist and to a lesser extent US law.

In addition, looking at Vietnam from the feudal and middle ages to pre- and post-1986 Đổi Mới, Koh (2007) found a gradual change in the country's legal system, with the government beginning to emphasise the rule of law in every aspect, particularly corporate governance, instead of heavily relying on the interference of moral and traditional values. In the latest labour law, which came into effect in January 2018, it is stated that employers who practise illegal dismissal of employees, coercion or threats to force employees to resign can be punished with up to three years imprisonment. This, and other legal changes, have allowed Vietnam to transform itself into a more law-based system, integrated into

international business and the global economy. According to Koh (2007), exposure to more global values, ranging from western countries such as the US and European ones, to neighbouring countries in Asia has required Vietnam to adhere to and practise international rules and standards. The aim of an open market with a socialist orientation is reflected in the commercial regulations; although the CPV still controls some business sectors in the economy, transnational investment and trade have infiltrated, and currently dominate, certain markets (Gillespie 2018). The government allows some sectors to be autonomous but remains careful in responding to the media concerning issues of environmental protection, as they are worried about the impact on their goals of industrialisation and modernisation. In addition, the Vietnamese government continues to strengthen its international relations with China, simultaneously attempting to expand its economic ties with other powerful countries, such as the US, France, Korea, and Japan (London 2019). According to London, the recent landscape of politics in Vietnam has witnessed a move to a more disciplinary market Leninism, with the dominant power of Party General Secretary Nguyen Phu Trong and his aims to intensify the party authority, discipline, and state repression. This has led to several anti-corruption campaigns to strengthen party power and diminish the impact of rivals.

In terms of industrial relations and labour law, workers have the right to strike under Article 174 of Decree No 29/SL, dated 12 March 1947. Delaying the payment of employees' salaries for 15 days will result in penalties of *"an amount equal to the late paid salary amount multiplied by the ceiling interest rate for one-month bank deposits set by the State Bank of Vietnam at the time of payment"* (Vietnam Law and Legal Forum 2015) The minimum wage is set to rise each year according to the Government's recently-

issued Decree No. 90/2019/ND-CP (Thuy-Dung 2019). The Vietnam General Confederation of Labour (VGCL) is the sole and unified trade union. Its role includes (1) representing and protecting the legitimate rights and interests of workers; (2) participating in state management and socio-economic management, and inspecting and supervising activities of state agencies and economic organisations; and (3) educating and motivating civil servants to promote their sovereignty, fulfil their civic duties, and build and defend their country (Vietnam General Confederation of Labour 2016).

4.2.3 Social Development

With a population of approximately 99 million in 2022 (Worldometer 2022), Vietnam has a relatively young demographic when compared with many other countries, with 45% of its population aged 35 years and below (Ngo and Tarko 2018). The development of the economy has witnessed an emergence of the middle class in the country, reaching 13% of the population, and is expected to grow to 26% by 2026 (Tu-Giang 2020). From 1996 to 2007, the majority (70%) of the population still lived in the countryside, which was mostly agriculturally based. However, the scenario has now changed significantly with the emergence of the middle class. Vietnam's human capital index stands only after that of Singapore in ASEAN countries; adequate education and health support can enhance typical Vietnamese productivity by 67% (Hanoitimes 2022). In addition, cooperation with international projects and businesses has brought new conceptions of skills development to Vietnam, thus demanding the supply of a highly skilled workforce in organisations, especially MNCs (Freire 2011). However, the education system does not provide students with the basic skills to work in a cross-cultural global environment (London 2015). Consequently, MNCs need to provide extra training for graduates and employees

(Budhwar et al. 2016; Tran 2013; Vietnamnews 2016), as Vietnamese employees' soft skills such as communication and teamwork are lacking, making them less competitive globally.

The changes in social demography are also reflected in the leadership styles in organisations. For instance, choosing American MNCs operating in Vietnam as research objects, Cox et al. (2014) highlighted the changes in leadership styles in three-generation groups: those born pre-1975, those born1975-1986, and the post-1986 generation. Their study found that managers in the pre-1975 generation demonstrated the abilities of resilience, openness and adaptation to new environments and leadership styles. Referred to as the transitional generation, those born between 1975-1986 are representatives of the social changes in materialism and individualism. While those in the pre-1975 generation accept participative and performance-oriented leadership styles as necessary, managers from the transitional generation feel comfortable with both leadership styles. The post-1986 generation shows their unique characteristic of 'un-Asian-ness' to other generations, eliciting open attitudes highly influenced by western ideologies, such as value delegation and autonomy (Cox et al. 2014).

4.3 Vietnamese Informal Institutions

As discussed in section 4.2, Vietnam has a long history dominated by China (111 BC to AD 939), France and the United States, which makes it a multi-ethnic and complex-culture country, with 54 ethnic groups. Due to such complexities, it is important to maintain social cohesion through the socialist ideology, with the promotion of nationalism, patriotism, collectivism and solidarity by the CPV (Nguyen et al. 2020). Vietnam is also influenced by its diversity of religions, including Confucianism, Taoism, Buddhism, Christianity,

Hinduism, Islam, and local religions such as Cao Dai and Hoa Hao. Among these, Vietnamese culture has been strongly rooted in Chinese ideologies and the religious beliefs of Confucianism and Taoism (also called Daoism), as well as the Indian culture of Buddhism. These three religious-philosophical ethical values form a distinct harmonious aggregation, which is called the Three Teachings (Tam Giáo) (Le and Yu 2019). However, when incorporated into Vietnam the original values of these three religious-philosophical ethical values have been blended with and adapted to local elements, which make the country's moral values distinct and unique from other neighbouring countries, especially from those of China. Thang and Quang (2005) argue that the three philosophies and religions co-exist and develop with each other with little conflict because the Vietnamese people never adopt any beliefs or practices in an extreme form, but always blend, adopt, and adapt them with the existing indigenous cultural values. The following sections will discuss in detail the Three Teachings and their components.

4.3.1 The Three Teachings (*Tam giáo*)

It can be said that the cultural values and beliefs of Vietnam are drawn from the Three Teachings (*Tam giáo*), based on three dominant philosophies and religions, a combination of Confucianism, Taoism and Buddhism. They are also influenced by numerous Vietnamese folk tales which are usually taught at school. These schools of belief highlight and emphasise the moral values of *nhân*, which means humanity, humanness and benevolence (Nguyen et al. 2018). Other important moral values are promoted, such as reciprocity, which means to do not to others what you would not have them do to you. Scholars have emphasised that although modern values have been introduced into the traditional and cultural ones in the inevitable shifts in development, the core values of

traditional Vietnam are strongly embedded in the life of its people. As Vietnamese culture is well-established and stable and has been maintained for thousands of years, the roots of traditional values persist in everyday ethical practices and the behaviours of people in their business practice relationships. For example, there is an involved personal awareness among the people working in organisations by which they see groups or teams as small families, which includes awareness of the responsibilities towards workers, the surrounding communities and the environment (Tran and Jeppesen 2016). It can be said that Vietnamese beliefs and cultural and traditional values are deeply rooted in the three philosophies and religions of the Three Teachings. However, only Buddhism is seen as an active religion, whereas Confucianism and Taoism are philosophies in which many Vietnamese people regard themselves as *đạo ông bà* (ancestor worships/worshippers). For example, the custom of ancestor worship is widely practised by three-quarters of Catholics, although it is not included in Catholic statutes (Vu and Yamada 2020). According to Trinh (2018), *đạo ông bà* is considered an indigenous religion and is regarded as an ancestor cult in Vietnam in which people believe the soul of their dead ancestors would have the power to grant happiness and blessings to the living generation (children). Although *đạo ông bà* is not a global religion or an organised or institutionalised institution like Catholic or Islam, it is according to Pelzer (1992), a country's core religion that is embodied and practised in the majority of Vietnamese families.

Therefore, the Vietnamese have a diversity of philosophical and spiritual practices. The moral values of the Three Teachings are demonstrated through national governance, education and social orders, serving as the core ethical foundations embedded in the everyday life of citizens and strongly impacting their beliefs, thoughts and behaviours (Le

and Yu 2019). Interestingly, although only 27% of the Vietnamese population consider themselves to have a religious identity, approximately 95% of the population follow religious and spiritual beliefs in their daily life (Le and Yu 2019). In addition, no Vietnamese regard themselves as Confucian or Taoist. It can be understood that some religious and ethical values are considered to be part of Vietnamese cultural values and the people are not even aware that they are adhering to these beliefs, even though they self-identify as non-religious. These ethical beliefs underlie society and are immersed invisibly and indiscernibly in people's consciousness. In particular, Vuong et al. (2018) indicate that the Vietnamese are not aware of whether their daily religious ethical philosophical practices originate from particular ideologies. For instance, burning votive offerings, which are believed to be ritual offerings, are intended to be sent to dead people, and are locally believed to be Buddhist practice, although it in fact originated in China. Vuong et al. demonstrate that the tendency of adding new norms and values to the current beliefs, even if they are contradictory with each other, indicates a phenomenon of "cultural additivity". The Three Teachings are understood as the unification, convergence, and co-existence of the common roots of the three religions (*tam giáo đồng nguyên*). However, the degree of dominance of each ideology and religion is varied. The following sub-sections will discuss in detail Confucianism, Taoism and Buddhism.

4.3.1.1 Confucianism

According to Vuong and Tran (2009), Confucianism is an ancient Chinese ethical and philosophical belief, that emphasises human morality and behaviour in a hierarchical society. It is a school of thought that guides the order of society (Nghia 2005). Confucian values have been institutionalised in the cultural values of East Asian countries such as

China, Vietnam, Japan and Korea. Therefore, it has a strong impact on the perception and cognition of ethical properties in Vietnamese people (Grosse 2015). The traditional ethical philosophies can be included in the four-syllable expressions of *Tam cương ngũ thường* (three bonds, five principles) (Nguyen et al. 2018; Vuong et al. 2018). The three bonds are expressed as the relationships between King (ruler) and the subject (the ruled) (*Vua-tôi*); between father and children (*Cha-con*); and between husband and wife (*chồng-vợ*). The five principles are benevolence - humanness (*nhân*), righteousness - justice (*nghĩa*), propriety (*lễ*), wisdom (*trí*) and faithfulness - integrity (*tín*).

Scholars agree that as Confucian values have been introduced and institutionalised into Vietnamese life and culture through family teachings, education, social events, and traditional folk tales, the Vietnamese people do not realise their existence. *"The remnants of Confucianism, which strongly remain at the micro-level of family and community, the different tiers of the educational system, have helped revive Confucianism as the guiding thought in the local elite groups, business enterprises and society leaders"* (Vuong and Tran 2009, p. 60). Confucian values also penetrate the thoughts and ethical practices of business and professional practice. This is featured in Vietnamese folk tales, in which those who prioritise money are not good symbols and are characterised as greedy and counterexamples of dignity and gentlemanly behaviour.

It is worth noting that the way Confucianism is ingrained in each country is different. For example, while loyalty in Japan means loyalty to one imperial family, in Vietnam it means to the country (Nghia 2005). Confucian values in Vietnam have moved away from Chinese ideology as they are institutionalised and incorporated into the country's indigenous beliefs and social norms. The deeply-rooted Confucian values include

maintaining social harmony, obedience, duty, obligation, honour, respect, education and filial piety (Truong et al. 2017). Consequently, people tend to avoid conflict, embarrassment, or humiliation whenever possible to maintain harmony (referred to as "saving face"). In addition, the Vietnamese are expected to respect people in higher positions so that they can maintain harmony and consensus in their relationships. Age is an important factor in determining hierarchical relations, with older people respected for their experience, knowledge and wisdom (Pham 2013). The younger are expected to be submissive and obedient to their seniors (Vo and Hannif 2013). Breaking the social order can cause serious and unforgivable offences in a group. Hofstede (1984) and House et al. (2004) indicate that Vietnam has a high Power Distance Index (PDI) score, indicating that people accept inequalities in society because PDI shows the degree to which a particular culture respects hierarchy, status and power differences. Nguyen et al. (2015) also confirm that Vietnam is a collectivist society because people tend to have "in-group" thinking styles, in which they are expected to sacrifice their own needs for the good of the collective, or in this case the organisation and its leadership. The country's socialist history has promoted and encouraged the collective good ahead of individual needs and self-determination. "Relationship dominance" is an essential part of Confucianism which emphasises the social relationships, interdependence and interrelatedness between individuals (Ho 1995).

However, the influence of Confucianism in Vietnam is much less strong than in other Confucian countries due to its integration with other ethical philosophies and religions such as Taoism and Buddhism, as well as the socio-economic modernisation from the influence of western cultures, such as that of France and the US (Grosse 2015). In

Vietnam, Confucianism is not considered a religion, but rather a system of ethics and morality. The Vietnamese people can identify as belonging to other religions such as Catholicism or Buddhism, but they still espouse Confucian values in everyday practices in an unconscious way. Nghia (2005) argues that as a result of the introduction of socialist orientation, which is discussed in section 4.3.1 as a form of economic opening, socialist ideals have replaced some traditional values of Confucianism such as the Three Bonds and Five Principles. People are becoming aware of the importance of freedom and individualism. For example, more campaigns and research have been conducted to raise the voice of women (Nguyen et al. 2020). The dominance of Confucian family leaders has been challenged and attempts made to erase it in modern Vietnamese society. However, scholars still argue that although Confucian tradition seems to have changed on the surface, some deep features remain invisibly and unconsciously persist in modern Vietnamese life. Therefore, from the perspective of the West, indigenous norms in Vietnam appear to be vague and unclear.

4.3.1.2 Taoism

According to Vuong et al. (2018), while Confucianism serves as a foundation for Vietnamese political and institutional organisation, Taoism (or Daoism) had less of an influence on society, only acting as a religious background. Similar to Confucianism, Taoism originated in China, and is most evident and pervasive in contemporary Vietnamese society through the practice of rituals and superstition (Le and Yu 2019). For instance, Vietnamese worship the Kitchen God, a deity who is believed to bring family prosperity and who will report good family aspects to the higher God (called *Ngọc hoàng*). The ideology of Taoism is based on the balance between yin and yang, which indicates

the harmony between individuals and between individuals and nature (Le and Yu 2019). The yin, the black half of the circle, symbolises feminine features and characteristics, such as gentleness, softness, flexibility, passiveness and introspection, whereas the yang, the white half of the circle, represents masculine characteristics, such as strength, toughness, aggression and activity. Bai and Morris (2014) state that Taoism is the main philosophy originating in China whose values reflect the yin and yang principles. In terms of EL, this philosophy demonstrates that leaders should be able to solve the paradoxes and dilemmas of the real world and make the right decisions through their spiritual connections with a divine power such as God or Buddha. Taoism is blended into Vietnamese culture; people do not recognise it as a core system of specific teachings, simply considering its rituals and worship simply as traditional Vietnamese values (Vuong et al. 2018). Taoist ideologies appear vague in Vietnamese culture as their borders are blurred by the dominance of Confucianism.

4.3.1.3 Buddhism

It is worth noting that although Buddhism is considered a religion in the world, the way it is practised in Vietnam is not equivalent to other religions as an absolute or exclusive faith. *"Buddhism is not primarily an organized religion but rather part of a way of life, a belief system that has become one integral part of the syncretic worldview of the majority of Vietnamese"* (Pelzer 1992, p. 78). Vietnamese Buddhism has been adopted smoothly and flexibly, becoming a religion deeply imbued with Vietnamese identity and spirit (Vu and Tran 2021). Vietnamese Buddhism is the combination and harmony of Buddhism (rooted in India) with Taoism and Confucianism. The concept of *tâm* (whole-hearted, heart) is rooted in Vietnamese Buddhism and has been deeply incorporated into

Vietnamese culture and history since the 15th century, reflecting the nature of compassion and kindness and the act of giving (Leshkowich 2006). Le et al. (2020) argue that another ethical and moral value in Buddhism is the ability of a person to demonstrate gratitude, mercy, compassion, and care for other human beings. Although other external religions have been imported into Vietnam, such as Christianity and Catholicism, Buddhism has existed for the longest time, over 2000 years (Vu 2021). Engaged Buddhism has become strongly integrated into the life of the Vietnamese as an informal institution, albeit with a non-religious identification and the fact that it is not a state religion.

Vu (2021) highlights that the practices of Buddhism (engaged Buddhism) nowadays have moved away from the ingrained influences of Confucianism on *"backward, feudality and superstitions"* (p. 518), to a stage where it is now appreciated as a daily practice, rather than the prioritisation of worship and traditional rituals. In other words, Buddhist values and principles have been applied to Vietnamese contemporary society due to their flexibility and freedom.

4.3.2 Modern Market-based Values

Globalisation has introduced new norms and beliefs, reshaping Vietnamese traditional attitudes and the perception of people toward freedom and independence (Truong et al. 2017). The milestone implementation of the Đổi Mới policy has internationalised Vietnam, which has forged new relationships and values with different countries in all domains, such as business, culture and education. For instance, students are thriving thanks to their self-cultivation and self-transformation, while Vietnamese Higher Education (VHE) has boosted and strengthened international collaboration with foreign

universities, as well as enhancing students' proficiency in foreign languages such as English, French, Chinese or Korean (Nguyen and Tran 2018; Nguyen and Tran 2014).

Vietnamese managers have adapted their management style, focusing on teamwork, people orientation and strategic visions (Vo and Hannif 2013). Vietnamese citizens are gradually placing greater emphasis on personal advancement over collective goals. The introduction of the internet and social media has allowed individual exposure to new foreign values and concepts, leading to the importance of self-presentation and the influence of self and identity in neoliberal global culture (Nguyen et al. 2020). In this sense, Vietnam not only shares Confucian culture with Asian countries such as China, Korea and Japan, but also western cultures from North America and Europe. In economic terms, neoliberalism refers to an economic system which repudiates government-dominant decisions in favour of free-market mechanisms (Masina 2012). In social terms, it is a culture which advances individualism, self-management, autonomy, rationality, responsibility, empowerment and positivity (Türken et al. 2016).

4.4 Institutional Challenges

Despite the accelerating economic, political, legal and social change, as with any country there exist weaknesses in the Vietnamese government’s strategy. Together with impressive growth and development in economics and society, Vietnam is facing the threats of the slow and unstable global economy, the reduction in trade and investment, fluctuations in capital flows, and the negative effects of the China-US trade war (London 2019), as well as the effects of the current Covid-19 pandemic, resulting in wide gaps in equality in terms of socioeconomics and income. Although Vietnam has been successful in its market reforms, there remain weak legal enforcement and institutional consistencies

due to the country's deep internal divisions and the incompetency of the party-state in implementing consistent and coherent ideological discourse to support private commercial rights (Gillespie 2018). In addition, Vietnam is facing poor organisational governance, unethical management (e.g., poor working conditions, excessive work hours) and the unproductive use of natural assets and the environment, which have all led to severe and serious impacts on sustainable resources and climate change (Eckardt et al. 2016). Bilowol and Doan (2015) claim that there is a lack of legal foundations and weak law enforcement in the implementation of CSR. For example, Coca-Cola Vietnam has been recently fined for tax evasion of around USD 35.4 billion (Nguyen 2020). The company has been accused of delaying tax payments and incorrect tax filing, such as purposefully declaring fake loss of profits (Bilowol and Doan 2015). The long-running dispute between Coca-Cola and the Vietnamese tax authorities until today reveals the attempt of foreign-invested enterprises in evading their tax obligations (Lam 2021).

Dione (2020), the World Bank country director for Vietnam, argues that investors and foreign business operators have also been confused by the complicated legal texts and ambiguous regulations that make it time-consuming for them to comply with. The average company in Vietnam spends 40 more working days than one in Singapore to pay its taxes, which costs businesses considerable time and money. In addition, there is a lack of transparency in the enforcement of the law and the availability of quality information, facts which worry investors and business owners. Dione (2020) suggests the establishment of an effective justice system and strong regulatory bodies, as well as digitalisation in the implementation of administrative works and procedures, which would facilitate a more open, transparent and compliant business environment. The following sub-sections outline

three main challenges that Vietnam is facing: corruption, labour standard compliance, and environmental protection.

4.4.1 Corruption

According to the Corruption Perception Index (2021), although corruption in Vietnam has significantly improved in recent years, it still ranks 87 out of 180 nations. It remains a major problem in the country, influencing managers' behaviours and creating several issues for companies thinking of investing in the country. Corruption happens in every aspect of daily life, even in education (McCornac 2012). Scholars reason that although there has been a transformation to a more law-based approach in Vietnam, legal enforcement remains weak due to corruption, leading to legal gaps, which can negatively affect the business environment context and the country's development (Nguyen et al. 2018; Vu and Tran 2021). In particular, the law appears to be superficial, while deep down it is not well-complied with by the public or enforced by state officials. While the transition to a market economy has created economic opportunities, at the same time it has led to different forms of corruption. This can be considered to be one form of moral degradation (Vu and Tran 2021). The effectiveness of the anti-corruption campaign in Vietnam is still in question, despite the current dominance of Party General Secretary Nguyen Phu Trong, who is attempting to break the corrupt network of the former prime minister (London 2019). The anti-corruption campaign is meant to improve the economic climate; however, so far it has only been enacted as a political purge, with high profile arrests and prosecutions. Anti-corruption is a very serious policy that MNC subsidiaries emphasise, as it is a taken-for-granted issue in the business context in Asian countries, in particular Vietnam. Gift-giving or gift exchange is considered to be a way of

demonstrating gratitude, mutual respect and appreciation between business partners, which assists in strengthening business and personal relationships (Mai et al. 2009). However, this is viewed as unacceptable in western business practice, which creates challenges for managers, who must work under the institutional context and with partners whose IL is based on this kind of business practice.

4.4.2 Labour Standard Compliance

With the increase in FDI projects, MNCs have started to see Vietnam as a viable destination for manufacturing hubs and R&D activities (Vietnam-Economic-Times 2018). However, according to Tran and Jeppesen (2016), the country is facing the dilemma of still being a supply country for low-skilled and low-paid workforces, especially in the manufacturing sector. It has not yet effectively provided sufficient social benefits as a market-based economy with increased trade and investment for the needs of workers who demand improved living standards, together with their rights and entitlement. Although wages are increasing, together with moderate inflation, other rises in essential products and services are increasing more quickly (London 2019). As Vietnam becomes a major destination for labour-intensive manufacturing industries such as garments, footwear, food processing and electronics, foreign-owned sector companies have been facing an increase in wildcat strikes around the country (Do Quynh Chi 2017), especially the spontaneous strike waves between 1995-2020 (Tran 2022). The reason for this is first that it is no longer suitable for Vietnam to sustain a "low cost" competitive advantage, as this will lead to a *"downward spiral around low cost competition"* (Truong et al. 2010, p. 77), which is harmful to economic long-term development and organisations' HRM policies and practices.

Second, in a World Bank - Press Release (2018), it is stated that although human rights in Vietnam are embedded in the Constitution and other related policies, there is a wide gap between legislation and implementation. The first quarter of 2022 recorded 64 labour strikes, an increase of 40% over the same period, mainly related to wages and allowances (Staff Reporters 2022). A survey in March 2022 showed that, without overtime, workers' basic wages would reach VND 4.92 million (less than 214 USD) per month. In order not to fall into poverty, workers must accept overtime. Labour in textile, electronics, footwear, seafood processing, and wood production sometimes needs to work overtime 60-70 hours per month. The level of satisfaction of workers with life is only 6.3 out of 10. Nguyen (2019) indicates that most of the strikes happened in foreign-owned factories when the workers asked for an increase in wages. The conditions and rights of workers in Vietnam are won through collective action and there is a minimal effect from external influences to improve labour standards (Tran et al. 2017). The VGCL (see section 4.2.2) has been so dependent on the side of the organisation and maintained its monopoly with the government that it has failed to represent the side of workers (Chi and van den Broek 2020; Do Quynh Chi 2017; Nguyen 2017). This ineffective system of labour relations has caused the informal coordination of strikes, especially in the foreign-owned sector.

4.4.3 Environmental Protection

In 2016, an accidental release of toxic chemicals including cyanide by Formosa Ha Tinh Steel Corp, a subsidiary of Taiwan’s Formosa Plastics Group, took place. They were responsible for a toxic spill that polluted waters around Hà Tĩnh and surrounding provinces, killing hundreds of tons of marine life, and destroying the livelihoods of thousands of people reliant on the fishing industry (Cantera 2017; Mai-Nguyen 2017; Van

and Nguyen 2019). This led to a huge protest and anger from the citizens around the country. Previously, Vedan, Taiwanese monosodium glutamate (MSG) manufacturer, discharged toxic waste polluting parts of the Thi Vai River, and was forced to pay environmental damage penalties of at least 6 million US dollars (SGGP 2009). These crises were blamed on the lack of public transparency and regulations. The Vietnamese government was blamed for allowing Formosa to dump toxic waste into the sea since 2014, which was an obvious legal violation (Nguyen-Dang-Anh 2020). However, it only became known to the public until a disastrous wave of fish carcasses impact the lives of thousands of people in the area. It appears that environmental law is only enacted for the sake of paper, and does not aim to care for the actual life of local people. In addition, although the government has tried to make amends and demonstrate more awareness of environmental issues, no actual follow-up actions have been taken and they have lost public trust with regard to these issues.

4.5 Summary

The analysis conducted in this chapter has sought to provide a contextual understanding of Vietnam, and its historical, social, cultural, economic and political forces, highlighting both the opportunities and challenges as it continues to integrate into the global economy. The country represents a complex set of forces for the investigation of EL in MNC subsidiaries. In terms of opportunities, it is witnessing strong economic growth, with a stable political government, and enjoying a high influx of FDI and the move by MNCs to establish their manufacturing sites here. With the strong FDI inflow and impressive GDP development in the last few years, with governmental emphasis on industrialisation, digitalisation and modernisation, Vietnam has become an excellent location for business.

With a long history of colonisation by China and France and the war with the US, Vietnamese society is a mixture of cultures and values, making it distinctive from other neighbouring countries such as China, Thailand, or Korea. The Vietnamese institutional context is not extreme, as in other countries. It is not heavily autocratic like China; instead, it is a mix of socialist values, supported by the Đổi Mới policy, aimed at international integration. There is no dominant religion in the country, although most of its traditional and ethical philosophies stem from the Three Teachings. The Vietnamese have demonstrated their ability to be flexible in relation to the variety of modern values.

However, the transformation in the legal system is only superficial; under the tip of the iceberg, there is a gap in formal institutions, with inconsistencies and ambiguity in the enforcement of legal frameworks for several reasons, one of which is corruption. Corruption has been so widely embedded and diffused in the attitudes of the Vietnamese that sometimes it is taken for granted. Vu and Tran (2021) argue that when there is a failure in the implementation of formal institutions, informal ones such as engaged Buddhism can act as a positive influence on people's attitudes in the form of social trust. The confusion and vague implementation of the laws have made it difficult for investors and business operators to follow the regulations. This is in contrast with western countries, where clear and transparent legal frameworks enable the demonstration of EL; for example, ethics of conduct.

The Vietnamese context offers insights into how the perception and implementation of EL are influenced by a set of complicated institutions, including politics, economics, social values and legal frameworks. The Vietnamese context contributes to the literature on EL, which has been dominated by empirical studies with assumptions based on pre-defined

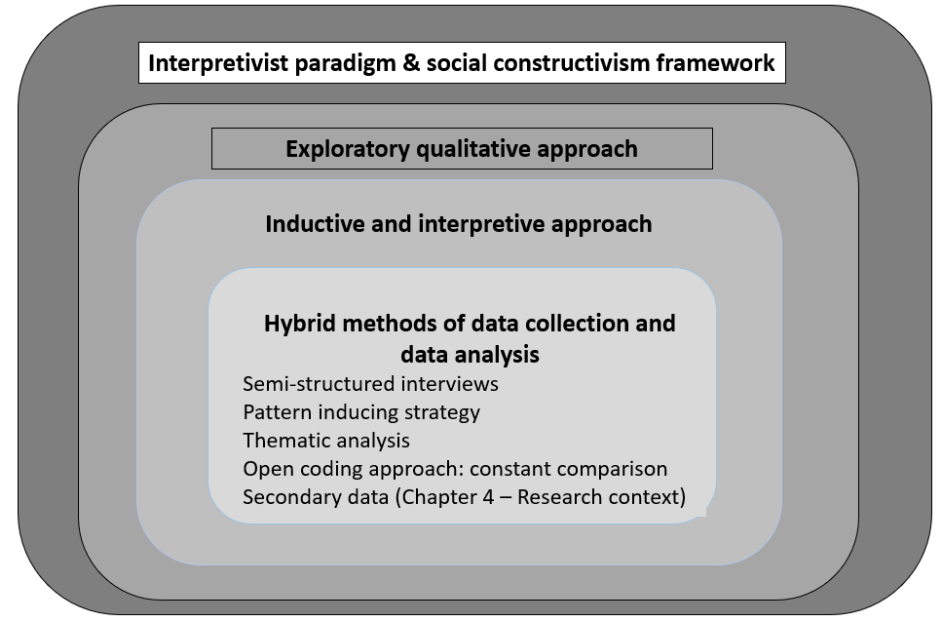
ethical values and stable political and economic situations in the west. Understanding the institutional context in Vietnam allows MNCs to devise appropriate strategies and practices for EL, thus improving their business operations and HRM. Therefore, this study provides deep and nuanced insights into the perceptions of EL in Vietnamese managerial leaders.

Chapter 5: Methodology

5.1 Introduction

Chapter 5 demonstrated the appropriateness of using the qualitative interpretive paradigm and the social constructivism framework as the study's theoretical and philosophical foundations for the research context of EL in Vietnam (section 5.2). In particular, while section 5.2.2 explains the constructionist ontology of our study, section 5.2.3 argues why an interpretivist epistemology is being held as the underlying assumption for exploring the perceptions of EL in Vietnamese managerial leaders. It is followed by explaining the research methodology which is the exploratory qualitative and inductive approach in section 5.2.4. Next, section 5.3 and 5.4 discussed a hybrid approach which is used for the process of data collection and data analysis. This includes the TA procedure developed by Braun and Clarke (2006) and Clarke et al. (2015), embedded with Miles and Huberman's (1994) three steps of analysis (data reduction, data display and drawing, and verifying conclusions), supported by the pattern inducing approach (Reay and Jones 2016) and constant comparative method developed by Corbin and Strauss (2014); Glaser (1965) respectively. The secondary data from Chapter 4, the research context of Vietnam, are supplemented to support the primary interview data. Finally, the validity and reliability of the methodology (section 5.5) will be addressed, concluding with a summary in section 5.6. Figure 5.1 overleaf illustrates the present study's overall research design including its philosophical and methodological assumption, data collection and analytical methods.

Figure 5.1: The Present Study's Research Design



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5.2 Ontological, Epistemological Underpinnings & Methodological Approach of the Present Study

5.2.1 Introduction

According to Mackenzie and Knipe (2006) and Creswell and Poth (2016), the first and basic step in any research is to start with a research paradigm, which is defined as *"a loose collection of logically related assumptions, concepts, or propositions that orient thinking and research"* (Bogdan and Biklen 1998, p. 22). In other words, a research paradigm is the underlying assumptions of the researcher about a particular issue that set the foundation and act as motivation for the study and interpretation of any phenomenon. Different terms are used to reflect the word "paradigm"; for instance, "knowledge claims" (Creswell 2003); epistemology or ontology; research methodologies (Neuman 2000); paradigms (Lincoln et al. 2011; Mertens 2012), philosophical assumptions,

epistemologies, and ontologies (Crotty 1998) or research philosophy (Easterby-Smith et al. 2015). Although there are so many different terms used interchangeably, they all similarly indicate that researchers always hold assumptions and beliefs about reality and methodology. For instance, Mertens (2012) describes paradigms as assumptions related to ontology and epistemology that lead to certain adoptions of methods in data collection and data analysis. In a similar vein, Saunders et al. (2019) describe research philosophy as the guidance for the research design of the study, enabling researchers to reflect on the theory of knowledge employed in their study. Also, research philosophy can help provide direction for the research goals and outcomes; and identify which kinds of evidence/information should be collected and interpreted; which procedures can be used to further explore, test or investigate the research questions for *"evaluating criteria for research-related decisions"* (Creswell and Poth 2016, p. 19).

In particular, there are three main philosophical assumptions that researchers need to examine when conducting research, including questions about ontology (the nature of reality), epistemology (the nature of knowledge), and methodology (the process of research) (Creswell and Poth 2016; Saunders et al. 2019). Ontology explores the nature of reality and being, whereas epistemological assumptions refer to what is considered a valid and legitimate form of knowledge production and how we can communicate these assumptions about knowledge to others (Saunders et al. 2019). Methodology is described as the process of research; in other words, the procedures that are undertaken in the research process (e.g., types of data collection, analysis, and presentations of results (Creswell and Poth 2016).

In the following sections, we discussed the choice of qualitative approach through the underpinning ontology, epistemology and methodology, as well as indicated why an interpretivism paradigm and social constructivism framework are suitable for this study. To ensure the degree of consistency, we chose some of the key concepts informed by Saunders et al. (2019) and Creswell and Poth (2016), (1) the two contrasting positions of a multidimensional set of continua, which are objectivism and subjectivism, and (2) the ontology, epistemology and methodology. These philosophical assumptions and beliefs were used to explain why a qualitative approach with an interpretivism paradigm and social constructivism framework (Figure 5.1) is appropriate for investigating the ILs and perceptions of EL in Vietnamese managerial leaders working in MNC subsidiaries in Vietnam.

5.2.2 Social Constructionist Ontology

This thesis uses social constructivism as the main interpretive framework within an interpretivist paradigm. According to Creswell and Poth (2016), social constructivism aims to explore and investigate what individuals understand and perceive about the world they experience through subjective meanings. These are usually socially negotiated and interacted with through the cultural and historical norms in which individuals are contextually and institutionally embedded. Therefore, social constructivist researchers most likely employ qualitative data collection and analysis methods to investigate the varied and multiple views of the participants.

From a business and management perspective, ontological assumptions shape the way researchers see and study; for instance, the organisation, its management and organisational actors. *"Your ontology therefore determines how you see the world of*

business and management and, therefore, your choice of what to research for your research project" (Saunders et al. 2019, p. 133). Ontological questions are normally "What is the form and nature of reality?", "What can be known about reality?", and "How are things?" (Guba and Lincoln 1994). Creswell and Poth (2016) argue that ontological issues in qualitative research address the reality of the study, contemplating the multiple realities that exist in the different participants, which lead to a set of different views. In order to report the specialities and different views and perspectives, themes should be developed to produce the findings. Ontologically, while objectivism embraces realism, in which there exists one reality and one universal truth with law-like orders which are external to the social actors, subjectivism accepts that there are multiple realities and that social reality is constructed through human perceptions and interactions (Saunders et al. 2019). Saunders et al. (2019) add that social constructivism is a less extreme version of subjectivism because it emphasises that reality is a process of intersubjective construction, in which social actors partially share meanings and realities through their social interaction. In the present study, we argue that EL is not limited to institutional forces and arrangements, but is a process allowing individuals to socially construct, negotiate and interpret ethical conduct. Therefore, a social constructivism framework is our main philosophical assumption with a social constructionist ontology.

The use of the social constructionist ontology has also been adopted in similar studies in EL. For example, Liu (2017b) argues that current research on EL tends to be individualised, decontextualised and power-neutral, lacking a perspective on feminist, communitarian and corporeal ethics. Liu thus urges the need to consider EL from a critical leadership theory perspective to understand it through its social system, moral

expectations, engagement, and negotiation. Nite and Bopp (2017) adopted an interpretive qualitative approach to gain *"a deeper understanding of how institutional complexity complicates conceptions of ethical leadership within college athletics"* (p. 373). The authors argue that the conceptualisation of EL can be subject to institutional complexities that can create competing and conflicting prescriptions and differing frameworks for ethical decision-making.

Similar to the mainstream EL, Gehman et al. (2016) and Zilber (2016) criticise current research on ILs for tending to take a positivist approach in which logics are reified and which prescribes certain norms and values for individuals to make decisions. Although IL is defined as a "socially-constructed" concept, studies have largely moved away from the original definitions. Due to this, there is a call for a closer look at the microfoundations of ILs to allow more focus on the institutional process of logic and its agency (Zilber 2016). Lok (2010) contends that a qualitative and social constructivist approach is unique in understanding the institutional process of an individual experience, which helps to examine how particular ILs can be interpreted and reworked through an individual's identity. Therefore, instead of analysing the causal relationship of ILs between dependent and independent variables in variance methods, the social constructionist ontology helps our study to explore institutions as socially constructed and as *"relatively emergent clusters of interactions among and between social actors"* (Suddaby and Greenwood 2009, pp. 178-179). This assists to investigate in-context and emerged ILs in Vietnam, instead of relying on prevailing, deterministic, or predefined ones.

In addition, ILs in context should be investigated *"as emergent rather than a given phenomenon, and always ongoing, on any and all levels of analysis"*, in which the

contextualising ILs fits with a social constructionist ontology that *"goes beyond simple dichotomies (micro-macro, structure-agency), to appreciate how actors and institutional logics constitute each other in an on-going process"* (Zilber 2016, p. 149). This study aims to gain in-depth knowledge of what IL the participants employ to interpret EL and how they negotiate and question ILs in their perceptions of EL in their ethical conduct. The formulations of ILs originally relied on a social constructivist worldview, a view which has faded away due to its high reliance on causal relationships, but which therefore needs to be reconsidered. For instance, current studies tend to put ILs as independent variables and try to *"uncover how changes in institutional logics, or logics multiplicity, affect institutionalization serving as the dependent variable"* (Zilber 2016, p. 145). ILs are treated in their ideal forms with broad meaning systems which are believed to be shared universally in organisations and society. Due to this positivist approach, ILs are considered as unquestioned principles that prescribe the structures, agency, and behaviours of individuals, a stance which is normally seen in studies focusing on the macro-and meso-levels (Lok 2010). Therefore, the purpose of this study is to understand how Vietnamese managerial leaders interpret, construct and negotiate their understandings of the ILs in response to ethical situations. This, in turn, sheds light on how they perceive ILs in certain ways and therefore shape EL in unique ways. While many studies merely view ILs as taking-for-granted, unified and stable (Zilber 2016), this study employs a social constructivist philosophical underpinning to view ILs as dynamic and reconstructed. In other words, the aim is to understand ILs and EL as an on-going and complex process that does not fall methodically within cause-and-effect relationships.

5.2.3 Interpretivist Epistemology

Epistemology refers to what counts as knowledge and how knowledge claims are justified (Creswell and Poth 2016). The epistemological question is in the form of "What is the nature of the relationship between the knower or would-be knower and what can be known?" (Guba and Lincoln 1994). Different types of knowledge can be in the form of numerical data, text and visual data, as well as facts and opinions (Saunders et al. 2019). Epistemologically, Hiller (2016) reports that while objectivism views knowledge as something that can be pinpointed and accumulated, interpretivism views knowledge as something constructed by human interpretation of their experiences. While objectivist research takes an objectivist epistemology and a realist ontology, interpretivist research holds on an interpretivist epistemology (qualitative paradigm) and a constructionist ontology. The interpretivist perspective is the dominant theoretical framework for qualitative research, viewing the world as socially constructed, interpreted and experienced through human interactions with each other and with their related social environment (Creswell and Poth 2016; Tuli 2010). Our study adopts an interpretivist epistemology for the following reasons.

First, as discussed in Chapter 2, the majority of current research on EL is usually placed in the Western context in that it reflects an empirical perspective and scientific approach, aiming to test the relationship between EL with other related constructs and variables. For instance, mainstream EL research focuses on examining the association and relationship between EL and other variables, such as follower voice (Bai et al. 2019); follower/employee performance (Sosik et al. 2019); organisational cognitive and affective commitment (Dust et al. 2018); OCB (Gerpott et al. 2019); and organisational CSR and

firm performance (Wang et al. 2017b). These studies exemplify the employment of a functionalist paradigm, which considers organisations and organisational actors as rational agents and that models of management can be generalised to other institutional contexts through rational explanations (Saunders et al. 2019). However, how EL is interpreted in a Global South context such as Vietnam whose ILs remain different has been underdeveloped. Therefore, approaching an interpretivist epistemology, this study helps to understand how individuals assign meanings to their perceptions of EL. While mainstream research relies on a traditional social scientific approach (positivist, deductive, hypothesis testing, and variable-driven) underlying the ethical values of Aristotle and Emmanuel Kant, our study focuses on the subjective experiences of EL in Vietnamese managerial leaders. The interpretivist paradigm thus provides an open, emergent, and inductive approach to understanding the topic from a cross-cultural perspective, rather than aiming to test EL constructs with other variables. Instead of being mainly based on employing "best EL practice" and universal ethical characteristics such as trustworthiness and fairness, our study argues that EL is interpreted differently from a Vietnamese institutional context via indigenous institutions, which yields distinctive ethical conduct and decision making. An interpretivist epistemology is thus suitable to understand the knowledge and perceptions of EL through human interpretations in an indigenous context of a Global South country like Vietnam. Similarly, Nite and Bopp (2017) used an interpretive qualitative approach to capture ILs, in particular, the institutional complexity as they argued that this approach is suitable for exploratory research when little is known about the field; in this case, the sports industry and athletic professionals' leadership (Armstrong 2010). Situated under the interpretivist perspective, *"knowledge constructions are understandings from inside the meanings of participants and therefore*

also embody those persons' contextual meanings" (Hiller 2016, p. 103). This interpretivist epistemology is thus the main underlying assumption of our study as we aim to understand human (Vietnamese leaders) experiences and the associated social phenomena instead of seeking to develop a set of generalisations of EL.

Specifically, the interpretivist epistemology helps to understand in-depth the complicated process of ethical dilemmas and paradoxes that Vietnamese leaders face when making ethical decisions because it unfolds participants' experiences naturally without manipulation, obstruction, or control (Tuli 2010). The words "ethical" and "moral" when translated from English into Vietnamese are both *đạo đức*. According to Doan (2005), "moral" in Vietnamese emphasises human manners, behaviours and practices in relationships with each other. Normally, moral education in Vietnam centres on the teachings of appropriate virtues, that they should be performed even without the interference of law or regulations. By using the interpretive approach, our study allowed the participants to indicate what EL means to them and whether there are any divergences of interpretations in the perceptions of EL compared with the current mainstream definition. As indicated in Chapter 2, dominant EL literature can be alienated in a non-western context. For example, von Weltzien Hoivik (2007, p. 464) pointed *"ethical rules written by western people do not work well with local Chinese employees"* as these are *"too western"*.

Second, as discussed in the previous section, studies on ILs are underpinning a positivist approach where *"there exist regularities or law-like generalisations"* (Easton 2010, p. 118). The nature of positivism in the ILs approach is that there exist empirical facts in addition to personal thoughts, which are governed by law and regulations, leading to

cause-and-effect relationships. Andersson and Liff (2018) argue that research on ILs needs to ensure that ILs are captured, not just the pattern of actions. Therefore, following Zilber (2016) and Lok (2010), we argue that ILs are emerging and socially constructed through individual interpretations. ILs play a role as micro determinants and display distinct and combinational influences on the way participants negotiate and manage their ethical conduct. As an interpretivist epistemology assumes that humans are embedded in social life to create their own meanings (Saunders et al. 2019), it is more likely to provide in-depth, rich and nuanced understanding of organisational realities and their construction of ILs, which takes into account the individual contexts and experiences in Vietnam (Saunders et al. 2019). The interpretivist paradigm is rooted in the philosophy of Edmund Husserl's phenomenology, and Wilhelm Dilthey's and other German philosophers' (e.g., Martin Heidegger) studies of interpretive understanding known as hermeneutics, which aims to understand how people construct meanings through their experiences (Mackenzie and Knipe 2006). Therefore, the interpretivist epistemology assists to tackle the microfoundations of ILs in investigating EL an area which has been underdeveloped in understanding how individuals assign meanings, socially construct, and reinterpret their ILs in the perceptions of EL. Also, it aims to investigate and explore how the participants (Vietnamese managerial leaders) manage the ILs within which they are contextually embedded in order to define and institutionalise the perceptions of EL in their ethical decision-making and practices. Our study does not reject the essence of the current mainstream research, instead, we emphasise and contribute to an indigenous understanding of how perceptions of EL are translated through the ILs of the Vietnamese managerial leaders.

Finally, Saunders et al. (2019) indicate that within the interpretivist perspectives, there are different strands with different emphases, namely phenomenology, hermeneutics, and symbolic interactionism. Phenomenologists focus on the lived experiences of people and how they interpret and make sense of these. Modern hermeneutics is based on the interpretation method and typically analyses cultural artefacts such as narratives, texts, and visual images (Zimmerman 2015). Symbolic interactionists study the interactions between people, focusing on observations and social interactions, such as group work and conversations. This study takes a phenomenological stance, which aims to capture the lived experiences of Vietnamese managers in interpreting ILs in their understanding of EL.

5.2.4 Methodology

According to Tuli (2010), the selection of research methodology is informed by the decision on ontology and epistemology. Methodological assumptions answer two questions: "What is the process of research" and "What is the language of research?" (Creswell and Poth 2016). The methodological question is "How can the would-be knower (the inquirer) go about finding out whatever he/she believes can be known?" (Guba and Lincoln 1994). There exist three methodological approaches: quantitative, qualitative and mixed-method (Edmonds and Kennedy 2016). Whereas the quantitative method aims to measure and test relationships between chosen variables, from which generalisations are developed to support and explain social problems (Golafshani 2003), qualitative research typically seeks to understand participants' experiences of life and how they make meaning out of these, in order to provide a deeper understanding of a particular phenomenon (Lietz and Zayas 2010). The mixed-method is another approach, whereby the data collection and

analysis are made through the incorporation of quantitative and qualitative methods (Morse 2016).

Informed by a social constructionist ontology and an interpretivist epistemology, without testing any theory or variables, a qualitative research design was employed in order to enquire about the perceptions of EL, through in-depth understanding and interpretation of ILs. There are two main reasons for this choice. First, in the context of studies on EL in Vietnam, the literature review indicates that currently there are only a few empirical quantitative studies (Khuong and Nhu 2015; Khuong and Quoc 2016). Both studies employed a quantitative method by distributing survey questionnaires to the participants and administering the ELS (Brown et al. 2005) to measure EL. However, little is known about how Vietnamese managerial leaders interpret their perceptions of EL and translate them to ethical conduct. Second, Tan and Nojonen (2011) argue that there is a need to focus on theory-building research in emerging countries (Global South) due to (1) the heavy reliance on theory-testing research in quantitative studies; and (2) the distinctiveness of certain institutions in these countries, which are rooted in their culture, history, and legal frameworks, making it important to gauge their insights into management and business practices. A qualitative approach, hence, avoids some of the pitfalls and limitations of quantitative-based questionnaire surveys, especially in cross-cultural organisational research methods (Peterson 2009). Moreover, qualitative research is believed to have the potential to inform a particular practice, offer a nuanced understanding of a given phenomenon, and provide insights into a particular practice subject to the given context and the degree of subjective nature (Lester et al. 2020). Our study adopted an exploratory qualitative approach (Tan and Nojonen 2011), given the

limited number of studies on EL in Vietnam and the use of ILs to interpret the topic. We argue that there is a need to understand the micro-level of ILs in Vietnam – a Global South country, where there exist conflicts between formal and informal institutions, which create diversities in ethical practices and responses.

In addition, the procedures of qualitative research are inductive and emerging, in that there can be changes in the research question while the study is being undertaken (Eisenhardt 1989). Data collection and analysis aim to gain in-depth knowledge which can be modified according to the research question. Qualitative data is open-ended, concrete and vivid, as well as rich and nuanced (Graebner et al. 2012), therefore, it is suitable for this study to investigate the emerging and in-context ILs that Vietnamese managerial leaders confront. Also, Hiller (2016) suggests providing a detailed and thick description of contexts and the collected data of the participants for a successful transferability of meanings. Following this, Chapter 4 provides an overview of the formal and informal institutions in which the participants are embedded, including the legal framework, MNC context and cultural-cognitive ethical beliefs and values. This review assists with the latter interpretations and explanations of participant data.

Finally, as our study argues that EL and ILs are socially constructed, an inductive approach is suitable which moves towards a “best practice” and “right way” mainstream approach to a more novel and creative approach (Corley et al. 2021). In order to conduct inductive research, it is important to provide detailed, in-depth and rich demonstrations of data within a complex phenomenon. Such research has the power to explain the unique presence of unanticipated and unexplored phenomena in a specific context. Through the unique exploration within the inductive approach, researchers can devise new ways to

understand the broader institutional contexts. In this study, by understanding the unique ILs and perceptions of ELs which are socially constructed by Vietnamese managers, new ventures are opened up to understand EL in organisations, particularly MNC subsidiaries. In this way, our study develops deep theoretical insights that arise from the Vietnamese context and calls for a deeper reconsideration of institutions and the micro-level interpretations of organisational actors of the way they perceive EL. In other words, by exploring interpretations of EL in Vietnam, the insights in this study can be abstracted into other institutional contexts, uncovering new perspectives that have not been given sufficient attention.

5.3 Data Collection

Generally, qualitative approach employs data collection tools such as interviews, observations, document reviews and visual data analysis. In this study, data were collected through conducting semi-interviews to gather first-hand experiences from the participants. The purpose of interviews is to take direct quotes and answers from participants about their experiences, opinions, feelings and perceptions (Patton 2005). Prior to the data collection, the Kent Business School Ethics Committee granted ethical approval for the research on 17 August 2020 (see Appendix 1). The study's data collection stage took place amid the initial plan which was planned to conduct interviews in two phases: the first being online interviews due to the Covid-19 pandemic, and the second in-person interviews were planned in case Covid-19 ended. However, after conducting online interviews with 33 participants, the information was deemed to be sufficient for the data analysis. In reality, phase 2 – to have in-person interviews was impractical due to ongoing strict government quarantine regulations in both Vietnam and the UK.

Secondary data sources in Chapter 4 were consulted to support primary data on some of the institutional backgrounds and business contexts in Vietnam where MNCs based their subsidiaries. The sources include government reports, Vietnamese local and international newspaper articles that reflect the institutional context of Vietnam including its history, economic development, political-legal system, social development, as well as the country's informal institutions (The Three Teachings and modern market-based values).

5.3.1 Sampling

To provide compelling and robust support for a meaningful contribution to the theory, a sample size of 33 participants working in 17 MNC subsidiaries in Vietnam was conducted. *"In many cases, therefore, the observation that many reviewers would be tempted to make, that such a sample is too small or cannot be generalised from, is not a valid criticism, particularly if the researcher has justified the sample size"* (Boddy 2016, p. 431). This study justifies the sample size and the number of participants based on three criteria (Saunders and Townsend 2016); (1) citing scholars' opinions; (2) using similar studies that have the same method; and (3) employing the data saturation method (see Figure 5.2), which we will now turn to.

First, a sample size of between 15-30 interviews is recommended for qualitative research (Boddy 2016). According to Boddy (2016), the sample size determined in qualitative research is based on the context of the study and the scientific paradigm of the research. For example, a positivist paradigm in qualitative research is normally believed to require a larger sample than the other types, as it aims to generalise the population. However, the appropriateness of the sample does not depend on whether it is large or small, but that it should be well justified by the researchers, as well as being of high quality (Creswell and

Poth 2016). Braun and Clarke (2013) argue that for a project sample size using TA (which will be discussed in section 5.4.3), there should be over 30 interviews if the TA data are for the whole project, whereas if the data are only for part of a whole PhD project, the number of interviews can be between 15-20. This study used secondary sources in Chapter 4 to support the interview data, 33 in-depth interviews were thus sufficient.

Second, we also looked at similar studies which normally adopted a sample of between 15-40 interviews. For instance, building on an IL perspective to investigate the justifications and behaviours of leadership in implementing CSR, Pureza and Lee (2020) used a small sample size of 16 cases, which include managers working in top Brazilian organisations with good CSR images. They argued that a small sample size is appropriate for an in-depth analysis of an exploratory study. Using an IL perspective, in particular institutional complexity, Nite and Bopp (2017) interviewed a total of 14 athletic department administrators; their study was rooted in interpretive qualitative research to explore in-depth how the ILs, in particular the institutional complexity, influenced the perceptions and demonstrations of EL in college athletics. Sonpar et al. (2009) conducted 41 interviews to investigate how senior managers and physicians in a Canadian health organisation justified the ethical practices of trust and implementation of new ILs. Therefore, 33 interviews in our study are deemed sufficient in comparison with other studies.

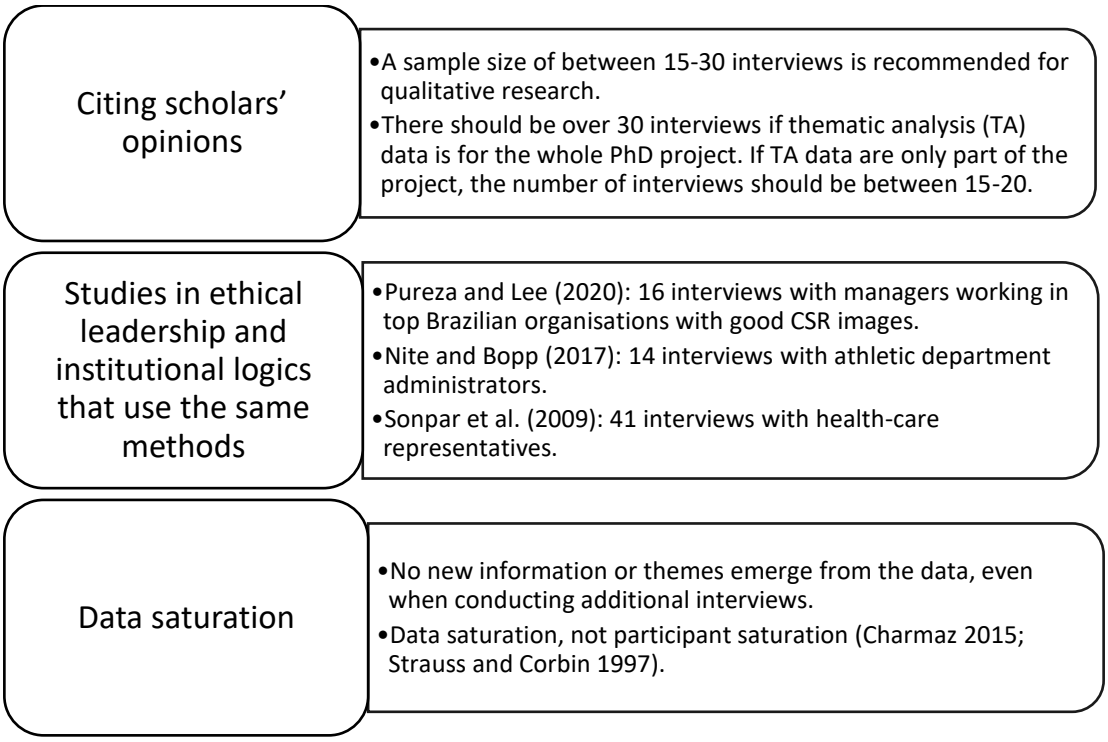
Finally, theoretical saturation is a general theoretical approach qualitative researchers use to determine the sample size (Saunders et al. 2018). The concept of saturation means that no new information or themes emerge from the data, even after conducting additional interviews or case studies. Data saturation is a method of adding more participants to the

current data set until there emerges minimal new data or information (Bowen 2008). The concept is particularly utilised in qualitative research, including the renowned work of researchers such as Charmaz (2015) and Strauss and Corbin (1997). Theoretical saturation means that no new themes or insights can be generated or identified (Strauss and Corbin 1997). Theoretical saturation is normally used in theoretical sampling and sampling strategy to determine the sample size, with the objective of not focusing on generalisation or representativeness, but rather on the adequacy and in-depth exploration of the scope and nature of the study.

High reliance on theoretical saturation would make it difficult for researchers in practice, due to the lack of specific guidance, especially before the data collection process (Boddy 2016). This can result in an uncertain determination of the forecast and estimated sample size. The idea of saturation in determining the sample size is problematic in some instances due to the issue of the context. In reviewing studies about the choice sample size, it has been observed that a large sample size in qualitative research can result in a lack of depth in the qualitative inquiry, making it extremely costly and hard for data analysis. In line with this, our sample was based on the saturation of data, meaning that we focused on the richness of the data and their themes and categories instead of a focus on the saturation of participants (Bowen 2008). Together with the two criteria above, this thesis applied the concept of saturation not only in the sampling method but also in the data analysis. Simply put, we continued to take notes and be immersed in the data collection process to ensure the detection of the common themes which emerged and were generated through the data, avoiding time-consuming issues. When we noticed that there was a high tendency of similar answers from the participants on the topic of ethical

conduct, and when the number of interviews exceeded 30, it was considered reasonable to stop the data collection process. Therefore, we finally ended up with 33 interviews.

Figure 5.2: Sampling Criteria



Source: Adapted from Saunders and Townsend (2016)

5.3.2 Selection and Recruitment of Participants

A combination of selective and snowball sampling was used to identify the participants. In the selective approach, the participants (leaders) were identified through the researcher's professional and personal networks, as well as from online databases such as alumni forums (Creswell and Poth 2016). In the snowball method, once a number of initial Vietnamese managerial leaders had been chosen, the researcher asked them to recommend other leaders for the study (Polkinghorne 2005). In a study of trust issues and engaged Buddhism in managerial approaches in Vietnam, Vu and Tran (2021) support that the

snowball sampling method was a significant approach for identifying participants due to the high-context nature of the country, where relationships and connections are important. Personal references from trustworthy sources are key to vouching for interviewees. The purposive sampling was chosen as it focuses on rich information (Breckenridge and Jones 2009), from which the researcher can gain in-depth knowledge related to the purpose of her inquiry of "How do Vietnamese managerial leaders working in MNC subsidiaries in Vietnam interpret ILs in their perception and practice of EL?"

We chose the MNC subsidiaries in manufacturing sector as the main type of organisation instead of state-owned or family businesses because the MNCs usually have international codes of ethics and conduct rooted in different institutions. These organisations normally face inconsistencies and institutional complexity (Molina 2012) between their headquarters and Vietnamese law and regulations (Anh-Minh 2022). For instance, lengthy Vietnamese administrative procedures (e.g., applying for a business license) are a great concern for foreign businesses in Vietnam, causing much inconvenience. FDI enterprises are struggling to understand the business landscape in Vietnam due to unclear regulations (e.g., unclear capital flows and business establishment). MNCs are facing a significant leadership and managerial challenge in learning to lead ethically in their company's foreign subsidiaries taking into account the embedded institutional context. This is due to two main characteristics of MNCs, which are "liabilities of foreignness" and "institutional distance" in the host country (Rickley 2018). First, liabilities of foreignness refer to *"the costs of doing business abroad that result in a competitive disadvantage for an MNE subunit"* (Zaheer 1995, p. 342). Competitive disadvantage can come from cultural and institutional differences and managers' inability to understand such an issue. Kostova et

al. (2016) argue that MNCs are susceptible to "organisational complexity", described as the translational problems that occur when transferring workplace policies, procedures and authority to the subsidiary country. Second, institutional distance relates to the differences in economic, political, and social structures between countries, which can intensify the liabilities of foreignness and create disparities in culture, values and communication styles between home and host MNCs (Rickley 2018). Institutional rules allow or restrict certain behaviours and perceptions of organisations and individuals about what is considered legitimate, stable, acceptable and ethical, thus defining the internal context of an organisation, including its CoCs, policies, procedures, structures and managerial leadership (Biggart and Hamilton 1987; Meyer and Rowan 1977; Scott 2013).

In addition, MNC subsidiaries in the Global South face different institutional environments in which there is a lack of certain institutional complementarity, as well as divergent responses to address problems (Becker-Ritterspach et al. 2017). There are competing ILs that organisational actors working in MNC subsidiaries need to face in emerging economies (Minbaeva et al. 2021). These include conflicts between market logics, which highlight competition, effectiveness and efficiency, and community logics, which are closely centred on moral and indigenous values.

Therefore, if MNCs and other international business entities wish to enhance their organisational effectiveness and efficiency, they need to develop an understanding of what constitutes ethical thinking and behaviour from a Vietnamese perspective and how it can be promoted through the managerial leadership of workers. Although there can be certain contrasting ILs from other types of organisations such as family businesses and state-owned companies in Vietnam, *"promotion to leadership roles in these types of*

organisations is more often due to family circumstances and connections, nepotism and support from a patron (sponsor) who is a member of the Vietnamese Communist Party" (Nguyen et al. 2023, p. 131). This may influence the ethical complexities that the participants experience in terms of choices and responsibilities. In addition, we acknowledge that due to the time limit, we can only focus on MNCs subsidiaries in that each type of organisation such as Vietnamese local or state-owned companies yields certain potentials for the understanding of different perspectives on ILs. Section 8.2 provides explanations of the limitations of this study.

Specifically, the choice of the manufacturing sector is interesting and relevant as Vietnam is becoming an attractive location for FDI enterprises and labour-intensive manufacturing industries when MNCs attempt to reduce their reliance on China and manufacturers avoid the trade war between the US and China (Onishi 2022). The manufacturing sector in Vietnam also faces many issues in labour standard compliance and environmental protection, as discussed in Chapter 4 (section 4.4). Therefore, the cohort of participants was chosen for two main criteria: (1) they need to be currently working in an MNC subsidiary in Vietnam, especially in the manufacturing sector, and (2) they hold managerial roles in the company, such as HR managers, and senior, middle and first-level managers. Olsen and Solstad (2020) support that middle managers normally face a variety of complicated and conflicting ILs subject to the context in which they are embedded, resulting in different responses that require them to make decisions. The authors thus argue that exploratory research is needed to further investigate how middle managers respond to their associated ILs. Therefore, the Vietnamese managerial leaders act as the unit of analysis for this study due to the relevance of their being the key actors in

translating ILs into ethical actions. In addition, they have more decision-making power, as well as easily face ethical paradoxes and dilemmas in their ethical practice which allows them to understand ILs more comprehensively. According to Kraatz (2009), leaders are those who socially construct institutions' meanings through symbolic manipulation, and their construction of integrity.

We specifically focus on those who have leadership responsibilities, or who have been termed "managerial leaders". These belong to formal organisations and their role involves influencing a number of employees – a team or teams – with regard to goal commitment, motivation, employee retention and identification, as well as providing them with mentorship and career development (Quinn et al. 2015; Yukl 1989). This study aims to understand how actors (Vietnamese managerial leaders) within the manufacturing sector in MNC subsidiaries perform their work when there are strong competing logics at the field level, but also confusing logics at the local, and national level and a dominant, strong, spontaneous, ambiguous culture of ethical philosophies. This creates a paradox between formal and informal ILs, which can be a headache for the participants. This study focuses on how the micro-level actors (leaders) manage the multi-dimensions of ILs that they face. While studies of ILs tend to focus on field-level analysis, they lack an understanding of informal, local analysis (cognitive-cultural institutional arrangements), which are no less important for understanding how the actors manage and translate their perception in EL practice. For confidentiality purposes, each of the participants was assigned a number and a letter from the alphabet. Table 5.1 provides detailed information about each participant's position within their organisation.

Table 5.1: Participant Information

Participant	Position	Participant's organisation
1	Production Supervisor	A
2	Marketing Manager	A
3	Production Manager	A
4	Production Manager	A
5	Sales Director	B
6	Production Planning Manager	C
7	Quality Control Manager	C
8	Sales Manager	D
9	Production Team Manager	E
10	Supply Product Leader	E
11	Operation Lean Manufacturing Director	E
12	Supply Leader	E
13	Components Director	E
14	Sustainable Development Manager	E
15	Trade Marketing Manager	F
16	Channel & Category Development Manager	F
17	Regional Area Manager	G
18	Development Manager	G
19	Sustainability Manager	H
20	IT Manager	H
21	Factory Manager	I
22	Facility Manager	I
23	Environmental Sustainability Manager	J
24	Brand Manager	J

25	Business Intelligence Manager	K
26	Engineering Project Manager	L
27	Team Leader (First-level manager)	L
28	Export Sales Manager	M
29	Deputy Manager	N
30	Quality Control Manager	N
31	Senior Supply Chain Manager	O
32	Development Manager	P
33	Sales Manager	Q

5.3.3 Semi-structured Interviews

In qualitative research, the interview is one of the important tools for collecting data and providing insights into a particular phenomenon (DiCicco-Bloom and Crabtree 2006; Miles and Huberman 1994). As this thesis takes an interpretive paradigm and a qualitative approach, it adopted semi-structured interviews as a method for data collection because they allowed engagement between the researcher and participants through conversations, and questions could be flexibly modified to suit the participant's responses. Semi-structured interviews incorporate a set of pre-determined questions, with prompting questions emerging from the dialogue and a supporting checklist (Smith and Osborn 2015; Whiting 2008). Flexibility in adding new questions to the interview protocol will help the researcher to capture special opportunities to investigate and understand each case in-depth in order to produce theoretical insights (Eisenhardt 1989). Therefore, open-ended questions were used to allow more flexibility for participants (Vietnamese managerial leaders) to describe and explain their own experiences (Creswell and Poth 2016). Informed by the literature review (Chapter 2), a set of pre-defined questions concerning

certain categories of EL, such as its characteristics, measurement and decision-making process, were classified (see Appendix 3). When interviewing the participants, the researcher attempted to articulate the conversation to expand and collect in-depth data about the participants' perceptions of EL.

5.3.4 Ethical Considerations and Interview Process

Ethics in qualitative research is increasingly significant due to its nature of close contact with the participants and the involvement in their subjective experiences (Brinkmann and Kvale 2005). Informed consent, confidentiality and privacy must be adhered to minimise the potential risks as much as possible (Shaw 2003). Acknowledging the complex ethical responsibilities, as well as strictly following the research ethics at Kent Business School, the researcher utilised certain techniques to protect participants' private data. In order to maintain ethical standards, ethical reflections should always be done in every phase of the research process by asking questions such as "If I were to do this again, what would I have to avoid?" (Whyte 1997). Therefore, instead of discussing ethical considerations separately, this section outlines both the interview process and the related ethical issues to demonstrate how ethics is conducted and how it is intertwined with the research process.

Initially, the researcher had decided to conduct face-to-face and in-person semi-structured interviews in places that suited the participants. However, due to the Covid-19 pandemic, the interviews were conducted online from August to December 2020 through online platforms such as Skype, Facebook Messenger and Zalo. During the pandemic, online interviews have demonstrated significant advantages. First, the participants were in comfort and not afraid of being infected. They felt safe to be in their own places when answering the interview questions. In addition, due to the social distancing rules applied

globally, specifically by the Vietnamese government, it was impossible to conduct in-person interviews. This was true in this research situation, so the Vietnamese leaders expressed their pleasure and indicated that they were happy to do the interview online for the sake of their health. When the researcher explained why she needed to conduct the online interviews, all the participants agreed and sympathised with the situation, and no one asked to meet in person.

Second, an advantage of online interviews is their convenience and they are easy to set up (Dodds and Hess 2020). In this case, the researcher contacted and interviewed the participants easily through three popular digital platforms in Vietnam, Skype, Facebook Messenger and Zalo. Zalo is a Vietnamese social network and is considered to be one of the most popular social applications in Vietnam; it can be accessed through smartphones and computers (Nam et al. 2021; Rise-Vietnam 2021). In the researcher's case, it was up to the participants to decide which platform they felt comfortable with for the online interviews. In order to introduce her to other participants, some of the participants set up Zalo or Facebook Messenger groups so that they could easily refer her to their colleagues. A few participants supported her by sending information to other people they wanted to introduce.

Graham et al. (2014) contend that to have an in-depth understanding of research in Vietnam, researchers must possess good local knowledge and networks to be able to identify the taken-for-granted assumptions of the participants. To recruit the participants, the researcher relied on her personal and professional networks, as indicated in section 5.3.2, as a form of snowball sampling, which is not unusual in Vietnam, where relationships are a key factor in potential contacts (Nguyen and Tran 2018). First, her

cousin is currently working as a manager in an MNC subsidiary in the manufacturing sector in Vietnam. The researcher was thus introduced to other managers within the company. Her second network has comprised MBA fellows at RMIT University Vietnam. One of these has worked in many MNC subsidiaries in Vietnam and has more than 10 years of related experience. Nguyen (2015) writes that when conducting semi-structured interviews in Vietnam, it is important to bear in mind the issues of interpersonal relationships and communication, especially in cultural aspects, which are vital for undertaking a successful research process. Studies have shown a similar research nature in China, a neighbouring country that shares some similar cultural features with Vietnam (Tan and Nojonen 2011). Because of the research contacts and networks based on interpersonal relationships and close trust, unsurprisingly the participating leaders all agreed to participate in the interviews as soon as possible. In average, it took the researcher three days to organise some of the interviews. Some participants wanted to do the interviews straight away after agreeing to participate. Finally, the researcher also recruited participants through her MBA alumni network, where she introduced her PhD research and project on the alumni Facebook group, as well as LinkedIn and asked if anyone would like to participate. A snowball sampling method was again conducted to increase the number of participants.

Brinkmann and Kvale (2005) assert cultural context is an important factor to consider in qualitative research, especially in interviews. Due to the importance of verbal communication in online interviews and the cultural context of Vietnam, casual chat is important to warm up the conversation (Nguyen 2015) before heading to the interviews. The researcher endeavoured to start the conversation informally. She did not jump to the

questions straight away but took time to talk about her PhD project, the person who introduced them to her and thanked them for agreeing to participate. The participants were ensured that their information would be kept confidential. Subsequently, the participants were briefed on the key information that they would be asked about. The researcher started with questions about the participant's background, such as their work experience, position, main roles and tasks (see Appendix 3). Importantly, research conducted in Vietnam has demonstrated that one should be aware that participants are unfamiliar with the research ethics approval process (Nguyen 2015). Hence there should be mindfulness and flexibility in pinpointing sensitive issues and delicately deducing the attitudes of the participants towards questions. The researcher therefore chose to adapt the questions further or move to different questions to avoid unpleasantness. In this case, depending on the openness of the participants, the researcher sometimes chose not to ask questions about their backgrounds first, but to leave this until the end, or, if she realised in the middle of the conversation that they had become more open, she would go back and ask about their work background.

Pilot interviews were conducted to test the understandability and logical flow of the questions. The researcher conducted two pilot interviews with participants 1A and 17G, whose information she believed to be valuable for the data analysis. They were respectively working as a production supervisor (first-line manager) in a Japanese company, and a regional area manager in a French company. After the two pilot interviews, the researcher realised that the participant who did not have an educational background in business and management seemed never to have heard of the concept of EL, while the one with a background in management and marketing understood and was

already aware of it. Therefore, the questions were modified in the latter interviews by asking “Have you ever heard of the concept of EL?” and “How is EL performed and reflected in your organisation?” The questions were grouped into four main themes. The first concerned the “moral person” and “moral manager” aspects of EL. The “moral person” aspect examines the characteristics and personalities of an ethical leader, while the “moral manager” aspect aims to explore how the participants communicate ethical values and practices to their subordinates and what difficulties they encounter. In this theme, the researcher asked the participants whether they had ever heard of the EL concept in their organisation and what their perception of it was. These types of questions aimed to understand the specific characteristics of an ethical leader and what aspects led the participants to consider these. Within this theme, the participants’ opinions of EL were sought; whether or not they believed it to be important and why; and what they considered its advantages and disadvantages. The interviews were not formal, as the researcher took time to share her own experience and knowledge of EL, so the participants felt more connected and willing to elaborate on their information. For example, she told them about the latest news on EL; in this way, the participants felt more comfortable and articulate in answering the interview questions. The second theme concerned the EL outcomes and consequences, and how the participants measured their EL practices. The third theme was the most important, in which the researcher asked questions about the implementation of EL; what opportunities and challenges managers faced in implementing ethical practices; and the processes by which they apply ethical values and practices in their daily work. Questions were asked about how the managers understood and perceived the concept of EL and how they negotiated and made sense of related practices and decisions regarding ethical dilemmas. In this type of question, participants were asked whenever possible to

provide more specific details of how the institutional orders either facilitate or hinder their ethical decision-making and how they navigated and managed the complexities. A comfortable atmosphere was created by taking a friendly attitude, rather than trying to interrogate the participants. The final theme asked questions about the CSR and sustainability practices in their organisations and whether they thought these could be considered EL. In addition, due to the Covid-19 crisis, questions were also asked on the ethical issues that the managers confronted in such a situation. During the interviews, the researcher ensured that there was no pressure on the participants to answer the questions and that this was always voluntary.

While conducting the online interviews, the researcher made notes as much as possible as each participant answered their questions differently and sometimes in doing so the information covered other aspects of upcoming questions. When entering the field, the researcher was actively involved in the interview process and attempted to understand and make sense of the participant's perceptions of EL, as well as taking field notes to continuously reflect on the learning process (Eisenhardt 1989; Yin 2012). The interviews proceeded smoothly as the interviewees viewed the researcher as an insider in the conversation. At the end of the interview, the participants were asked “Is there anything you would like to add to our conversation?” or “Is there anything you feel I have not covered in this topic?” Interestingly, this question encouraged them to share more valuable information. Some even told personal stories that were a good reflection of their perceptions of EL. The duration of the interviews was between 20 minutes and 80 minutes, and they were conducted in Vietnamese. They were audio-recorded, transcribed, and translated from Vietnamese to English by the researcher, who is a Vietnamese native

fluent in English. These results were further verified by the supervisors and Vietnamese academic colleagues.

Another problem when conducting interviews in Vietnam is the issue of low elaboration (Nguyen 2015). In this case, the researcher felt that the female participants were more open to sharing than their male counterparts. This may be because as the researcher is female, the female interviewees viewed her as a closer insider to them compared with the males. In particular, those who only had educational technical backgrounds seem much less articulate and less willing to elaborate. To reduce such issues, more understandable questions were asked from a different perspective to allow the participants to respond, which required more detailed explanations. In addition, Vietnamese participants normally give short and simple answers due to their unfamiliarity with being interviewed (Nguyen and Ngoc 2020). In order to overcome this issue, a detailed interview strategy was developed before the interviews. Appendix 3 illustrates the detailed interview questions, including those for unexpected answers or circumstances. Nguyen and Ngoc (2020) also point out that maintaining a good relationship and comfortable atmosphere, as well as addressing the participants' titles less formally, is appropriate for conducting interviews in Vietnam. As a Vietnamese, the researcher found no difficulties in following this advice. Although some participants were confused if they are on the right track in answering the questions, the majority of them were able to provide insightful answers thanks to their roles as managerial leaders in MNC subsidiaries.

5.4 Data Analysis

This section justifies a bottom-up approach to qualitatively capture the ILs of the participants (5.4.1). A methodological review is then conducted (5.4.2) to clarify the use

of TA in similar studies of EL and ILs, followed by a presentation of a hybrid approach (5.4.3).

5.4.1 Qualitatively Capturing ILs

Andersson and Liff (2018) explain that ILs are hard to capture without simply revealing them to be mere patterns of actions. Proposing three ways of qualitatively capturing ILs, Reay and Jones (2016) identify the techniques of pattern deducing, pattern matching and pattern inducing. Pattern deducing is a technique that uses reason and logics to identify patterns in order to conclude whether and which ILs are in use. This method requires an analysis of large volumes of qualitative data and needs the assistance of computer programs to identify occurrences or non-occurrences. Pattern matching is described as a process of identifying and comparing the raw data with the "ideal types", while pattern inducing is an inductive, bottom-up approach through which researchers identify ILs and their patterns (beliefs and practices) from the raw data.

Zilber (2016) argues that understanding ILs using a bottom-up approach with several supported sources is more appropriate for understanding their socially constructed and processual characteristics. As this study takes a microfoundation approach to ILs, it therefore mainly adopts the pattern inducing approach to investigate how Vietnamese managerial leaders translate and interpret ILs in their perceptions of EL, especially in MNC subsidiaries in the manufacturing sector. Reay and Jones (2016) argue that qualitative methods are appropriate for studying ILs as they allow researchers to immerse themselves in-depth in the context of the phenomenon. This aligns with the purpose of this study, which aims to understand how the ILs of the participants influence how they perceive EL.

5.4.2 Thematic Analysis and Methodological Review

This study employed TA as the main data analysis method to capture the raw data from the participants in order to identify the embedded ILs, especially the indigenous ones that influence their interpretation of EL. In support, Vu and Tran (2021) conducted an exploratory study to understand how the institutional context of Vietnam, especially the informal institutions of Buddhism, influences issues of trust in the business context. They used TA as a tool to analyse the 33 sets of interview data from participants. They argued that TA is appropriate for a study in the institutional environment of Vietnam, which is experiencing transition and integration into the global economy, and where the blend of traditional and modern values from its complex history has produced challenges in ethical issues, especially in business practices. The institutional environment of Vietnam hence appears to be volatile, uncertain, complex, and ambiguous due to the gap between formal and informal institutions. Employing ILs as a main theoretical lens to observe the interdisciplinary relationships between stakeholders (health professionals, museum educators and service users) in the arts and health practice in the UK and Denmark, Jensen (2019) specifically adopted TA to find out complex ILs within the field. Their findings show that competing logics between political agendas and healthcare initiatives creates paradoxes and dilemmas for the organisational actors in performing their jobs.

As an increasingly flexible method used in social sciences, TA allows us to understand the insights of the meanings and human experiences underpinning a specific context, rather than assigning a universal meaning (Clarke et al. 2015). TA is commonly used in qualitative research methods, by *"identifying, analyzing, and reporting patterns (themes) within data"* (Castleberry and Nolen 2018, p. 808). This suits the research question of this

study well. Although some researchers do not consider TA to be a separate method but rather only a data analysis assistance, Nowell et al. (2017) emphasise that it should be viewed as a method in its own right. According to Braun and Clarke (2012), it assists in systematically investigating the common patterns identified in the meanings of the topics explored through a set of themes, thus allowing researchers to make sense of these commonalities. In support of this, TA has been described as *"a method as opposed to a methodology, the latter being underpinned by particular theoretical frameworks such interpretative phenomenological analysis (phenomenology) and grounded theory (interactionism)"* (McCauley et al. 2020, p. 375).

However, the TA as the only method of data analysis has certain limitations when it comes to investigating the EL and ILs. For example, based on GLOBE data, Kimura and Nishikawa (2018) used a qualitative approach such as TA to investigate Japanese culture-specific traits and EL behaviours. They specifically designed a four-item, open-response questionnaire which they administered to Japanese managers working in Japan. The questionnaire asked the managers to describe in their own words what they thought of EL. Kimura and Nishikawa grouped the participants' 58 responses into first and second order analyses. They then compared their results with those of Resick et al. (2011) to identify the meaning of ethical and unethical leadership in Japan. This TA allowed them to benchmark the convergences and divergences in the meaning of EL between countries, as well as to demonstrate the country-specific nature of EL, on which there has been a lack of studies. However, the data collected were not rich enough to understand how and why managers perceived and made sense of EL in specific situations. We would argue that TA largely captures data on EL at a surface level; therefore, more in-depth qualitative methods

are needed to understand it in a more nuanced and subtle way. Due to the complexities in capturing ILs, studies normally incorporate several methods in their data analysis in addition to the TA. For instance, Pureza and Lee (2020) employed an IL perspective to investigate the institutional forces and leadership rationale for implementing CSR practices in Brazil. Their study employed an exploratory approach by conducting semi-structured interviews with 16 managers working in 16 purposively selected companies. A pattern inducing strategy was adopted, supported by a comparative organisational analysis and TA. Focusing on the organisation as a field and unit of analysis, comparative organisational analysis was used to identify five main themes that emerged from the literature review and which provided means to categorise the interview data. TA was then used to code and capture the logics that emerged from the interview data. Pureza and Lee argued that this approach provided a multi-level analysis to understanding CSR practices in organisations in Brazil.

TA is characterised as a flexible method; in other words, it has a "theoretical flexibility" which is independent of any particular ontological or epistemological stances (Terry et al. 2017). Its strength of independence in relation to theory and epistemology allows it to be applied in a variety of theoretical and epistemological frameworks (Braun and Clarke 2006), meaning it is suitable for incorporation with other methods in capturing ILs. In particular, Braun and Clarke (2006) emphasise that TA can be compatible with both essentialist and constructionist theoretical paradigms, without losing the ability to analyse rich, detailed and complex data. It assists researchers in identifying similarities and differences in complex data, and enables the generation of unanticipated, rich and detailed insights from participants. Using TA also allows researchers to summarise key points of

data through a well-structured and systematic approach for further coherent and organised findings which are theory-driven or data-driven (Lester et al. 2020). In order to compliment the TA, this study used the pattern inducing technique (Reay and Jones 2016) and the constant comparative method (Corbin and Strauss 2014; Glaser 1965), supporting with secondary data analysis. The next sub-sections will discuss these in detail.

5.4.2.1 Pattern Inducing Technique

As discussed in section 5.4.1, this study employs a pattern inducing technique, a popular technique for capturing ILs using a bottom-up, inductive approach (Reay and Jones 2016) by (1) generating empirical data from the participants' interviews, and (2) identifying the individuals' ILs through analysis and codes to explore the types of ILs and their associated beliefs and behaviours. This process helps generate significant findings from the raw data taken directly from the interview transcripts and documents to produce sets of meaningful dimensions, categories and themes that illustrate the ethical behaviours and practices associated with each kind of logic. In a similar vein, Dahlmann and Grosvold (2017) investigated how environmental managers manage and respond to multiple ILs that they need to confront. Their study found that environmental managers in UK firms faced a paradox between market-based and environmental logic, with both possessing co-existing principles, but which conflicted in practice. Open-ended questions and structured interviews were employed with 55 companies in 2006 and 2008, with a total of 110 interviews. Dahlmann and Grosvold argue that open-ended questions allowed them to collect richer data than closed-ended ones. To qualitatively capture ILs, they adopted a pattern inducing interpretivist analysis in which they went back and forth between the raw data and relevant literature to develop sets of codes, themes and categories. This method

allowed them to understand the lived experiences of the environmental managers in managing the paradox of environmental practices from an inside-out perspective. The authors argued that this could help them to identify a multiplicity of ILs whose exact nature they were not aware of. This pattern inducing technique is suitable for this study, as it aims to identify the most suitable mechanisms that explain the nature of EL and ethical practices in the perceptions of EL of Vietnamese managerial leaders in MNC subsidiaries. The inductive approach is appropriate here because it is used in most qualitative research and assists in developing theoretical insights, from which theory emerges from the raw data (Thomas 2006).

5.4.2.2 Open Coding Approach: Constant Comparative Analysis

The open coding process aims to identify important parts of the interviews and to note these down with attached labels (Nowell et al. 2017). It is an extensive process, in which researchers need to pay attention equally to every part of the data in a systematic way (Braun and Clarke 2006). Many tables with potential codes should be generated to summarise key points and display potential important data and findings, thus facilitating later interpretation (Cloutier and Ravasi 2021). Within the open coding approach, constant comparative method is normally incorporated. It is a process whereby each interpretation and finding are constantly compared with existing findings or emerging categories from the data analysis (Corbin and Strauss 2014; Glaser 1965). Lester et al. (2020) explain it is not new for scholars to link constant comparative coding rooted in the grounded theory approach to TA. Therefore, we argue that the open coding approach, specifically the constant comparative coding, was employed to assist the TA process of our findings in order to analyse in-depth the ILs and the nuanced insights of ethical conduct.

5.4.2.3 Secondary Data Analysis

As the participants are Vietnamese managerial leaders working in MNCs' subsidiaries in the manufacturing sector, there are many job-related concepts that the secondary data further enrich the context of the interview data, such as the OT and environmental sustainability. Secondary data helped to provide insight into the underpinning traditional ethical philosophies and frameworks that the participants embedded such as the Three Teachings (Confucianism, Buddhism and Taoism). The secondary data were analysed simultaneously to confirm and support information gathered from the interviews. As such, the inclusion of data in Chapter 4 assisted to enrich the findings by further elucidating the institutional environment and context wherein the participants were involved.

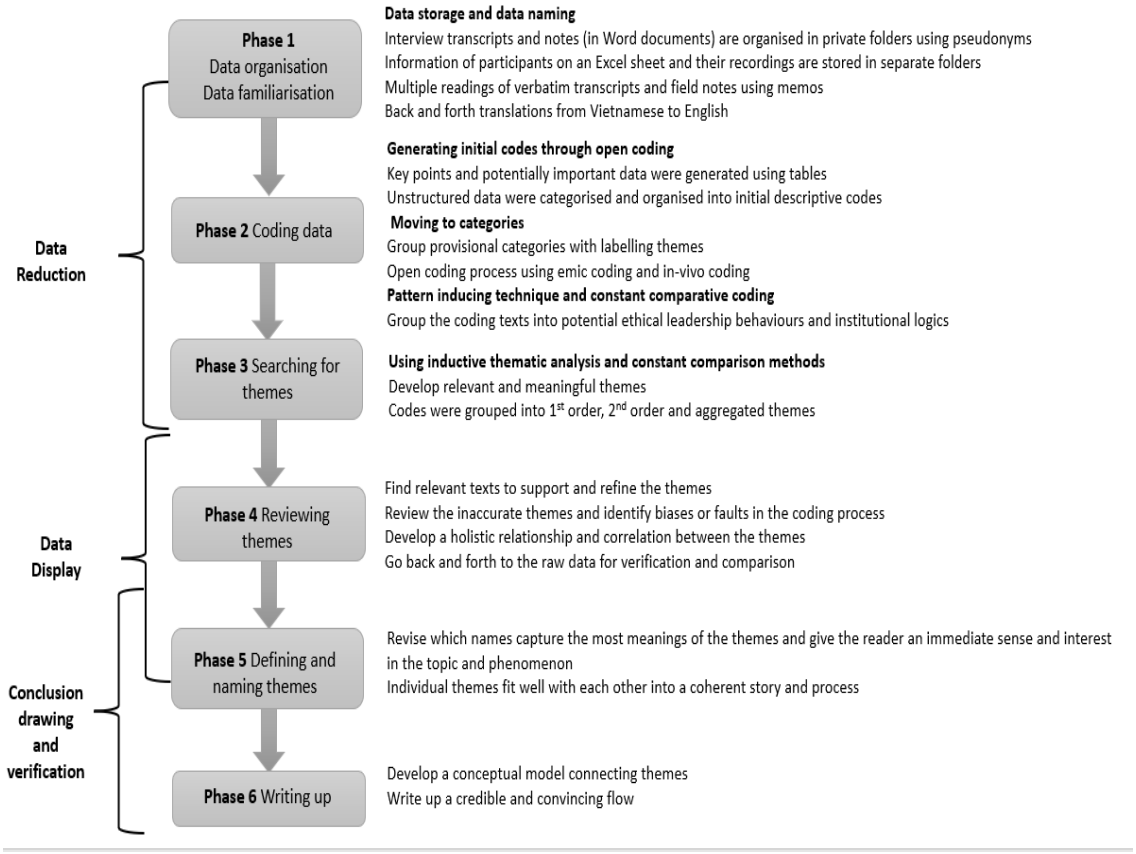
Many other studies investigating ILs and EL have employed secondary data to support their primary data. In particular, in investigating the influence of institutional complexity on the perceptions of EL in the sports industry, Nite and Bopp (2017) coded the primary data that emerged from the interviews to identify the main themes, which were then complemented by secondary data, including athletic department documents, archives, policies and practices. Reay and Hinings (2009) touched upon the micro-level of ILs, arguing that the two competing logics of medical professionalism and business-like healthcare provide different organising principles and associated attitudes that guide different behaviours for physicians, government, and regional health authorities (RHAs). Their study collected data from both secondary and primary sources. First, by analysing archival materials such as official documents, local newspapers and news from government sources, physicians and RHAs from 1990 to 2008, Reay and Hinings gained an understanding of the motivations and behaviours of the actors involved and their links

to ILs. Second, the interview data allowed them to investigate how the actors managed and translated the field-level co-existing and competing ILs into their daily practices. They conducted 45 interviews with RHA' managers and 21 with physicians, and adopted a grounded theory and interpretive approach to analyse the data, supporting this with the archival material to develop the main codes, themes and categories. Finally, a cross-data source analysis was conducted between the interview and archival data.

5.4.3 A Hybrid Approach to Data Analysis

Although the process of TA can be organised in phases for transparent and systematic analysis, it should be kept in mind that qualitative analysis in this sense is flexible, overlapping and even "messy" (Lester et al. 2020). Miles and Huberman's (1994) three-step approach was thus added to further structure and systematise our data analysis process. Miles and Huberman's (1994) three-step qualitative data analysis includes data reduction, data display, and conclusion drawing and verification (see Figure 5.2). Informed by the above discussion, this study adopted a hybrid approach in the data analysis. The process combines Clarke et al.'s (2015) TA six-phase step-by-step approach in which Miles and Huberman's (1994) three-step approach was embedded to help systematise the process. The pattern inducing technique (Reay and Jones 2016) and the constant comparative coding were incorporated to support the process.

Figure 5.3: Data Analysis Process



Source: Combined adaptation from Braun and Clarke (2006), Clarke et al. (2015) and Miles and Huberman (1994)

The data analysis process starts with the data reduction step indicated by Miles and Huberman's (1994) in which massive and unstructured data are categorised and organised into structured sets. Data reduction is the process of eliminating irrelevant data and focusing only on in-depth and insightful data that can be accessible and usable. In this case, this was achieved by deleting the personal information in the interviews that were unrelated to the topic of EL and ILs. In addition, this ensured the participants' confidentiality and privacy. The process of TA then continued iteratively from Phase 1 to Phase 3.

Phase 1 – Data organisation and data familiarisation

- Data organisation

Specifically, Phase 1 includes data organisation and data familiarisation (Braun and Clarke 2006; Lester et al. 2020). First, data organisation was conducted through the storage of data and their naming. In practice, 33 transcripts and 33 associated notes were organised in private folders. Each transcript was saved under pseudonyms, with each participant assigned a number and arranged in alphabetical order in accordance with their company. The recording of each participant was stored in a separate folder. Due to the long and extensive information produced by the interviews, that of each participant was placed in a Word document, structured according to the actual order of the interviews, including the questions and the answers. For each participant, information about their background (position, experience, gender, etc) was also included. To keep track of the verifying process, a separate Excel sheet was used for all the participants' actual names, grouped into their companies and with their pseudonyms in tables. This acted as a means of data confirmation, verification, and interpretation. Despite the possible misunderstanding of using tables for only realist ontology with a positivist perspective, they were used in this research as a useful tool to systematise the research data and interpretations (Cloutier and Ravasi 2021).

- Data familiarisation

Second, data familiarisation is the process in which the researcher immersed herself in the interview transcripts and notes without prejudice, familiarising themselves with the raw data. In this case, the researcher read the detailed interview transcripts supported with the

field notes (taken during the interviews) several times to gauge the broad understanding of the participants' perspectives, assumptions, experiences and worldviews regarding the perceptions of EL. The 33 participants came from 17 organisations; therefore, information about these (industry, manufacturing sector) was collected and read to ensure a better understanding of their backgrounds. This familiarisation phase was also enhanced through transcription and translation. There are different kinds of transcripts, including multimodal, gisted and verbatim ones (Lester et al. 2020). This study adopted the verbatim type, as this captured all the words and flow of the participants, thus acting as an accurate record of the interviews. The researcher made the transcription and translation herself, and these were further verified by Vietnamese academic colleagues and supervisors. Although this is an exhausting and overwhelming process, Lester et al. (2020) argue that if it is done by the researchers themselves, this will accelerate the data analysis as they can immerse themselves more deeply in the data. This is true in the case of this study, in which the researcher was actively and deeply engaged in the process of searching for meanings and patterns for the later coding process several times. These included when the interviews with the participants were conducted; when the conversations were transcribed; and when the transcription was translated. These processes were conducted back and forth many times to ensure consistency.

During the process, the researcher noted all potential similar patterns and meanings, as well as identified the differences in the way the Vietnamese leaders perceived EL through the taking of memos. These were used to note emergent understanding and impressions of potential data that could be employed for later analysis (Lester et al. 2020). The researcher wrote down every explanation and her understanding of the data and patterns,

supported by direct quotes from the participants. She also noted suggestive comments and thoughts on some of the dominant EL concepts reported by the participants. For example, it was noted that *"The concepts of "tâm" rooted in Buddhism are discussed many times by many participants although they are non-religious; this can be analysed further to see whether it is a question of religious practices"*.

Phase 2 – Coding the data

- Generating initial codes through open coding

Phase 2 involved the generation of initial codes after the researcher had become familiar with the data in Phase 1 and had generally identified significant information that emerged from the data. This phase allowed the researcher to adopt a coding technique to produce initial codes through iterative and reflective qualitative coding. These codes were initially descriptive with low inference, intending to reduce data size and capture the key aspects of participants' statements, experiences, and reflections (Lester et al. 2020). After returning several times to the data, the coding moved on to a higher level of inference until it demonstrated connections and links with the theoretical frameworks of this study.

- Moving to categories

For each participant's transcript, the researcher interpreted the text in relation to paragraphs, and then the paragraphs in relation to the interview, making notes in the margins. A set of provisional categories were created and grouped with appropriate labelling themes, which is the process of open coding (Creswell and Poth 2016). This was done iteratively to ensure consistency; the process aimed to code the data into as many different and relevant categories as possible. According to Peterson (2017), there are three

types of basic coding: emic, etic and in-vivo. Emic coding refers to the inductive approach, in which the analysis is grounded in the information collected from the participants, especially from their own perspective and related context. Etic coding refers to a contrasting top-down rather than a bottom-up approach, as in the case of emic coding, in which the data help to reflect and link back to the pre-existing theories and criteria of the study. In-vivo coding refers to taking the statements or phrases that emerged from the participants themselves and that the researchers found interesting, and then preserving these as informants for coding. Acknowledging this, this research took emic and in-vivo coding approaches, in that the codes were drawn from the data and the participants themselves.

- Pattern inducing technique and constant comparative coding

At the same time, as informed by Reay and Jones' (2016) pattern inducing technique, this study identified the ILs by coding the texts through the grouping method, in ways that demonstrated the behaviours and beliefs related to EL and the ethical decision-making guided by potential ILs. Reay and Jones (2016) argue that coding by grouping is grounded in an interpretivist-constructivist ontology, which is the main ontology adopted for our study. This approach makes interpretivist analysis, in which the patterns associated with certain ILs are derived from the bottom-up approach. Adhering to the constant comparative coding (Corbin and Strauss 2014; Glaser 1965), we constantly compared the raw data from the interviews and the emerging categories with existing findings. For instance, we compared the conflicting and complementary aspects of legalistic logic, community logic, market logic and profession logic with each other (section 7.2.1). We also compared the conflicting aspects of the structures of each logic with the definition of

logics indicated by the literature, such as the logic of *"tâm"* and the religion logic indicated by Thornton et al. (2012).

By doing so, we used different tools to assist the coding, including both traditional and modern techniques, such as writing down and arranging information on paper; using qualitative software such as NVivo or Atlas.ti; or employing word and spreadsheet processing software (MS Word, MS Excel, etc) (Reay and Jones 2016). However, an important aspect of data analysis is the ability of researchers to cluster and group the text into meaningful categories; in this case to better capture and illustrate the main patterns of ILs, which requires human intervention, rather than the use of computer programs (Nowell et al. 2017; Reay and Jones 2016). Therefore, while MS Word was used for storing interview data and transcripts, MS Excel was used to arrange the key themes in the study. Table 5.2 shows examples of the provisional categories that were developed at the beginning of the data analysis. These included their potential themes and explanations, as well as participants' direct quotes to support the analysis.

Table 5.2: Examples of Provisional Categories

Provisional categories & explanations	Direct Quotes
EL general concepts and perceptions	
The majority of Vietnamese managers have never heard of the EL concept. They think that it sounds big and abstract. It reminds them of the moral lessons taught at high school.	The term 'ethical leadership' sounds so… abstract. (Participant 1A) Actually, I have not heard of this concept. In the companies I worked for, they talk more about how you coach and train your employees (Participant 10E)
The concept of EL in Vietnam appears big for them because in their opinion 'ethical' mainly refers to one's core personal values. Ethical and moral values should be something authentic and core. They should concern with inner values. EL reflects the dignity, reputation and honour of yourself, your family and friends, and others	When it comes to ethics, I think as humans we need to be ethical. It is not only limited to leadership […] It should be authentic, in the way that you are sincere and transparent with each other. (Participant 25K)

Phase 3 – Searching for themes

The open coding process in Phase 2 provided initial categories to develop into relevant and meaningful themes in Phase 3, which aimed to search for more refined themes from the raw data. A theme is defined as *"an abstract entity that brings meaning and identity to a recurrent experience and its variant manifestations. As such, a theme captures and unifies the nature or basis of the experience into a meaningful whole"* (DeSantis and Ugarriza 2000, p. 362). The importance of themes lies in their ability to capture the phenomenon in the data and aims of the research question. While deductive TA attempts to follow a pre-existing coding frame or pre-conceptions, inductive TA aims to identify themes that emerge from the raw data (Braun and Clarke 2006). This study, therefore, adopts inductive TA.

A descriptive coding table was developed, followed by an interpretive coding process, whereby interview transcripts were reviewed in detail for pattern matching, and detecting regularities between the interviews through constant comparison, leading to more specific codes (Corbin and Strauss 2014). Similar codes were combined and grouped into first-order and second-order themes, and then aggregated ones (Figure 6.1). This process enabled the researcher to go back and forth through the data to identify and compare similarities and differences, as well as to immerse herself in the process of analysis in order to examine and make sense of the complex phenomenon. To support the process of identifying critical themes, researchers can use tables, code manuals, web-like networks or any tools to visualise their data for ease of analysis (Cloutier and Ravasi 2021; Nowell et al. 2017). Following this advice, the themes in this study were arranged into a process model drawn on MS PowerPoint to better illustrate the different types of ILs, as well as the perceptions of EL associated with particular ILs and their demonstration in ethical decision-making and practice.

After Phase 3, while data was reduced from unstructured ones to organised themes and codes, the data display step by Miles and Huberman (1994) was then conducted to represent the data in visualised methods such as graphs, charts or tables. In practice, the data displayed in our study were visualised through graphs of correlating themes and categories. In particular, Figure 6.1 demonstrated the data structure, whereas Figure 7.1, Figure 7.2 and Figure 7.3 indicated respectively the conflicting and complementary ILs, the in-context ILs and the EL as an institutional process. The data display step was incorporated from Phase 4 to Phase 5 of the process.

Phase 4 – Reviewing themes

Phase 4 is intended to review the themes, a process whereby researchers attempt to find relevant texts to support and refine them. If there is insufficient information from participants' interviews to support the identified themes, they will then be eliminated. This enhances the validity of the data analysis (Braun and Clarke 2006). This phase also supports researchers in reviewing inaccurate themes and identifying biases or faults in the coding process (Nowell et al. 2017). New codes and new categories can be added or eliminated in this phase to further enhance the quality of the data analysis. After the phase, researchers should have a holistic and nuanced view of the relationship and correlation between the themes and whether they fit with each other. The job of testing the referential adequacy increases the trustworthiness of the data analysis, during which researchers keep going back and forth to the raw data for verification and comparison.

In Phase 3, the researcher created a long list of the characteristics of EL, including sincerity, care, integrity, fairness, modesty, individualism, solidarity, generosity, accountability, flexibility, transparency and reciprocity. However, when reviewing the themes again in Phase 4, this extensive list of EL characteristics was found not to be sufficiently well-focused to understand the insights into EL of the Vietnamese managerial leaders. It was realised that these characteristics and perceptions of EL could be grouped into two main themes: personal ethics and corporate ethics compliance. Personal ethics reflects the Vietnamese concept of *tâm*, which emphasises the characteristics of authenticity and humanism. These two characteristics are dominant in the perceptions of EL and influence the way managers perform daily ethical practices and make ethical decisions when facing dilemmas and paradoxes. On the other hand, corporate ethics

compliance focuses on the ethical compliance which is normally found in MNCs, such as professionalism/competency, anti-corruption and transparency. In addition, in phase 3 the ethical decisions were categorised into humanistic, proud self-dignity, reciprocated and sacrificed decisions, and alliance strategy. However, when these themes were reviewed in Phase 4, it was decided to divide ethical decision-making into *có tâm* and *hợp tình hợp lý* decisions. It was observed that although Vietnamese managerial leaders tend to justify and activate their personal ethical reference system when facing ethical dilemmas, they still look at the organisation's process when considering ethical decisions. This added theme helped to clarify corporate ethical compliance in MNs subsidiaries and the struggles that managers face in their final ethical decisions.

Phase 5 – Defining and naming themes

Phase 5 involves the definition and naming of the themes. The categories and themes generated from the raw data should be relevant and reflect the research settings of Vietnam and the RQ of the study. The purpose of this study is to identify distinct ILs and their related characteristics in the interpretation and understanding of the perceptions of EL in Vietnamese managerial leaders working in MNC subsidiaries in Vietnam. This inductive interpretive approach allowed us to understand ILs from the inside-out, bottom-up perspective of the participants, considering their life and work experiences of EL. Although the naming of the themes will have already been done in the previous phases, this phase assists researchers to determine and revise which names capture the most meanings of the themes and gives the reader an immediate sense of and interest in the topic and phenomenon (Braun and Clarke 2006; Nowell et al. 2017). This phase also ensures that individual themes fit well with each other into a coherent story and process.

In addition, researchers need to define each individual theme in detail and richly and ensure that there is no overlap across the themes.

During this phase, the researcher modified the names of the themes several times. At first, she named the ILs and ethics categories in a mixed way, which could have confused readers. After several iterative steps, the key concepts were relabelled by separating the ethics and ethical decision categories from the logics categories. ILs were used to explain the ethical behaviours and perceptions of EL of Vietnamese managers. The researcher chose to remove the "logic" term in the categories and themes, which made them sound like concepts/constructs, such as ethical decision-making and reinforced EL. If there were still sections related to the RQ in the raw data, the themes were not considered final. In order to give in-depth information for each theme, the researcher provided a further explanation to better capture its meaning, as well as improve the coherence between the key concepts and overall data, aiming to give readers a comprehensive and interesting story of the process of perceiving EL and interpreting ILs by Vietnamese managerial leaders working in MNC subsidiaries in Vietnam.

The final step by Miles and Huberman (1994) is the conclusion drawing and verification, in which thoughts and concepts are arranged and organised into coherent structures. This step was performed by offering a holistic model indicating the development of EL and ILs in Vietnamese managerial leaders (Figure 7.3). Phase 6 was then conducted to write up the conclusions of the findings.

Phase 6 – Writing up

Phase 6 involved the writing up of the analysis by developing a conceptual model connecting the themes that centred around different dimensions and connections of EL and ILs emerging from the data. According to Nowell et al. (2017), the write-up of a TA requires clear, coherent and logical communication of the data, and not simply a descriptive process. Researchers need to ensure that the write-up demonstrates a credible and convincing flow and linkage of the data, thus increasing the trustworthiness and reliability of the research. To achieve this, this study first described and offered an overall demonstration of the key categories and themes in the perceptions of EL and ILs of Vietnamese managerial leaders. This step showcased that the data had been structured, organised, and systematised into relevant, illustrative and reflexive patterns that captured the RQ and the topics of EL and ILs. In every theme, at least two direct quotes from different participants were provided to enhance the trustworthiness. These involved various participants to ensure there was no bias in the data analysis. Second, the write-up moved from mere description to interpretation, with the findings linked and referred to the literature to demonstrate that the discussion and conclusion of the study were credibly interpreted (see Chapter 7). Specifically, the Vietnamese concept of *tâm* was clearly defined and explained to support the underpinnings of beliefs and perceptions of EL. This concept was also linked back to the Vietnamese informal institutions such as cultural backgrounds. This step allows researchers to confirm the research findings, as well as to challenge and add new theoretical and practical implications and theories to the literature. For instance, the data analysis demonstrated that in Global South countries such as Vietnam, where there is a gap between formal and informal institutions, managers tend to

activate their own personal ethical reference system to make ethical decisions. This finding supports the notion that while on the surface the characteristics of EL look the same, the actual ILs underlying the concept led to unique ethical decisions. Convincing and credible explanations enhance the coherence and trustworthiness of the study. The supplementary sources in Chapter 4 add further insights into the primary data, giving a more complete understanding of the inadequate information from the interviews (Creswell 2017).

5.5 Validity and Reliability

Qualitative research typically seeks to understand participants' experiences of life and how they make meaning out of these to reach a deeper understanding of a particular phenomenon. Data are drawn from either self-report experiences (in-depth interviews), observations of real-world phenomena (participant observations in the workplace), or naturally occurring text and images (the media) (Golafshani 2003; Lietz and Zayas 2010; Polkinghorne 2005). In contrast, quantitative research aims to measure and test relationships between chosen variables, from which generalisations are developed to support and explain social problems (Golafshani 2003). Quantitative research collects and analyses numerical data using a deductive research design. Therefore, given the differences between the two approaches, our study did not evaluate the quality of qualitative research using the sorts of general checklists or shared criteria that are used for quantitative studies (Easterby-Smith et al. 2008; Stige et al. 2009). The following sections explain the criteria chosen for the validity, reliability, and reflexivity of this study.

5.5.1 Validity

The term ‘validity’ in quantitative research refers to the accuracy and precision in the relationship between the findings and data (Noble and Smith 2015). The criteria for validity are normally rooted in a positivist paradigm, in which the results should reflect universal laws, generalisations, objectivity, facts or mathematical data (Golafshani 2003). As qualitative research seeks to understand the personal experiences of participants, validity should focus on the process, rigour, trustworthiness and authenticity rather than verification (Golafshani 2003). According to Creswell and Poth (2016), validation in qualitative research is the ability to evaluate the accuracy/authenticity of the findings through extensive effort devoted in the field, detailed and thick description and the close relationship between researchers and participants. There are many types of qualitative equivalence terms used to reflect validity, such as the naturalistic criteria of credibility, transferability, dependability and conformability (Lincoln and Guba 1985), and the validity within the context of an interpretive inquiry into ethical and substantive validation (Angen 2000). Due to these complexities, the validity of this study adheres to the validation strategies recommended by Creswell and Poth (2016), which reflect the accuracy of the findings by engaging in at least two strategies from the proposed eight, namely detailed and thick description, and triangulation as the main procedure for evaluating validity. Along with the data collection and analysis, tables are used to support the trustworthiness of the research (Cloutier and Ravasi 2021). These assist in navigating and organising complicated data into systematic sets, as well as helping to communicate the data findings in a coherent, parsimonious, and convincing way.

5.5.1.1 Detailed and Thick Description

The detailed description refers to the quality of the interpretation of a particular phenomenon by taking into consideration the contexts (e.g., incorporating the cultural framework) (Lietz and Zayas 2010), as well as the details of the participants and research settings/contexts (Creswell and Poth 2016). A thick description means that researchers have described the case or themes in detail. Therefore, detailed and thick description in qualitative research allows transferability (Lincoln and Guba 1985), as readers will be able to understand the circumstances, meanings, intentions, strategies and motivations of the actors involved and/or those involved in the interpretation of the phenomenon (Maxwell and Mittapalli 2008). In line with these criteria, this study provides a detailed research context of Vietnam, focusing on the country's formal and informal institutions (see Chapter 4). Chapter 4 presents detailed information about the country's economic development and business systems, the legal system, social development and ethical philosophies and the key gaps between formal and informal institutions. The research setting offers detailed knowledge about MNC subsidiaries in the manufacturing sector in Vietnam.

By largely focusing on the pattern inducing strategy and a hybrid approach of TA and open coding, our study can elicit details about ILs from the perceptions of EL of Vietnamese managerial leaders. The emerged categories drawn from the raw data were organised into key themes, such as personal ethics, corporate ethics compliance, ethical paradoxes and dilemmas, and ethical decision-making (Chapters 6 and 7). Each theme is described in-depth based on the insights of the participants from their experiences of EL. The first theme concerns the perceptions of EL which are the intersection between the

personal ethics of authenticity and humanism, and the corporate ethics compliance of professionalism/competency, anti-corruption and transparency. This theme explains the deeply rooted ILs that influence the perceptions of individuals. The second theme involves the ethical paradoxes and dilemmas that the participants confronted in their leadership and management. These include, for instance, international standards versus Vietnamese local law/standards; economic responsibilities versus humanistic feelings; and office politics intensified by a competitive mindset. The third theme offers detailed insights into the ethical decisions of Vietnamese leaders. These themes are grouped to explain the institutional process that the participants must deal with in the interplay of multiple ILs which are co-existing and competing. The interpretation allows readers to understand how ILs are negotiated. In the discussion (Chapter 7), the analysis is consciously linked to the wider socio-cultural context of Vietnam and the context of MNCs subsidiaries in Chapter 4.

5.5.1.2 Triangulation

Validity in qualitative research is also enhanced through the use of triangulation. Cresswell and Miller (2000) define this as part of the validity procedure and which aims to provide multiple and different sources to support and strengthen the data analysis, looking for convergences of themes and categories. Data triangulation is one technique to address the credibility of the research, and is a criterion refined by Lincoln and Guba (1985) to determine the recognition between co-researchers and readers when facing the same experiences (Nowell et al. 2017). By supporting the interview data with secondary sources from Chapter 4 (e.g., World Bank reports, government regulations, newspapers), this study has achieved a degree of triangulation, leading to greater quality in the data

analysis. The detailed review of the Vietnamese institutional context helps to avoid bias in the analysis and informs the process of data analysis in qualitatively capturing the ILs and perceptions of EL. The corroborating evidence from different sources achieves research validity and strengthens its findings.

5.5.2 Reliability

In quantitative research, reliability refers to the accuracy of the data collection instrument in yielding the same results over multiple studies (Heale and Twycross 2015). In contrast, reliability in qualitative research refers to the consistency and confirmability of the study (Noble and Smith 2015).

Consistency refers to the trustworthiness of the methods employed in the research process, which need to be clear and transparent in each of the steps that are undertaken, starting from when the data are first collected through to the final analysis (Golafshani 2003). Creswell and Poth (2016) argue that detailed field notes and transcripts enhance reliability. Trustworthiness is reflected through the precise and consistent process of recording, systematising and disclosing methods of data analysis (Nowell et al. 2017). As mentioned, when discussing the data collection (section 5.3), 33 semi-structured interviews were conducted with Vietnamese managerial leaders and transcribed. The detailed transcripts were then translated from Vietnamese into English by the researcher, who is a Vietnamese native with English fluency. As the person engaged in the interviews, the researcher was able to understand and gain insightful knowledge about the participants' experiences and their meanings in the social construction of EL. When undertaking the interviews and transcriptions, the researcher took notes immediately on the key points that emerged from the data collection. The process of data analysis was successfully conducted following the

six TA phases proposed by Braun and Clarke (2006) and Clarke et al. (2015). Nowell et al. (2017) argue that to increase the trustworthiness of qualitative research, in particular TA, researchers must provide detailed information about data analysis procedures (see section 5.4.3), including the process of recording, systematising information and disclosing the methods of TA to demonstrate the credibility of the research. This study has explicitly performed these requirements to achieve data reliability.

Confirmability is achieved when *"methods and findings are intrinsically linked to the researchers' philosophical position, experiences and perspectives"* (Noble and Smith 2015, pp. 34-35). In other words, the criteria of confirmability indicate that the interpretations and findings from the research are drawn and closely derived from the data collection (Lincoln and Guba 1985; Nowell et al. 2017). This is reflected through the discussion in Chapter 7, where all the findings are linked and referred to the literature review and RQ. This process indicates that EL is not fixed and static, and that the perceptions of both ILs and EL are continually being reconstructed and reinterpreted, which therefore supports the view of EL as a socially constructed concept.

5.6 Summary

This chapter has explained in detail the research methodology of the thesis, including its interpretivist paradigm and social constructivist framework. It argues that to understand EL in a complicated world full of ethical dilemmas and paradoxes, it is important to delve into the socially-constructed nature of ILs that underpins the institutional process of individuals. In addition, the chapter carefully outlined the research design of the study, including the exploratory qualitative, inductive and interpretive approaches. We then presented the data collection process, including the procedures of snowball sampling and

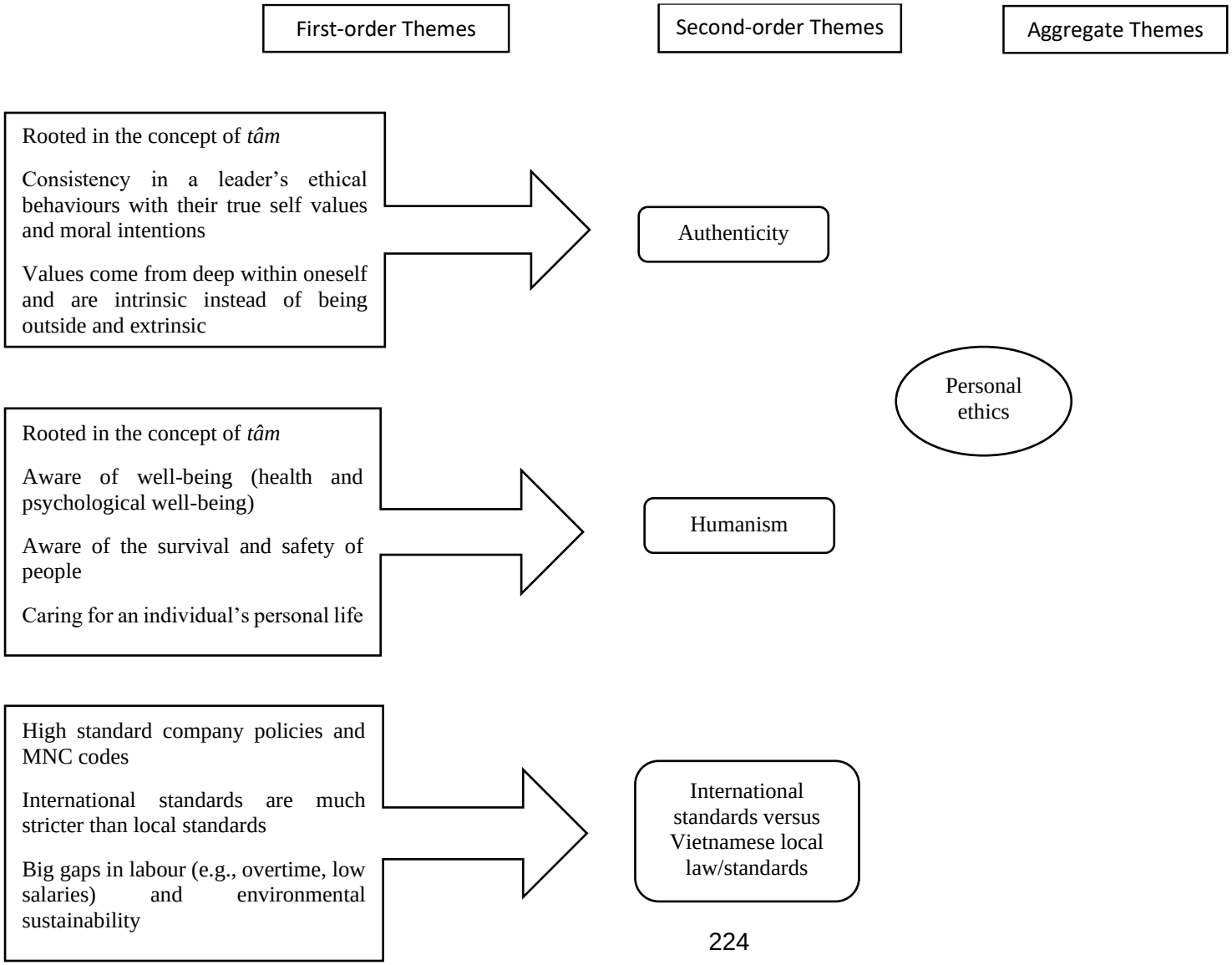
justification of the sample size based on (1) scholars' citation opinions, (2) similar studies in the field of EL and ILs, and (3) the data saturation technique. This is when we decided to conduct interviews with 33 Vietnamese managers working in 17 MNC subsidiaries in Vietnam. The process of selecting and recruiting participants who were Vietnamese managers in MNC subsidiaries in the manufacturing sector was outlined, followed by a clear semi-structured interview protocol. The data analysis section was then followed by an indication of the technique of qualitatively capturing ILs, a detailed review of studies on EL and ILs, and an explanation of the hybrid TA and open coding approach. Finally, the chapter discussed the study's validity and reliability criteria for qualitative research.

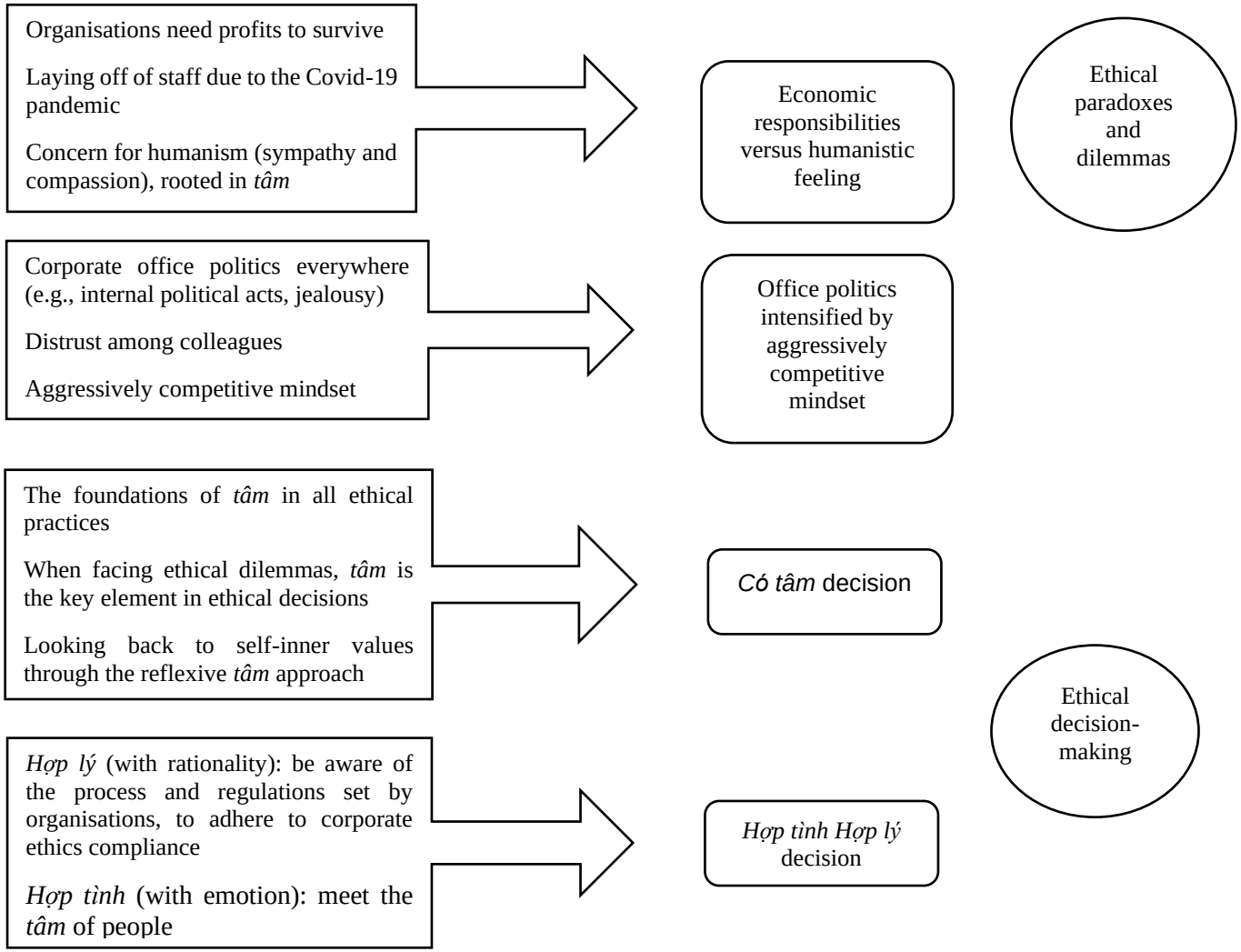
Chapter 6: Findings

6.1 Introduction

The previous chapter described the qualitative, explorative, and inductive approaches of this study used to investigate the perceptions of EL of Vietnamese managers through an IL lens. The chapter justified the qualitative, social constructionist approach and hybrid qualitative methods such as TA, pattern inducing technique and constant comparative coding to answer the research question. In Chapter 6, the findings indicate that the perceptions of EL of Vietnamese managers working in MNC subsidiaries in Vietnam are defined by an intersection of personal ethics and corporate ethics compliance, which sits under the umbrella of a business structure, including strategic and emerging CSR and environmental sustainability development, together with national legal compliance. The participants' ethics touch on notions of authenticity and humanism, whereas corporate ethics compliance focuses on professionalism/competency, anti-corruption efforts, and transparency in MNC subsidiaries. However, the perception of EL is not fixed; rather, it is a phenomenological-based process that occurs through individuals' lived experiences and situations in everyday life, where they have to confront ethical paradoxes and dilemmas. These include the paradoxes between (1) international standards versus Vietnamese local law/standards; (2) economic responsibilities versus humanistic feelings; and (3) office politics intensified by an aggressively competitive mindset. This defined perception of EL thus generates associated beliefs and shapes associated ethical practices, resulting in unique ethical decision-making that reflects the Vietnamese institutional setting. Ethical decision-making includes *có tâm* (with heart) decisions and *hợp tình hợp lý* (with rationality/reason and with sentiment) ones.

Figure 6.1: Data Structure




Organisations need profits to survive
Laying off of staff due to the Covid-19 pandemic
Concern for humanism (sympathy and compassion), rooted in *tâm*
Economic responsibilities versus humanistic feeling
Ethical paradoxes and dilemmas
Corporate office politics everywhere (e.g., internal political acts, jealousy)
Distrust among colleagues
Aggressively competitive mindset
Office politics intensified by aggressively competitive mindset
The foundations of *tâm* in all ethical practices
When facing ethical dilemmas, *tâm* is the key element in ethical decisions
Looking back to self-inner values through the reflexive *tâm* approach
Có tâm decision
Ethical decision-making
Hợp lý (with rationality): be aware of the process and regulations set by organisations, to adhere to corporate ethics compliance
Hợp tình (with emotion): meet the *tâm* of people
Hợp tình Hợp lý decision

6.2 Ethical Leadership as an Alien Concept

When asked if they had heard of the concept of EL, the majority of participants said it was very new to them. From the discussion of the participants, the concept of EL sounds big *"The word ethical seems huge to me. I feel like I am learning about this in high school"* (Participant 6C). The term EL sounds unrealistic in their situation and "ethical" (*đạo đức*) can refer to ethical or moral values expressed as a natural process rather than as a valid context to be described. Participant 32P said that the concept of EL sounded very new to him. Participant 13E indicated he had not heard of the concept, and after being given the phrase in Vietnamese, the participant was surprised *"Oh really, it sounds loud and serious"*. Participant 9E expressed her surprise "*This is a very good and interesting question".*

Although the participants perceived EL and its characteristics to be included in their personal ethics (see 6.3) and corporate ethics compliance (see 6.4), they were aware that these are quite complex to apply in practice. Through the findings, it was observed that Vietnamese managers tended to use Vietnamese proverbs to describe EL. For instance, "*nói đi đôi với làm" (Talk the talk and walk the walk)* means that the ethical practices need to be consistent with what they believe and say, exhibiting elements of authenticity. "*Tương thân tương ái" (The leaves protect tattered ones)* means that Vietnamese people always support each other to overcome difficulties. *"Có qua có lại" (You scratch my back and I'll scratch yours)* demonstrates human reciprocity, while *"Có tình có nghĩa" (Live with sentiment and moral obligations)* means that one needs to live with one's *tâm* (whole-heartedness), with no one is forcing you to do it. According to Le Ha and Van Que (2006), proverbs typically reflect Vietnamese cultural insights, perceptions, and values for a given

situation. In education, proverbs are used to indirectly teach and communicate the issues of morality to students. According to Hằng et al. (2017), proverbs and idioms are forms of communication that express and convey values of experience.

In addition, EL is not regarded as a skill or specific concept for participants to consider when making ethical decisions. According to them, EL is an alien concept and should be viewed as an individual experience, as it varies widely from situation to situation. Participant 31O stated:

"I think lived (real-life) experiences are really important because they are based on your real-life case confrontations and your failures at work. Honestly, not every ethical principle or best practice is correct. When you are a true leader, you need to put yourself in situations where sometimes you have to compromise some of your principles. You need to question yourself whether you turn left or right. The more experience you have, the more failures you will have, so the more lessons you will learn. Ethical leadership is specific to an individual."

6.3 Personal Ethics

Based on the analysis, it was discovered that Vietnamese managers relate their personal ethics to the concept of EL. They believe that whether it is a leader, an employee or indeed anyone, it is necessary to be ethical. Personal ethics can be rooted in one's moral beliefs, family background, education level, and work experience. Personal ethics strongly reflect the Vietnamese concept of *tâm*. This concept (*xin* in Chinese) is classified as sino-Vietnamese, is of Buddhist origin and is often translated as "heart-mind", "heart" or "wholehearted" (Meeker 2019). It dictates the inner moral self; it is invisibly embodied that is believed to be recognised by a power such as the Buddha. From a religious perspective, the word *tâm* comes from the Sanskrit (*Pali: Citta*) in Buddhism, and

describes the spiritual and moral centre of a person, being reflected through their ethical decisions and behaviours (Swenson 2021). Authenticity and humanism appear to be the main moral characteristics reflected through *tâm*; these are considered to be moral characteristics of leaders, described as *"those interpenetrable and habitual qualities within individuals, and applicable to organizations that both constrain them to desire and pursue personal and societal good"* (Wright and Quick 2011, p. 976).

According to the participants, the perception of EL is understood and built on an individual's core values derived from the concept of *tâm*. Within it, authenticity and humanism are both related and interconnected, which means that the core perceptions of EL cannot be fulfilled without the interconnection of these two criteria. Being ethical also strongly reflects one's dignity. *Tâm* deals more with personal beliefs and one's moral conscience. The participants mentioned the concept of *tâm* in different types of compound words, such as *lương tâm* (conscience), *cái tâm* (heart) or *nhân tâm* (human moral conscience/benevolence). Participant 9E said:

"I think the important thing in ethical leadership is to do it from "cái tâm". When it comes to morality and ethics, of course, it must come from "cái tâm" and your enthusiasm, not from deception. And when it comes from the "tâm", then it is sustainable. When you bring your "tâm" to work with people, you do not see them as a rival, but as a friend and a family member."

The participants viewed *tâm* as an indispensable but voluntary aspect of their perception of EL. The indispensable aspect means that *tâm* is part of the determinants and guidelines of EL and its practice, whereas the voluntary aspect means that *tâm* comes from the heart and inner self of the individual. Therefore, it is not a regulative force. For example, Participant 21I said:

"You need to put "tâm" first. This should be in your mindset, and then showcase in your attitude and behaviours and then in your work results. If you have a bad attitude from the beginning and even if you do a super good job, this will never lead to good behaviours. Your behaviours should be thrown away […] If you have no dignity, you only work when someone is watching you, otherwise, you are just playing around or doing something for your benefit or morally fake. You should know that you do not live or work only for one day or several months".

6.3.1 Authenticity

Tâm is a combination of consciousness and sentiment, in which it acts as a moral agency with fundamental principles, driving individuals into the feeling heart[1] (Bayly 2013). The participants' interview data suggest that they view EL through the concept of *tâm*, with its authentic side. According to Zhu et al. (2004), authenticity is one of the qualities of EL, in that it represents the consistency in a leader's ethical behaviours, with their true self values and moral intentions. Den Hartog and Belschak (2012) argue that the ethical behaviours of leaders that are not perceived as authentic are less effective.

This study shows that authenticity means that everything should come deep from within oneself and be intrinsic rather than extrinsic. Belonging to the concept of *tâm*, authenticity is voluntary and attached to one's true self. Since authenticity is understood as something internal, it guides the ethical principles of any individual. Therefore, if a leader holds to ethical and authentic values, it means that their ethical behaviours are consistent in every decision they make and that everything is expected to always be in line, even if it goes against their organisational values. Participant 14E supported this by saying:

[1] *"The attunements of a feeling heart equipped to act with sensibility in morally significant contexts (those of kin, community, world, and nation) must be actively 'fed' (nuôi dưỡng), having been awakened in early childhood, then coaxed/directed towards tình cảm/sensibility"* (Bayly 2013, p. 1536).

"I think ethical values are something that belongs to principles. If it's a core value, I never accept it if someone goes against it.".

In addition, since the personal ethics of *tâm* largely rely on authenticity, the participants believe that they should be modest about their behaviours, because when something is expected to be authentic, it will show in these; you don't have to be ostentatious or loud. When things come from within, people will obviously notice this in your behaviours, because everything will now appear very natural. The managers stated that they need to demonstrate EL delicately without appearing arrogant. This can be reflected through the expression "Talk the talk and walk the walk" (*nói đi đôi với làm*). This means that you do not need to teach people what is ethical or unethical, but instead most importantly demonstrate this authentically through your behaviours. For example, Participant 9E argued that her French colleagues in her organisation tended to be overly ostentatious, but that this was not greatly reflected in their performance:

"Vietnamese people do not express by speaking, but by doing. We say and we do. The French often talk too much but do not show it through their behaviours. They are like walking on clouds, but the Vietnamese are very detailed instead."

The Vietnamese managers especially emphasised that if it is not real, it is fake. If it is morally fake, it is no longer ethical, and people will not respect your dignity. If the perception of EL is not built on *tâm*, it cannot last long because one cannot fake it for such a long time. Authentic quality is not fixed but is built as a human process, meaning it evolves over a person's lifetime. It is ingrained in the minds of the participants unconsciously.

6.3.2 Humanism

Another aspect of *tâm* is humanism, meaning that whatever they do, Vietnamese managers think about people. *"Humans should be ethical because we are not machines. A machine cannot be ethical"* (Participant 16F). Humanism and authenticity are related because when managers are genuine, they care and think deeply about people. The humanistic aspect mentioned by Vietnamese managers is mainly based on a sympathetic and caring nature, belonging to the virtue of compassion in the concept of *tâm*. The concept reflects the practice of compassion, an important virtue in Vietnamese tradition, which highlights the sympathy of an individual towards the suffering of all living creatures (Chiricosta 2015). This nature of compassion (sympathy and caring) is reflected in two distinct ways.

First, the aspect of humanism is reflected in the way Vietnamese managers perceive the well-being (health and psychological), as well as the survival and safety, of those around them. Reflecting on her own experiences, Participant 1A said that when she was in her junior position, she noticed that some managers treated the workers badly, especially in the way they used abusive words. For her, this was aggressive, because workers are human, and so deserve better. Similarly, although Participant 9E was very frustrated with one of her team members with whom she had a bitter conflict and who never listened to her, she was suddenly startled when her higher manager asked if she wanted to fire that person. Participant 9E found it cruel and lacking in compassion if she fired someone just because she could not get along with them.

Second, humanism is also concerned with the personal life of individuals. This means that subordinates or colleagues have families and personal lives, and as an ethical leader you need to respect that. For instance, Participant 27L expressed her anger and disappointment

when a foreign boss asked one of his subordinates to handle an urgent job when it was late at night and while the subordinate was busy taking care of her baby.

"Even though I know that it was urgent, he has an assistant, and his assistant can do it. I know it's hard for him because it's business, it's money. But we always said to each other in that situation, he was so cruel."

Participant 32P found that caring in the lives of subordinates normally happens in Vietnamese and other Asian cultures, not in Western ones. He observed that Westerners found it intrusive and offensive if a leader was concerned with their personal life as they thought it was private. Participant 32P argued that caring does not mean invading a person's privacy, but that we should know about the personal lives of subordinates to assist them promptly. He stated:

"Basically, in Asian culture and Vietnamese culture, we need a caring person. Westerners do not care much about personal matters because according to them, personal matters here have a meaning outside of work. That is why they do not want to care. After the work, that is done. However, as Asians, we care and we love that. We want to share our experiences and support each other even outside of work."

Similarly, Participant 12E confronted an ethical paradox when she was very busy but still had to cover a team member's tasks because their child was ill. It would have been immoral for her to force them to meet the deadlines. Instead of blaming and criticising the individuals, Participant 12E believed that the most ethical way is to take responsibility as a leader and volunteer to undertake the tasks of her members.

"I must be the one who manages to make it right. I cannot criticise my subordinate for why their kid was sick at the right time because it's immoral. I cannot go to the upper management to say that my employee is sick so I cannot get the job done. They will say that it was me that did not fulfil my responsibility. So, I solve the issues by jumping to do

the tasks for my team members. I cannot be selfish. I cannot push the blame on them and say it's their fault because we're on the same team. So, these are the things you need to be flexible about."

6.4 Corporate Ethics Compliance

The findings also indicate that the *tâm* of participants is not based solely on emotions (*tình cảm*), which can be understood as the moral sentiment of care and affective emotion (Shohet 2017). *Tâm* also reflects participants' adherence to corporate ethics compliance. Such compliance by the Vietnamese managers also affects the way they perceive EL. It describes the CoCs and the specific ethical values and culture set forth by each organisation, including key elements of (1) professionalism and competency, and (2) anti-corruption and transparency.

6.4.1 Professionalism and Competency

"EL includes the compliance with the organisational core values and its associated leadership principles." (Participant 31O)

The interview data indicate that the EL concept is not used or mentioned in participants' organisations; instead, it is practised, guided, and reflected through a set of company policies, company values and so-called leadership competency. MNCs have institutional influence over subsidiaries through globally shared views and CoCs tailored to a particular host country. For instance, there is a group policy in Participant 2A's organisation that lists all the fundamental behaviours and policies that must be adhered to and complied with. When asked about the concept of EL, participant 18G connected it to the MNC's CoCs and ethical compliance policies. For instance:

"In my opinion, every organisation, especially MNCs, have their own CoCs. I always ensure that my employees and my colleagues communicate and follow these COCs. […]. I work in the gas industry and I realise that ethical compliance is very strong."

Working in an American company, participants 19H and 20H saw EL through the lens of leadership competency, classifying the characteristics of a leader, which strongly reflects the aspect of leading by example and servant leadership. Specifically, participant 19H indicated that *"In MNCs, we do not call it EL but rather leadership competency, that is, the characteristics of the leaders. It is not only for the leaders, but it is the orientation and guidance of behaviours for also the employees."*

6.4.2 Anti-corruption and Transparency

Anti-corruption is a very serious policy that MNC subsidiaries emphasise because corruption is a common problem in the business context in Asian countries, especially Vietnam. Misangyi et al. (2008) demonstrate that when corrupt practice is institutionalised and considered normal, leaders can choose whether to impose rewards/punishment or ignore it. Gift-giving or gift exchange is considered a way of expressing gratitude, mutual respect and appreciation among business partners, helping to strengthen the business as well as personal relationships (Mai et al. 2009). This is viewed as unacceptable in Western business practice, which creates challenges for managers who have to work within an institutional context and with partners whose ILs are based on these types of business practices. This was demonstrated in the interview data in this study, as the Vietnamese managers specifically emphasised that anti-corruption was highly embedded in their business and was not limited to subsidiaries of Asian MNCs. Each organisation has its own policy regarding this.

For example, Participant 28M's organisation allows employees to receive gifts from partners not exceeding $25 in value, and if a gift is received, they must report it to their direct manager and the company. Working as a sustainability manager who conducts audits for the MNC factories, Participant 23J was concerned about bribery practices amongst factory executives.

"I am in charge of assessing and verifying that they comply with environmental and sustainability procedures. Factories of course know what they do well and what they don't. So they always try to give bribes (corruption) to the auditors. Because the majority do this, they consider this normal. So when in this position with experience, you can easily spot these behaviours and know their intentions."

Due to the issue of corruption, transparency is becoming extremely significant for EL in MNC subsidiaries in Vietnam. It must be reflected in all activities, from performance evaluation to company internal news, financial reports and CoCs. Transparency is important in the manufacturing sector because it involves the act of product quality, CSR and sustainability, with managers having to deal with the factories, partners and suppliers whose ILs rest on bribery and giving gifts. *"Since my work is about QA, I have to be straightforward and transparent"* added Participant 7C.

Despite strict regulations on transparency and compliance with the law, the participants pointed out that there is always room for misbehaviour. They reported that those engaged in unethical behaviours justified the practice as it does not harm anyone. This is consistent with the humanist aspect of the personal ethics of Vietnamese people (as in section 6.3). For example, participant 28M told the story of one of his subordinates who agreed to go on a 10-day European trip with the distributor partner. The subordinate argued that he had paid for the trip himself and that the invitation from the distributor was just a piece of

paper (for a Schengen visa) to help him enter European countries. In addition, by travelling with a partner, he believed that he could strengthen his network and connections, which is very important for company growth. Participant 28M affirmed that on the surface everything may be normal, but if you look more closely, it is not recommended, because even if the subordinates pay for themselves, no one will actually know this. Other distributors and colleagues will consider it a form of corruption. If someone wants to build connections and a network, there are many other ways to do it. Participant 28M was concerned that this kind of justification, like that of his subordinate, is one of the spontaneous ways that Vietnamese people often take to explain their behaviours. This problem is similar to the situation in other stories from some of the participants. Participant 15F said:

"When you are in corporate life, the line between fake and non-fake is very blurred. Some people take it for granted like they "cook the data" (meaning you fake it). Or when they run a target for the activity, they try to make up data. These borders are very blurred […] Actually you can do it (no one knows) but in principle, it is wrong because it can cause great waste for the company [….] You need to hold and stand for your values".

6.5 Ethical Paradoxes and Dilemmas

In the process of practising EL, the Vietnamese managers have been facing ethical paradoxes and dilemmas, causing them to reflect on their own perceptions of EL and strengthen them. These include the confrontation of (1) international standards and Vietnamese local law/standards; (2) economic responsibilities and humanistic feelings; and (3) office politics intensified by a competitive mindset.

6.5.1 International Standards versus Vietnamese Local Law/Standards

As holders of managerial leader positions in MNC subsidiaries in Vietnam, the participants are required to adhere to the international standards set by their headquarters, as well as to local Vietnamese laws/standards. According to the participants, the rule of law is strongly emphasised in their organisations. On the one hand, they need to adhere to the international standards of their headquarters, which reflect the high-standard organisational policies and regulations demanded by the MNC subsidiaries. Organisations strictly enforce, commit to and abide by their rules and policies and take appropriate sanctions in the case of any transgression. These international standards are often much higher than local Vietnamese ones. There is a wide gap between international and Vietnamese standards, which creates ethical dilemmas and paradoxes. For example, Participant 18G said:

"I gave you an experience about my previous company. We had the problem that Vietnamese law allows large ships to dock; however, our MNC rules do not allow that because it is a matter of safety. So you need to be in a position where you are subject to the high standard of safety requirements set forth by MNCs, and where you have to sacrifice your revenue. It costs you a lot, at least thousands of dollars a year. Therefore, you need to sacrifice revenue to ensure that safety complies with the requirements of the MNCs."

In addition, when working in the manufacturing sector, dilemmas often arise in labour and environmental sustainability. These will be discussed in the following sub-sections. The gap between international standards and Vietnamese law leads to competing obligations and creates ethical dilemmas and paradoxes that Vietnamese managers must face.

6.5.1.1 Labour

Overtime (OT) is a problem that causes headaches for Vietnamese managers working in factories, as they have to deal with the lives of hundreds of workers and managers. According to the participants, Vietnamese law stipulates that an employee cannot work more than 200 hours a year in OT. OT hours at MNCs are even lower than those controlled by Vietnamese law, depending on the requirements of the headquarters. The MNC subsidiaries need closely align themselves with such stipulations, as they are large corporations, and these reflect their reputation. The participants justified this by stating that their organisations do this for the health and well-being of the workers. Therefore, on-site factory managers should always keep this in mind to ensure that they do not violate laws and company policies. However, this creates a dilemma due to the very low wages of workers. The participants reported that if the workers worked exactly the maximum number of hours indicated by the law or organisational policies, their maximum salary would still only reach 5 million VNĐ (approximately 200 US dollars) a month. This level of salary is not enough for them to have a decent standard of living, especially for those who have to take care of their families. That is why the workers always choose to work in factories or MNC subsidiaries that allow as much OT as possible because they can then earn more money. The workers care little about labour law compliance. As a result, the managers face conflict in complying with laws and regulations and retaining workers with localised attitudes. For example, participant 10E indicated:

*"OT has always been an issue for organisations in Vietnam. They want to avoid problems in OT because a company is only allowed a quota of 200 hours for OT a year. The company tries to break the rule that they do not say these OTs are OTs but the workers still work and get paid more. I remember a *** factory had this problem. Workers were*

*willing and happy to work OT because it helps them have more money to support their families for a month. If they only work 8 hours/day then they cannot afford much, so instead of working 8 hours/day, they choose to work 13-14 hours/day. Everyone is willing to do so. But when the *** organisation knew about this, they did not allow it, they said it was exploitation. The workers are very sad because they only earn 4-5 million VND a month, if you give them OT they can get 6-7 million VND or 8 million VND a month or more. So, if the organisation follows some Western (American or European) standard in this situation, the workers do not have enough money for a good life."*

Therefore, Vietnamese managers have faced two ethical paradoxes. The first relates to corporate legalistic consistency, in that they need to closely follow the laws and regulations and maintain very high standards, whereas the second concerns coping with the localised attitudes of people who want to increase their income, as they are essential in the production process. In addition, managers cannot disregard the law, but their *tâm* cannot disregard the lives of workers. If they choose to ignore workers' lives, the workers will leave the organisations in search of a job that allows longer hours. This issue is discussed by Tran and Jeppesen (2016), who realise that workers are most concerned with having a stable income and sufficient standard of living. The workers mostly ask for pay and benefits. Tran and Jeppesen show that although workers' wages are at or above the minimum wage promoted by the government, it is still insufficient for them to make ends meet. In reporting some workers' interviews after six months of post-Covid economic recuperation, Le-Tuyet (2022b) shows that without OT, workers normally look for another job instead of staying with the company because a salary of approximately USD 250 is not enough for the workers to pay their bills. Participant 14E supported:

"The basic salary of workers is very low if they want to live in Ho Chi Minh City (HCMC). In addition, the manufacturing sector is also toxic, so if their working time complies with

labour laws, of course they cannot afford to live and take care of their family. When workers go to work, they want to earn more money to cover their lives, so they want OT. When we introduced OT policies to factories where they could only work for certain OT hours, workers protested. They really hate it and they will leave to find a job that can allow more OT, which they believe will be better for them. Even though we do it for their health and mental well-being, they don't like it."

In addition, Tran (2011) argues there are contradictions between Vietnamese labour policy and CoCs. While the Vietnamese labour code allows 200 hours of OT per year, the CoCs allow up to 12 hours of OT a week, resulting in 624 hours of OT per year. In addition, although the CoCs do not allow continuous OT, they have not yet specified the necessary rest time between any two periods. Therefore, there is always a grey area. It is up to upper-level managers to decide if any policy implementation is appropriate. Participant 1A reported that the previous factory manager wanted to bypass the OT problem so that workers had more OT. When a new director replaced the previous one, the issue became very complicated because the new one wanted to strictly adhere to the rules. Consequently, this increases the complexity of the production process. In particular:

"Changes in OT regulations make things very complicated. In the past, when workers finished their shift, they would go home in the morning (5-6 am) and we would arrange a bus for them. But now because of OT, sometimes they can only work a half shift, which ends at 2-3 am. Who can go home at that time? And we didn't have any buses scheduled at that time. Therefore, workers cannot have that half shift, which strongly affects the production process. But who can go home in the middle of the night without a bus? Some supervisors try to avoid this. For example, when we do OT, we don't report this. So that means even when we do OT we just report that we don't, so we don't have to deal with OT issues brought up by our new factory manager."

Participant 10E argued that due to the inconsistencies in the law, many companies try to circumvent it to their advantage and to that of the workers as they can earn more money to afford their life. Participant 1A explained that when the new director of the factory took over, he wanted to strictly follow all aspects of labour law, meaning that the workers could no longer work as much OT as they wanted. Participant 1A claimed that this caused an awkward and difficult situation for her as a junior manager because she needed to rearrange shifts and buses for workers. It also reduced the salary of the workers and affected their daily routines. However, due to their weak bargaining power, they had few options and had to comply with what the organisation dictated or lose their jobs (Tran 2011). Tran also specifies that MNC subsidiaries can use their own CoC in Vietnam and rely on it to monitor compliance, or they can comply with national laws and regulations on labour standards. Tran believes that CSR in Vietnam is only about doing charity, but tends to ignore labour standards, which are significant issues for workers' survival as they deal with their wages, working hours and benefits. This issue is consistent with the discussion in section 4.4 (4.4.2), in which the VGCL which is supposed to stand up for the rights and needs of employees, appears to be weak and dependent on the employers (Do Quynh Chi 2017). This finding supports the notion that it is not enough to view EL through the empirical-descriptive and philosophical-normative approaches because there exists a lack of context-specific conditions that create the ethical dilemmas previously discussed.

6.5.1.2 Environmental sustainability

Regarding environmental sustainability, the rule of law indicates an emergence in the awareness of the environment, which must be applied in all MNC subsidiary activities.

Managers should be concerned with creating and maintaining a positive image of the organisation and ensuring the survival of the company. It is important that they strictly adhere to the organisation's values and policies to make environmental sustainability transparent. One senior manager (Participant 13E) reported:

"Five years ago, when I was managing factories in Southeast Asia, we had never heard of the environment, it was just about labour. But three years ago, we talked about the environment. So ethics gets bigger, it includes the environment, and it is a trend."

According to many of the participants, environmental sustainability in the Vietnamese institutional context is more about strategies; separate activities must be included and immersed in a company's long-term strategies. Environmental sustainability is regarded as ethical, but more in strategic and macro terms. The majority of the participants supported the notion that CSR and environmental sustainability are seen as a trend and that senior managers should consider the big picture, including the environmental sustainability aspect, in all their decisions. The lower-level managers simply follow what is assigned. As noted by Participant 11E:

"Environmental sustainability or CSR belongs to the core activities of an organisation and is something that is incorporated into a company's strategy and business practices. You have to manage and implement it in all your activities".

Participant 12E reported that CSR, namely environmental sustainability, comes from two forces. The first often relates to organisational forces aiming to polish the company's image. Companies want to widely present their brand image to the community, and this is incorporated into the strategies they purposefully promote. The second force comes from the leaders' inner self, in that they want to contribute to the community and society

voluntarily. In contrast, local standards in Vietnam, often weak, are seen as a normalised attitude that shows a lack of awareness about environmental sustainability.

"I have worked at two MNCs and I can see that their rules and regulations are higher than Vietnamese law. For example, my work is about the environment, about compliance. Compliance regulations are introduced far beyond those of Vietnam. MNCs always do better than the government expects because they want to keep their image and commitment. My work is about sustainability, and I love it." (Participant 19H)

The described situations are creating a dilemma. Managers working for MNC subsidiaries want to strictly adhere to high standard values to conform to international standards, but the partners they work with are not capable of doing this, a situation they will try to hide. Tran (2011) reasons that CSR in MNC subsidiaries in Vietnam is pursued solely for the benefit of the MNC, not the employees. Moreover, the Vietnamese government does not support the lives and welfare of workers, causing vulnerabilities that make it difficult for Vietnamese managers to make ethical decisions.

6.5.2 Economic Responsibilities versus Humanistic Feelings

Economic responsibilities reflect that any organisation needs profits to survive, and that they must pay attention to this in order to survive. As organisational members, managers must keep this in mind in all their decisions This issue became evident during the difficult times of the Covid-19 pandemic. The crisis has had multi-dimensional impacts on health, political, social and economic spheres (Allal-Chérif et al. 2021). In particular, organisations face operational disruptions due to labour shortages and have to dismiss employees to survive. Leaders are put in extreme situations when making difficult decisions. The business landscape in Vietnam has been no exception. The VnExpress online newspaper reported that in 2020 over 300,000 employees (at the time of the study

interviews) had lost their jobs due to the pandemic in Ho Chi Minh City (HCMC) (Ha An 2020b). HCMC business has faced its worst scenario (Ha An 2020a) as the majority of manufacturing companies have lost orders from the US and European countries. It should be noted that at the time of the interviews, the Covid-19 situation in Vietnam was not as bad as in other countries; therefore, the Vietnamese managers found it extremely hard to lay off staff and workers. Participant 27L stated:

"To be ethical in this situation is very difficult. When production capacity decreases, we need to reduce workers' working hours, so their wages also decrease. This is sensitive. Usually, when they work on a Saturday, they get paid double. But now they can no longer do that. So of course, they complain a lot. Leaders face these ethical dilemmas, and the only thing we can do is convince them and explain to them that the cause is a drop in orders. We also promise when things get back to normal, they will be rehired."

As discussed in section 6.3, the personal ethics of *tâm* involve the concept of humanism, in which managers care for the well-being of their followers and their personal lives. Therefore, as Covid-19 has strongly affected the financial security of workers, the participants demonstrated concern for the humanist issue which competes with their business-like mindset. Participant 29N reported that her company had correctly complied with Vietnam's workers' compensation law during the Covid-19 crisis for just one month. This was a very challenging situation for her as the Deputy Factory Manager, because she understood that after being fired workers would not be able to find another job and just one month's salary is never enough for them to survive. Similarly, Participant 6C expressed her disappointment when a higher manager required her to lay off staff. She argued:

"I see the Covid times as temporary, so why do you need to sacrifice your employees for this? It's not easy to make a good team. We built this team, not in 1 day, or 2 days but in 5 years. I remember times when I needed their support when the company was in trouble. So why do we fire them when there's a problem?"

Participant 1A encountered a similar problem where some workers were quarantined under the Vietnamese government measures when they went on holiday to visit their families, but there was no support from the government or the company. Quarantine days are considered unpaid leave. Participant 10E concluded that she does not see Covid-19 as the root cause of the difficulties, but that the main problem lies in the short-term thinking of organisations, in that whenever they are in trouble, they will lay off workers because it is easy to hire employees as the labour cost is so low here. Participant 29N expressed concern:

"In the situation of Covid-19, you know organisations that have laid off workers. It was something we didn't want to do but had to do because it was a request from GM and headquarters. They also don't want compensation. They only follow Vietnam's labour law, which only pays employees one month's salary. In this situation, I can see that if the workers are laid off they won't have a place to work. So I decided to compensate them with a 1.5-month salary instead of 1 month. This was support for the workers. But at first, the company didn't want this. When the workers are no longer working due to Covid-19, pity them. They have to endure financial problems to support their family. I think I can partially support them. This is human consciousness."

Participant 33Q said that *"Our headquarter had initially decided to close one subsidiary during Covid-19 in country ***, however, they cancelled that decision because the cost of closing and compensating for the factories and employees there are so high. They finally decided to close the Vietnamese site because it is much cheaper. They only need to compensate 1.5-month salary for the workers whereas it might take them a 6-month compensation package in other European countries."*

6.5.3 Office Politics Intensified by a Competitive Mindset

Another important issue that some participants knew about in relation to EL was the office politics that exists in organisations. Such behaviours are seen as detrimental and lead to negative outcomes in terms of employee well-being, turnover intentions, and job dissatisfaction. Political acts are becoming an interesting topic for research scholars, managers, policymakers and citizens in a variety of fields such as management, sociology and political sciences (Lux et al. 2011). Politics can be understood from different levels, from Corporate Political Activity (CPA) to workplace or office politics. CPA is understood as the efforts of organisations to impact or manage political entities. However, the participants did not mention CPA at a macro-level but focused more on office politics. According to Abbas et al. (2014), another concept is perceived organisational politics (POP) which is defined as *"an individual's perceptions of others' self-interested acts or behaviors"* (p. 2); that is, an individual's subjective judgments and interpretations of their managers' or colleagues' self-serving behaviours (Hochwarter et al. 2020). POP is an inevitable act in any organisation in which individuals can manipulate organisational policies through a set of coercive tactics to gain benefits.

The participants demonstrated that office politics are no less important than other ethical considerations. While labour and environmental sustainability lean more towards the outside, office politics is more of an internal matter. For example, participant 14E highlighted that when talking about EL, organisations seem to think about issues such as confidentiality, corruption, and bribery. However, they still have not focused enough on CoCs inside the office, which is arguably more important because they create a safe and comfortable workplace for organisational members to work in. Many participants

mentioned that office politics is a serious problem in Vietnamese organisations, which they attribute to the fiercely competitive mindset of the people. Office politics is often caused by the highly competitive work environment in MNC subsidiaries. For example, Participants 15F and 19H said that Western organisations have very clear KPIs (Key Performance Indicators) for employees and that the work environment is very hectic.

"In Vietnam, we prioritise personal development and personal life because we are Asian. However, in other cultures, such as American corporate life, is very hectic, and they work very hard. They think their business is number one and you should go with that busy environment. So sometimes they can even fire a person very quickly when that person is not doing well. It happens immediately. However, for Vietnamese people, doing so is unethical. But for American corporate culture, that's normal." (Participant 15F)

Similarly, Participant 31O had been struggling between office politics and an aggressively competitive mindset. This was due to the conflict between driving his team members to reach the company's desired outcomes and the development and protection of teams from organisational politics. Participant 10E expressed her anger:

*"Even though I never touch them (higher managers) or harm them, it's just that I roll so fast and am so good, they envy and hate me. In Vietnam, people are jealous at work, they keep competing with each other to kick you out and leave the morsels for foreigners […] You know, I encountered office politics in ** *, I was forced to resign. Even though they compensated me, I felt very angry. I thought about suing them, but then I thought I'd only been in the workforce for 7-8 years, HR might blacklist me, and I couldn't work anywhere later".*

Participant 27 added:

"Vietnamese managers tend not to allow you to get promoted. They feel jealous and threatened […] For example, one of my former bosses was Dutch. He set a goal for his

3.5 years position, that he would have at least three members promoted. But Vietnamese managers believe it is they who should be promoted. This is such an Asian style."

Having worked in several MNC subsidiaries, Participant 9E agreed that an aggressively competitive mindset was very powerful in an organisational environment:

"Previously, I worked at many companies, almost everyone was trying to compete and defend each other. When discussing something, the majority of them were very worried that they said something that could be picked by the others as a tool to threaten their position. Therefore, they were always in a "protected" mode. For example, if you share this information with them, they can tell your boss or your colleagues […] After I graduated, I worked at a Korean MNC where people competed and fought together a lot. They always gathered to attack and kick a person being promoted […] Then I worked in a German MNC, and I experienced the same combative environment again and I was even immersed in that kind of culture. And even the first three years of working here, it was still an environment of political rivalry and office politics."

Office politics, amplified by the aggressively competitive mindset driven by the forced company environment, created issues of distrust among the Vietnamese participants, including opportunities for foul play and internal political acts; as participant 25K added, "*Usually people do not trust each other. They prefer playing around and manipulating."* This problem is evident in Western MNCs, which place a strong emphasis on results-oriented performance. While competition promotes positive work outcomes, it also reinforces the negative outcomes of selfishness and politics.

Expressing her anger, Participant 10E recounted an issue when she graduated and worked for a Swiss MNC subsidiary, where she believed they had a very authentic ethical approach to all their activities. However, this was not enough for her to stay in the organisation, and she left the work after 4 years due to serious political acts which

hindered her EL. Her direct manager, Mr V, was a very smart and ethical person who always supported her in her job. As Mr V was so good, another colleague, Mr H, was afraid he would take over his role. By using dirty tricks, Mr H kicked Mr V out of the department and became Participant 10E's direct manager. He then cut all the funding budgeted for Participant 10E to take her MBA, meaning she had to pay her own tuition. In addition, he did not allow her to take annual leave when she had an important personal issue. Participant 10E argued that after such experiences, she realised that alliances within the company would be extremely important to save her from competitive mindsets and political acts.

In addition, Participant 26L faced an ethical dilemma when his upper management wanted him to fire a new team member because they were not performing well. However, as his direct manager, Participant 26L realised that he should give that person a chance because they were very new and still had room to improve and adapt to the work. Participant 26L then decided that he should harness the whole team's decision to prove to the higher management that *"Ok you see, this is the team decision where we agree to give him a chance"*. Likewise, Participant 10E reported that she once faced an issue when a higher-level manager wanted to fire an employee under her direct supervision. She reported:

"When working with him, I was very disappointed that he did not listen and report. I really wanted to fire him. I thought of hiring a fresh graduate and then training them rather than working with an older person who never listened to me. But when I calmed down, I spoke to him directly. I would like to have an insight into this situation. I asked him why in the beginning he did not share anything. I told him, OK, you have two choices. The first option is to follow me and I can help you keep your role. The second choice is that you get fired because your performance is so bad. It is your choice to follow people who say bad things about me, or follow me so I can keep your role. You should know that badmouthing me

doesn't get you a job. If you follow me, at least you can stay here. I was very transparent with him. In the end, he decided to follow me."

6.6 Ethical Decision-making

The above discussion indicates that there are conflicting factors that lead to a series of ethical paradoxes and dilemmas that Vietnamese managers must confront. When faced with such dilemmas, the participants made certain ethical decisions, including *có tâm* (having heart) and *hợp tình hợp lý* (with rationality/reason and with sentiment) ones.

6.6.1 *Có tâm* decisions

When the participants make their final ethical decisions, they demonstrate the foundation of *tâm* in their practices. Surprisingly, even when adhering to the codes of ethics outlined by the organisations, *tâm* is an important factor in almost every participant's decision. The word *tâm* is not based solely on sentiment or emotions, but also emphasises the self-awareness of the participants, including the responsibility they display in their job. Although translated into English as 'heart', the meaning of *tâm* is not irrational or based only on emotion and feeling, but reflects that in each participant's decisions, they should not feel guilty. For instance, Participant 20H argued that the basic perceptions of EL always remained the same, but the way you behave may change depending on the culture and values of the MNC. When asked how the participants knew if they were making ethical decisions, participant 31O said that if at night you could sleep well and your *tâm* did not feel torn or guilty, it meant that you had made an ethical decision.

The reflexive *tâm* approach indicates the strong inner self-awareness of the participants when facing ethical paradoxes that go against their *tâm*. Although an organisation's regulations may be clear, the driving force behind decision-making is the strong awareness

of *tâm* in which people put their inner self (e.g., dignity and integrity) at the heart of ethical decision-making. Participant 21I argued that ethical values should be related to dignity and responsibility. You do not need to have someone observe you for you to do well; this should come from your inner self and trigger and motivate you to work responsibly. Participant 10E explained that there were many opportunities for her to receive money from partners and suppliers; however, she did not choose to do so because according to her, money has power, and would control her. If she chose to receive the money, her voice would no longer be valid and she would be manipulated. Participant 10E thus concluded:

"My standards and criteria for ethical leadership are based on integrity. It comes from myself because I am a person who follows laws and regulations [...] I do not allow myself to be wrong."

Reflecting on her own story, Participant 7C reported that her company allowed her to receive gifts from company partners as long as she reported them; she in fact receives many gifts because she is a Quality Assurance (QA) manager. On special occasions such as the Tet holiday (Vietnamese Lunar New Year), it is completely normal to receive gifts from partners because it is simply a cultural practice. However, Participant 7C decided not to accept any gifts from any of the partners even if they were disappointed about this because she believed it could cause misunderstandings. Since she does her job with responsibility, still does so without accepting gifts. Therefore, there is no way she will accept gifts and there is no need for people to show gratitude to her if she accepts a supplier. She explained:

"My self-guidance is to always do the right thing […]. But my principle is not to receive anything. I do not want to owe people. My company has COC, commission … etc. Sometimes I think if I don't read the regulations, I still know how to behave right because

I never allow myself to engage in any form of receiving gifts (corruption). So that comes mostly from my own self."

Participant 10E also told the story of her supervisor who tried to save and greatly help her when was she faced with organisational politics within the company. Although she said that the supervisor was a very strict person, he helped her flexibly deal with office politics. This is an example of a manager who placed their *tâm* in their ethical practices. Participant 15F told the story of when her direct line manager wanted the team to fake the data so they could continue doing the desired project. This would not have caused many problems, and no one would have known; however, when considered from a wider perspective, it can cause huge waste for the company as a whole. The director did not want to do that because it was wrong in principle. Participant 15F said she could just simply do this and ignore other things because *"You know actually if we did it wrong and caused issues, the business would still go on. Even if they face a bit of shortage, they would not close the business at all"*.

However, the issue that Participant 15F was aware of was that at the end of the day she would feel guilty, so she decided to refuse to be involved in "cooking" the data and told her direct manager to speak with the director. Participant 29N agreed that *"If it is too tough for me and I go beyond my ethical limits, I will decide to stop doing that."* Participant 18G was experiencing similar ethical paradoxes, explaining that:

"As a manager, I realised that I had to take on more responsibilities and communicate these to my employees. And even though I saw some of my colleagues having problems, I thought I also needed to share my experience […]. If I accept bribes from others, I may get good results immediately but that is only short term, what about the long term? Do

you earn everyone's respect? And if you violate moral values at that time, what will be the consequences next time? These are the things you need to think about."

Participant 1A added *"The only thing we can do is to persuade and even if we have to beg the workers to work during Covid-19, otherwise the production will be disrupted. We tried to convince them by telling them the benefits they can have if they work for us".*

6.6.2 *Hợp tình hợp lý* decisions

The *hợp tình hợp lý* approach means that when solving an ethical issue, the steps taken not only refer to your compliance with the organisation's processes or regulations, but the decisions also need to be wise enough to win people's hearts. This means that you cannot be on either side of the extremes of being purely rational or purely emotional. First, the element *hợp lý* means that managers need to be aware of the processes and regulations set in place by their organisation, and whether the situation is covered or included in the policies or the process of decision-making. This means that they need to adhere to corporate ethics compliance (see 6.4). For example, Participant 20H was aware that it was safe for him to make decisions following company rules in any situation if that case can be audited/inspected/examined someday. However, he argued that:

"It depends on a case-by-case approach to solve issues, which is the best way to do it. You never know whether what you do is right or wrong. It may be right from this angle, for this person, for the organisation, but it may not be true for another. So you need to be flexible and support your subordinates. Sometimes needing to be flexible can go against the company's perspective. But if you follow the company perspective it may be tough for your subordinates"

The company's regulations and rules are also tools used by the participants to validate decisions and reflect if they made the right ones. Participant 19H explained that he was

very careful when making decisions regarding people and that the organisation's regulations and CoC were important tools for him to evaluate his subordinates. Participant 29N also faced an issue when she needed to lay off workers due to a significant reduction in orders due to the Covid-19 pandemic. Although she felt sympathy for the workers, she also felt that she needed to lay off them because of the pressure from headquarters in Spain.

On the other hand, *hợp tình* means that even though ethical decisions need to adhere to certain rules, they also need to be meaningful; that is, they need to meet the *tâm* of the people. Participant 22I pointed out that *"As a human being, you need to live with 'tình' (emotion). When you live with 'tình', everyone will do the same to you. When people are in trouble, you help them, and when you're in trouble, they help you."* Participant 16F added that *"to encourage subordinates to trust you and overcome the difficulties, you need to win the issue of 'tâm'."*

As a result, participants demonstrated an approach to both *hợp tình* (with rationality/reason) and *hợp lý* (with emotion) decision making. For instance, Participant 31O considers two criteria when making ethical decisions: first, the corporate process or policies; and second, he needs to ensure that the corporate process is correct and if so, whether it has an impact on people and how his *tâm* feels. If he believes that the two criteria are met, then it is the right thing to do. But if only one criterion is met, his ethical response would be no. Participant 31O reported that if you apply the company's rules and regulations in a rote manner, it would be a disadvantage for EL. He therefore argued that when leaders face ethical issues, they cannot simply apply what they have been taught or what has been pointed out by others to the situation. He also emphasised the importance of being flexible in the way you understand the root cause of the issue and incorporate it

into your ethical applications, saying *"You need to be really realistic, practical and flexible".* Participant 12E demonstrated her *hợp tình hợp lý* decision-making approach:

"However, in this situation (Covid-19), some organisations think they are just workers. We can easily get them back because a lot of people are unemployed. So just lay them off to reduce fixed costs. And after Covid-19, we can hire them again. It touches on ethical issues. When workers are jobless, it will be difficult for them to find a job. They have contributed to the organisation for many years, and now they have been fired. It is very unethical to me. Organisations can do other things, such as working 4 instead of 5 days a week. It's a kind of pay cut."

Participant 7C said that as a QA manager, she is very strict in checking the quality of products and material supplies because it is her job. She is also influenced by the strict standards in her previous company, a Japanese car assembly organisation, in which safety is the number one priority due to the impacts on human beings. However, her current organisation is a supplier of printer cartridges. Therefore, although sometimes she has found a few parts to be imperfect, she is still flexible in allowing them to pass the test because they have a little negative impact on the quality or the people. If she did not approve the quality of these materials, it would impact the production progress and both her department and the supply department. Participant 7C agreed that sometimes she needed to lower her expectations and be flexible. Therefore, a *hợp tình hợp lý* approach is used here.

Participant 3A reported that he faced a "head and heart" problem. "Head" can be used to refer to policies, while "heart" is related to emotions. The case was when one of his followers was lazy and did not listen to the direct line manager. He could have kept the person on, even though they did not perform their job well, or he could have fired that

person, knowing that they would face financial difficulties. His *hợp lý* decision was therefore not to renew the person's contract, but his *hợp tình* action was to watch out for them when they left the company. Participant 3A was then relieved that the follower was finally able to open a small retail grocery store after leaving the organisation. Regarding labour and OT, Participant 1A agreed that in her position as a front-line manager she could not do anything to change situations because it depended on the General Manager's decisions, although she felt very empathetic and sympathetic to the workers' lives. However, unlike other managers, who simply told the workers to accept decisions, she took the time to explain, convince and persuade everyone. She believed that as humans, they deserved to be treated in this way. Participant 10E also argued that in her position there was nothing she could do to change the circumstances. However, if she had the power, she would take on the voices of the workers who wanted to work OT because that was what they wanted. After all, a monthly income of USD 380 is not even enough for the workers to live in HCMC (Le-Tuyet 2022a).

In terms of environmental sustainability, the participants argued that when faced with this ethical dilemma, they must consider their own ethical/moral values. Reflecting on his own story, Participant 13E, who holds a key position in a subsidiary of a French MNC, shows that he knows the *** company, his company's outsourcing factory, does not meet the environmental criteria but still has the certificate issued by the Vietnamese government. In that situation, there is nothing legally wrong if he chooses to work with them. However, it would be unethical. If he chooses not to work with them, hundreds of employees would be jobless, which would also be unethical. Therefore, facing such an ethical dilemma, Participant 13E argued that he must return to his values:

"When facing any ethical dilemmas, I always asked myself a question: If some day (in the future) someone asks you whether you feel guilty about a decision and if you say YES, this means you shouldn't make a such decision again. Or if some day (in the future) your children ask you whether you feel proud of your decisions, and if you say NO, it means you shouldn't make such decisions again either".

Participant 13E reported that he ultimately decided to hire an international auditor to check the environmental compliance of *** company and realised that they did not meet any of the criteria. Consequently, he closed the factory and moved all the products and materials to another country, while simultaneously quickly setting up a new factory in Vietnam that would pass the environmental inspection process. He also ensured that the workers would be paid a basic salary. It was very costly, but he felt that his personal ethical values of sincerity were complied with and that in all his decisions the focus was on the people.

The *hợp tình hợp lý* approach is also evident in the difficult times of the Covid-19 pandemic. Jobs are not simply transactions in which the company pays and the employees receive a salary. They are more than that, being a moral obligation into which employees put their time, energy, and effort, and support organisations even during difficult times. Therefore, leaders should consider this when making ethical decisions. Participant 6C said it was the first time in her career that she had to decide whether to fire an employee due to the pandemic.

"Due to Covid-19, companies have to lay off a lot of employees in a variety of positions, from workers to higher management levels. My department was forced to lay off employees when we were hit by a drop in demand. It is a global problem. By law and regulation, you have to do it for the good of the company. But in terms of moral obligations, you need to think carefully. I cannot blame foreign bosses because they are foreigners, they just focus on work. But as Vietnamese, we have moral obligations. I just

wonder why we need the people we hire, when we no longer need them, we fire them. Why do we always blame the pandemic?"

Faced with the paradoxes between economic responsibility for maintaining profitability and the humanistic orientation of employees' survival, Participant 6C decided to keep her team members. Refusing to tell the interviewer specifically or explicitly what she did to convince upper management to let her keep them, she only revealed that there was some form of sacrifice from her side. In the end, she felt very satisfied with her decision. VnExpress newspaper reported, for instance, Datalogic Vietnam, an 100% foreign-owned Italian manufacturer of automated data collection (bar code readers, sensors for detection) equipment and software, had to *"buy components at higher prices to ensure a stable supply and complete orders. Components can be brought from those who stored them before the pandemic broke out, or even from the black market"* (Le-Tuyet 2022b).

Participant 7C supported the idea that organisations should cut workers' salaries instead of firing them so that they would have some money with which to live, survive and take care of their families. In her view, it is not good to fire employees to save costs; rather they should be kept so that the organisation can use them later and take advantage of their skills. Similarly, when asked about decisions on employee layoffs during Covid-19, Participant 5B highlighted that many employees had worked and contributed to the organisation over a long period. Therefore, when faced with an ethical dilemma, it is important to sacrifice a company's revenue and earnings to save the lives of its employees. 10E participant argued that MNCs often treat their subsidiaries like a "colony". It means that they see Vietnam as a good place for cheap labour costs, not as a place for positive social development; therefore, whenever they feel risk, they simply pull out. The

pandemic has been a time when people can realise how badly some managers are treating their subordinates:

"The root cause is not Covid-19 […] In times of uncertainty like these, what they lack is that mindset. They only think short term. When there is a problem, they fire workers because the labour cost in Vietnam is too cheap, and we have low work efficiency compared to other Southeast Asian countries."

Hợp tình hợp lý decisions are also reflected in the way the participants immerse themselves in the situation. For instance, Participant 31O said that EL and ethical practices should be built in two ways. The first is from education, and the second more important one is from real-life experiences. The lived experiences come from both success and failure in the course of people's work. Participant 27L stated:

"I always place myself in their situation. For example, I have a team member who is older than me. So whenever I was angry and raised my voice towards him, I thought OMG (Oh My God) if a younger person did that to me, how would I feel? Or if someone less experienced than me wanted to change and restructure the team, how would I feel? That's why I put myself in that situation and this affects my behaviour.

Furthermore, a member of my team has young children, so she needs time to take care of them. And she cannot find a nanny, so things are pretty messy for her. I was quite hesitant to push her to the deadline because I felt that I was a woman and would get married and have children myself. So, I stopped pushing her and did her task instead. But at the end of the day, I find myself sympathising with everyone too much and having to work a lot."

6.7 Summary

This chapter has presented the findings from the interviews with participants who are currently managers working at subsidiaries of MNCs in the manufacturing sector in Vietnam. It is indicated that the perception of EL is a process by which individuals face

different forces and ethical dilemmas during their work experience. These stem from the wide gaps between many of the institutions, resulting in the embeddedness of multiple ILs. This allows managers to reinterpret and redefine some of their subject values and beliefs, such as their personal ethics and corporate ethics compliance when making final ethical decisions. The following chapter will discuss the findings of Chapter 6 to understand the behaviours of individuals in their perception of EL and their interpretation of ILs.

Chapter 7: Perceptions of Ethical Leadership in Vietnamese Managerial Leaders

7.1 Introduction

The purpose of this chapter is to provide an important discussion of the research findings and their contributions to the literature on EL and ILs. More specifically, it seeks to provide insight into the perception and social construction of Vietnamese managerial leaders working in MNC subsidiaries in Vietnam of EL, through their ethical practices and decision-making. The chapter links the findings of Chapter 6 back to the research question posed in Chapter 1. In addition to answering this question, the chapter discusses the contributions of the research to the related literature.

First, it is found that Vietnamese managers face a variety of ILs that are both competing and complementary. These include legalistic, community, profession, corporation and environmental logics. A variety of ILs are incorporated into Vietnam's unique institutional context, and also underpin Vietnamese managers' perceptions of EL. Other studies of ILs have often identified two prevalent forms in a particular field, comparing the "ideal types" of Thornton et al. (2012) to explain their influence on organisations' and organisational actors' responses. This study argues that multiple ILs are different, interrelated, and interconnected. Therefore, it is not simply that there exists a structure-agency model or higher-order types of ILs that influence organisational behaviours. Similarly, this study enhances the EL literature, which tends to be positivist in describing certain behaviours and values of ethical leaders. It demonstrates that leaders often succumb to and immerse themselves in complex systems of institutions and associated ILs. It would be incomplete to consider EL as being composed of certain traits and characteristics. This study is therefore in line with the critical interpretive approach to EL (see 2.6), contributing to the

literature a more holistic and nuanced perspective, which is required when investigating the phenomenon. This is especially true in the case of EL across cultures. As ethical complexity emerges from multiple systems of ILs, this study also contributes to the literature on institutional complexity (Greenwood et al. 2010; Zilber 2002) by arguing that current studies have simplified it by using only certain types of logic and tending to compare them with each other.

Second, the study specifically argues that the IL perspective is a powerful lens through which to observe EL as it allows understanding of the ethical complexities that Vietnamese managers face through the gaps and relationships between different kinds of logic. It reveals that there are no longer "right" or "wrong", or "ethical" or "unethical" practices in EL; instead, they should be rooted in the lived experiences and social construction of the participants. However, these are situated in the broader Vietnamese institutional context. Ethical leaders are not those who hold extreme power and resources in making ethical decisions. They can even confront "good" or "better" choices of ethical decision-making (Amiridis 2018). This study, therefore, brings back the original definition of the IL perspective to the surface and makes it more explicit, in that ILs are the socially constructed and material practices, assumptions, values and beliefs through which individuals assign symbolic meanings to their social reality (i.e., experiences and lives), a view which has been side-lined due to the high reliance on the positivist approach (Zilber 2016). The findings of this study indicate that there exist indigenous Vietnamese institutions, such as the "way of living" logic, the "apolitical" logic and the "*tâm*" logic, whose meanings diverge from the current prescriptive ILs. In the Vietnamese institutional context, religion logic can be referred to as a "way of living" or "teaching" logic instead

of the logic of spirituality. Therefore, this study advances the literature on ILs by arguing that there exist ILs with Vietnamese structures, and the prescriptive approach to ILs lacks a nuanced understanding of such a particular context. Through the understanding of ILs, it is argued that in the context of Vietnam, EL can be referred to using Vietnamese proverbs or terms, as the term "ethical leadership" itself lacks true meaning in Vietnamese culture and institutional arrangements. For instance, EL can be called *hợp tình hợp lý* (with reason/rationality and with sentiment) leadership. In addition, the study advances understanding of cross-cultural EL, instead of closely relying on the prescriptive and descriptive national cultural dimensions of Hofstede and the GLOBE project, or a cluster of moral philosophies in the interdisciplinary integrative approach of Eisenbeiss (2012) (see 2.4.2). It is argued that EL, as well as ILs, cannot be treated as dependent or independent variables through a dyadic relationship between leaders and followers. Instead, it should be considered through a multi-dimensional approach with a more individual (micro-level) analysis.

Third, moving away from the positivist, prescriptive, causal and structural-agency mechanisms of both ILs and EL, this study contributes to a greater understanding of the microfoundations of ILs (Bévort and Suddaby 2016; Lok 2010; Reay and Hinings 2009; Zilber 2016) (see 3.4) by arguing that individuals provide meanings to their embedded institutions and that they inhabit these. The findings reveal that due to the ambiguous and complicated nature of ILs in the context of Vietnam, Vietnamese managers enact their inner self, known as the logic of *tâm*, to make ethical decisions. Western knowledge of EL is incomplete and is unable to capture the real contexts of Vietnam and organisations. This therefore demonstrates that current studies on both ILs and EL tend to view ethical

leaders as powerful agents situated in constant, stable and strong institutions, and generalise these into the perceptions of EL and ethical decision-making. It should be understood that EL is a natural on-going process, and is also an individual process. Due to the competing ILs, opportunities are created for individual agency in the micro-processes, so that people can understand holistic and integrated insights into environmental sustainability in organisations (Corbett et al. 2015). This study also shows that Vietnamese managers creatively create their logic of *tâm* to flexibly modify and combine different types of values and norms. This is happening at a very micro-level of analysis in the form of relation to institutional entrepreneurs. However, unlike other literature on institutional entrepreneurs, in which individuals are believed to transform current logics into new ones (Garud et al. 2007), our findings indicate that Vietnamese managers are not purely "entrepreneurs", but instead become "editors" or "modifiers" at the micro-level of ILs and EL. In other words, EL should be viewed as a perception phenomenon and a process instead of a fixed and constant descriptive concept.

Finally, EL reflects a broader institutional context of Vietnam, in which there exist inconsistencies across and within institutions. This indicates the historical and cultural influences which result in a country having its own meanings of institutions and ILs, which leads to unique perceptions of EL. In line with Chapter 4, the findings demonstrate that Vietnam remains different from its neighbouring countries in having no state religion, by being impacted by the Three Teaching's values and beliefs, as well as being influenced by modern values and globalisation. In addition, EL is also a reflection of the Vietnamese political economy and society, where there still exist weak governance and unfairness

within society. The CoC(s) developed by MNCs have yet to capture the real situations and target the life of unvoiced employees, especially workers in manufacturing factories.

In summary, this chapter discusses in detail the ethical complexities that Vietnamese managers confront in their embeddedness within institutions and ILs, which can enhance, hinder, or confuse individuals. It highlights the competing and conflicting ILs, as well as complementary ones that managers face in their practice of EL. It then provides a picture of institutions across cultures to argue that there exist Vietnamese indigenous structures in these, concluding that there is no "best practice" or "ideal" EL, nor "prescriptive" ILs. Due to the divergences between institutions across cultures, a closer look at EL across cultures is required. The discussion then focuses on the analysis of how EL should be considered as an on-going process, in which EL is a micro individual process and also reflects a broader institutional context.

7.2 The Interplay between Multiple Institutional Logics

The IL literature acknowledges that multiple ILs at the societal-, field- and organisational-levels influence organisational actors and their behaviours, including family, religion, profession, state, community and market (Reay and Hinings 2009; Thornton et al. 2012) (see section 3.3.1). The findings of this study are in accordance with previous studies and verify that there are multiple institutions confronted by Vietnamese managers, creating a set of co-existing multiple ILs for them to solve ethical problems. These ILs stem from the context of MNC subsidiaries in Vietnam in the manufacturing sector, which creates multiple gaps between formal and informal institutions. These include legalistic, profession, market, and community logics (see 7.2.1 and 7.2.2). According to Durand and Thornton (2018) and Ezzamel and Willmott (2014), there are constellations of multiple

ILs that are interconnected and intertwined, creating competing and conflicting logics that shape and influence organisational actors' decisions making. The findings of this study support the current literature on multiple ILs (section 3.3,1), which demonstrates that competing and conflicting multi-level ILs co-exist. The findings also improve an understanding of the contextual and institutional influences on the EL literature, which relies heavily on empirical-descriptive and philosophical-normative approaches, in which ethical leaders are believed to possess "normatively appropriate" characteristics that conform to or are conditioned by certain moral philosophies. The gaps in the current mainstream EL research are discussed in section 2.5. Keck et al. (2018) advocate that EL has hitherto been viewed as a single-dimensional concept of a causal relationship, in which EL is individualised, decontextualised and power-neutral (Liu 2017b). From its findings, this study reveals that Vietnamese managers are embedded in an inter-relating system of different institutions, which creates ethical paradoxes and dilemmas for them to solve, and that EL is not a fixed and static concept. The ethical paradox in this case does not concern right or wrong but is subjective according to the situation.

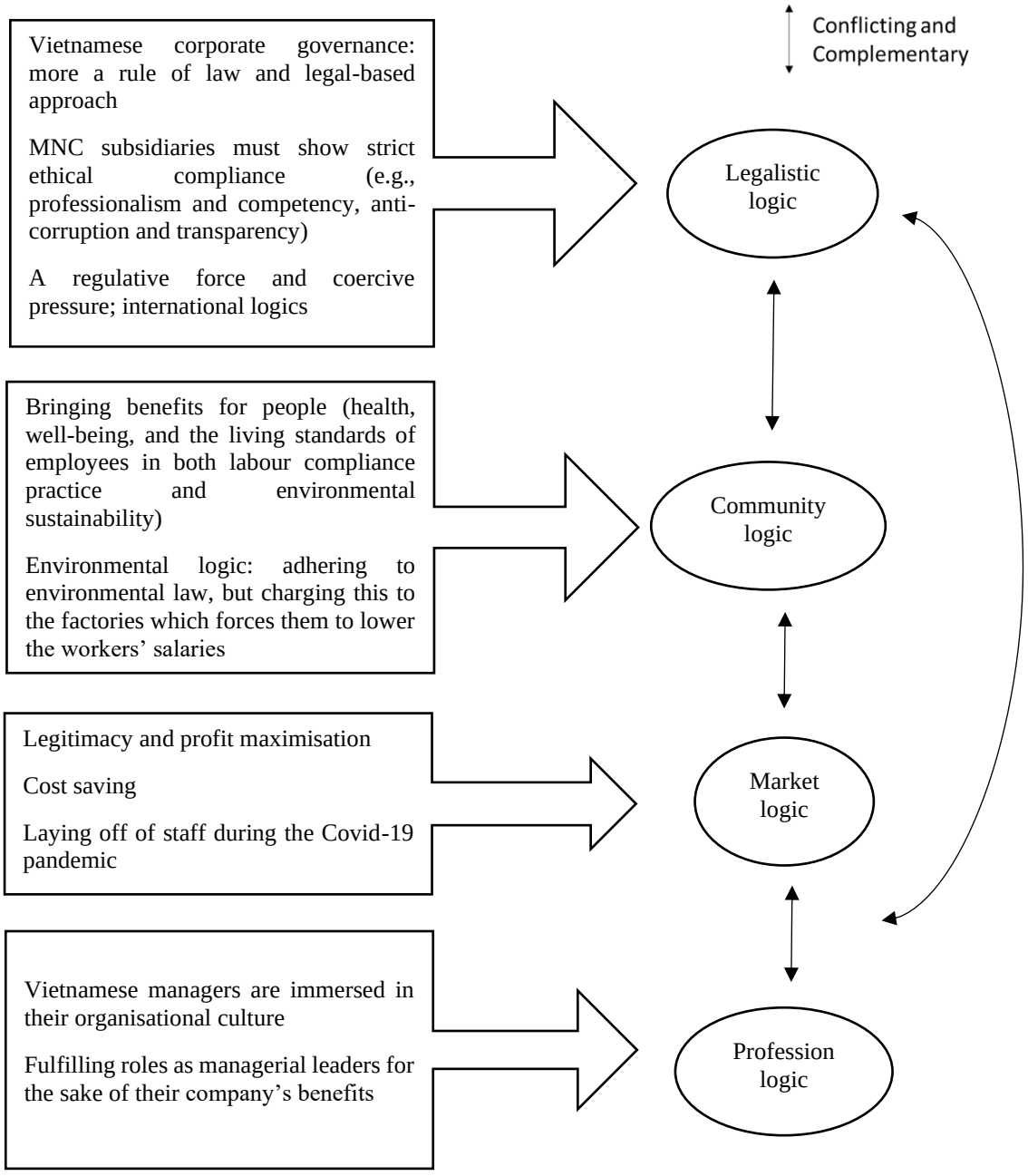
This study shares similarities with that of Keck et al. (2018); in both, EL is a perception phenomenon and the individuals, specifically Vietnamese managers are subject to a variety of socially constructed principles. This study agrees with the current mainstream research, particularly the study by Brown and Treviño (2006), which suggests that ethical leaders are those who should possess the characteristics of a "moral person", such as trustworthiness and fairness, and that they should display these in their role as "moral manager". The participants demonstrated that as an ethical leader, it is important to possess certain personal ethics such as authenticity and humanism, as well as comply with

corporate ethics. However, the findings show that on the surface the perceptions of EL have some similar characteristics to those of other studies (e.g., honesty, trustworthiness, etc.) but that the underlying ILs remain very different, which leads to unique ethical decisions at a micro-level. It is incomplete to view EL as a one-dimensional construct of a dyadic relationship between leaders and followers because Vietnamese managers are embedded in much more complex, multi-level institutions. This leads to inter-relating and co-existing ILs. Sections 7.2.1 and 7.2.2 discuss in more depth the multiple co-existing ILs that create institutional complexity for Vietnamese managers in perceiving and practising EL.

7.2.1 Competing and Conflicting Institutional Logics

Some studies, such as those of Reay et al. (2015) and Fathallah et al. (2019), use the "ideal types" of IL discussed by Thornton et al. (2012) and compare these with the actual behaviours generated from certain IL from the data. By doing this, the authors can determine whether an IL is strongly, weakly, or moderately related to the "ideal types". However, similar to Van den Broek et al.'s (2014) study, the ILs identified in this study are primarily data-driven. They come from repeating patterns across the entire data set, which were organised into themes and subthemes under the TA. To qualitatively capture ILs, as indicated in section 5.8.1, we adopted a pattern-inducing approach in which ILs were identified from the raw data (see Figure 7.1 and Figure 7.2). Each IL has its own moral principles and ethical norms that are contradictory to each other, which can create pressure on organisational actors such as managers in implementing appropriate strategies (Demers and Gond 2020). The findings verify that multiple ILs compete and contrast with each other and are multi-level and interrelated.

Figure 7.1: Conflicting and Complementary Institutional Logics



Source: Created by author

First, legalistic logic contradicts community logic as a result of the ethical paradoxes between international standards and Vietnamese local laws/regulations (section 6.5.1). According to Meyer and Hammerschmid (2006), legalistic-bureaucratic logic is described as focusing on *"objectivity, political neutrality, and non-corruption or of procedural correctness and continuity"* (p. 105). This kind of logic is evident in MNC subsidiaries when they need to align the ILs of the host country (Vietnam). It has been observed that there has been a gradual change in Vietnam's legal system, with the government beginning to emphasise the rule of law in all aspects, especially corporate governance, instead of heavily relying on the interference of moral and traditional values. This has fostered the importance of legalistic logic among Vietnamese managers (Koh 2007). Vo (2009) argues that the institutional environment of MNCs in the home country is normally embedded and ingrained in the practices of its subsidiaries in the host countries. This is because MNCs aim to reflect their own corporate identity as well as their international orientation. While there can be some adaptations or configurations within MNC subsidiaries, overall legalistic logic generally reflects some compliances with the home country headquarters.

In the findings discussed in sections 6.4 and 6.5, it has been shown that Vietnamese managers working in MNC subsidiaries adhere to strict ethical compliance with international standards in their organisations, as well as local Vietnamese laws and regulations. The findings indicate that the ingrained legalistic logic, such as the ethical compliance of anti-corruption and transparency (6.4.2), becomes more visible to the participants when working for the MNC subsidiaries. For instance, Participant 28M argued that he was not aware of the issue of anti-corruption and considered it "very normal" to receive business gifts. Agreeing that local and spontaneous Vietnamese ethical

values were not sufficient to strengthen and define the perception of EL, he explained that his perception had changed while working at the MNC and he realised that anti-corruption and transparency were taken seriously. The aspects of legalistic logic have been similarly considered in Braga et al. (2021) study on institutional theory, specifically the institutional pillars (Scott 2003). The logic of the regulative pillar dictates rules, laws, standards and sanctions that organisations and organisational actors must legally follow. For example, Braga et al. (2021) find that despite ethical HRM perceptions being similar among participants in the UK, Brazil and Colombia, their ethical decisions are nonetheless distinctive due to different institutional contexts in the three countries. The regulative force is also regarded as coercive pressure, which is one of three institutional pressures that organisations face that stem from institutional theory, including coercive pressure, normative pressure and mimetic pressure. Therefore, the rule of law follows legalistic logic and demonstrates the influence of regulatory pillars on the ethical practices of Vietnamese managers working in MNC subsidiaries.

Another IL is community logic, which refers to the responsibility of organisations when serving the community (Reay et al. 2015) to benefit all parties through collaborative actions (Thornton et al. 2012). According to Fathallah et al. (2019), community logic is essential for understanding organisational behaviours; they focus on family businesses, as this type of business is believed to be ingrained and embedded in the local community and local stakeholders. The results of our study show that MNCs subsidiaries are not only exposed to international logic from headquarters but are also involved in working with local partners such as workers, factories and suppliers, who rely on Vietnamese laws/regulations. Community logic is evident in the discussion among the participants,

that Vietnamese managers working in MNC subsidiaries need to ensure the health, well-being, and standard of living of their employees and community in labour compliance practice (6.5.1.1) and environmental sustainability (6.5.1.2). These can be considered normative pressures. However, the existence of community logic conflicts with legalistic logic and creates problems for workers. Participants reported that Vietnam is considered to be a low-cost labour destination but has low labour productivity compared to other countries in the region. In particular, *"Vietnam's labor productivity in 2017 was $10,232, equivalent to 7.2 percent of Singapore's, 18.4 percent of Malaysia's, 36.2 percent of Thailand's, 43 percent of Indonesia's and 55 percent of the Philippines"* (Pham 2019). This is due to the lack of regulations put in place to improve productivity. The current minimum wage is only around $121 to $175 a month (Nguyen 2018). As mentioned by the participants, this creates a loophole as they need to align themselves with legal regulations within their organisation to ensure workers comply with OT regulations, but they also have to deal with people (e.g., workers) who need money to survive. This study demonstrates that Vietnamese workers prefer to work OT to earn extra money and are not aware of the laws or regulations regarding it. The need for money by the workers and the need for increased productivity by the employers usually result in secret agreements. *"This could mean that employees might not have received all the benefits that they are legally entitled to, such as a double-pay on their usual day off"*, Hoang-Thuy (2022) outlined.

Therefore, despite being embedded in community logic, which is supposed to benefit people, Vietnamese managers face a paradox that causes them problems when the rules and regulations of organisations do not bring benefits to the employees. In particular, the

workers normally have little say and there exists a gap between international regulations/standards and Vietnamese law. Hoang and Jones (2012) argue that the CoCs of MNCs have been overestimated in their ability to capture real-life situations. They point out that workers in subcontracts or intermediaries of some MNCs attempt to deceive auditors on labour compliance issues by siding with the factory management as they fear their factory will lose orders, which could affect their jobs. For example, participant 10E explained:

"There is a new trend nowadays, MNCs will try to outsource Vietnamese organisations to do these things rather than being responsible for them. If you look at it from this angle, it is unethical. For example, a large MNC might outsource a Vietnamese company called 'Green Environment'. 'Green Environment' will buy insurance for the employees there. 'Green Environment' is in charge of everything, the MNC just gives them the budget and doesn't care more. At night, MNCs (managers) can sleep well because they don't have to worry about these problems […] Full-time employees (workers) at MNCs are few in production organisations, even in the tech industry. They prefer Vietnamese outsourcing organisations because they don't need to worry about insurance or taxes for employees and they pay a low, average salary by Vietnamese standards. They simply follow the usual Vietnamese standards. However, if you work for an MNC, you will usually get a good salary with an attractive package".

The third logic is market logic. While community logic embodies cooperation and cohesion within the local community, market logic emphasises the nature of competition, efficiency, and effectiveness in organisations. It is based on the principles of legitimacy and profit maximisation (Dahlmann and Grosvold 2017). Our findings verify that organisations need money to survive, especially during the difficult times of Covid-19, resulting in the laying off of staff (see 6.5.2). However, this strongly affects the community and the lives of Vietnamese managerial leaders' subordinates. Market logic

represents the interests of organisations, but community logic stands for the interests of all people, including locals. In addition, market logic also contradicts legalistic logic. The participants reported that if organisations fully comply with the international standards dictated by headquarters based on legalistic logic, it will involve considerable cost, which is contrary to market logic. This is evident in the issue of environmental sustainability, in which organisations can decide to follow either the standards of their headquarters or Vietnamese regulations. This was shown in the case of Participant 13E when he needed to address ethical issues regarding environmental protection, organisational costs, and workers' well-being.

The interplay and relationship between competing ILs shown above are consistent with studies on multiple ILs, in which various logics at different levels generate varying and competing prescriptions that create organisational paradoxes for organisational actors to solve and make decisions (Greenwood et al. 2010; Greenwood et al. 2011). This is when organisational actors face institutional complexity, in which they confront conflicting guidelines and prescriptions from different types of institutions, both at societal and field levels. For example, when studying the conflict between market and community logic in PRADAN, an NGO working in poor and underdeveloped tribal villages in Northern India, Venkataraman et al. (2016) showed that there was an interplay between the two logics which contradicted local Indian norms and traditions.

To understand how market-based activities can be introduced and implemented in local areas, it is important to understand the critical interplay between competing ILs that match community values and indigenous market principles. By using pattern matching to compare real IL data with “ideal type” logics, Fathallah et al. (2019) stated that they could

understand the prescriptive values and norms of a single logic, and then evaluated whether the logic in their data was strong or weak relative to the ideal types. They conclude that firms in Lebanon confront a multiplicity of family, business, religion, and community logics. Comparing the religion logic with other logics, Fathallah *et al* specify that when interpreting religion in ethical matters, Muslim family firms often adopt a rule-based approach, while a principle-based one is adopted in Christian family firms. Therefore, the findings of our study point to the interplay between conflicting ILs, which contribute empirical evidence to the literature on institutional complexity (Greenwood et al. 2010; Zilber 2002) (see 3.3.2). In addition, studies of ILs normally identify two dominant logics within a field and attempt to compare, combine, and investigate these to understand organisational actors' behaviours. However, our study shares a similar view to that of McPherson and Sauder (2013), that the dynamics of ILs cannot be viewed through two different ILs in the current literature on institutional complexities. Instead, this study indicates that different types of logics exist, and are connected and intertwined, causing confusion and presenting paradoxes and dilemmas for Vietnamese managers to solve. In this study, the legalistic, bureaucratic, market and community logics demonstrate competing ILs at societal, organisational and national levels, which can influence the ethical practices of Vietnamese managers.

The findings, therefore, support the view that ethical leaders are embedded in a multi-layered and dynamic context rather than in a hierarchical linear relationship, which normally prescribes certain ethical norms, rules and behaviours (Ciulla et al. 2018; Liu 2017b). The essentialist and functionalist view of EL possessing universally 'right' characteristics and behaviours in mainstream research is insufficient to understand the

complexities of EL and its context. This study also supports the view in the current literature that ILs reside in a multi-level and interrelated system (Thornton et al. 2012), in which each logic prescribes certain institutional orders and guidelines that should be achieved according to a particular logic, such as family, religion, state, market, profession, corporation, or community.

7.2.2 Complementary Institutional Logics

The findings of this study also show that multiple logics are not only conflicting and competing, but also complementary and compatible, specifically in their ethical aspects. Jancsary et al. (2017) argue that multiple logics can contradict each other, compete, and coexist, but current studies tend to overemphasise the conflicting aspects of ILs and pluralism, whereas logics can also be complementary (Smith and Tracey 2016). This issue was discussed in 3.3.1, where it was argued that ILs can be both conflicting and complementary.

Through data analysis, this study contributes evidence that co-existing ILs are not always competing and conflicting, and that studies have overlooked their complementary aspects. ILs can also be complementary, adjacent, and support each other. According to Van den Broek et al. (2014), ILs are also compatible. Demers and Gond (2020) argue that logics can be "conflicting yet complementary" and act either as constraints or enablers for organisational actors respectively. In addition, *"to date, institutional scholars have mainly focused on how identity is involved when individuals are confronted with contradictory and morally loaded institutional prescriptions"* (Demers and Gond 2020, p. 566). The findings of this study verify that complementary ILs exist. For example, legalistic logic complements environmental logic in the way that legal regulations are designed and

enacted to protect the environment for the benefit of human well-being. At the same time, legalistic logic, together with environmental logic, can negatively influence the standard of living of Vietnamese workers by imposing costs on factory partners, forcing them to reduce workers' wages. In addition, profession logic complements corporation and market logics in the way that Vietnamese managers are immersed in their organisational culture and need to fulfil their roles as managerial leaders for the sake of their company's benefits. For instance, Participant 16F witnessed people compromise their values for organisational business and its benefits. Participant 31O argued that as a manager he sometimes needs to push his subordinates to expend excessive energy to achieve the company's target; however, at the end of the day, he feels regret about this. Interestingly, profession logic, along market logic, intensifies office politics and aggressively competitive mindsets. The participants argued that although profession and market logic allowed people to work well and thrive, put into the context of Vietnam, it is highly likely they will result in office politics, hindering and undermining the performance of EL. Therefore, this finding indicates the complexities of the interplay between multiple ILs. It advances the related literature that ILs are not only competing but also complementary, so may either hinder or enhance each other. This study contributes to the understanding of institutional complexity by reasserting that multiple ILs exist instead of their being a single dominant logic influencing organisational behaviour. It supports and extends Currie and Spyridonidis (2015) arguments that multiple ILs are *"competitive, but their relationship may also be co-operative, orthogonal or blurred"* (p. 78).

7.3 In-context Institutional Logics

Glaser et al. (2016) demonstrate that current mainstream research on ILs takes a prescriptive and normative approach whose institutional contexts offer individuals a repertoire of behaviours and characteristics which shape their preferences and interests. This is similar to previous studies on EL, in which leaders are believed to possess certain moral characteristics and subscribe to moral philosophies when making their ethical decisions. Following scholarly efforts to broaden and refine an understanding of the institutional process that connects macro-level constructs with micro-level interactions that influence individuals' behaviours, this study shows that it is important to consider institutions and ILs in their specific context. By understanding the complexity of institutions and the associated ILs, it is significant to understand the ethical complexities that individuals confront in their performance of EL. Ethical complexity can come from the continuous institutional complexity that emerges from interdependent relationships between people and practices (Greenwood et al. 2011).

This study demonstrates that ILs are ambiguous or contested. It first shows that elements within one logic appear to not only contradict other logics, but also contradict themselves. This study brings to the surface the ethical underpinnings of the ILs of the participants. For instance, due to the weak and inconsistent implementation by Vietnamese governments of labour law and environmental sustainability, conflicting elements exist within the legalistic logic. In particular, although the Vietnamese government has introduced labour regulations that allow up to 200 hours of OT per year, these are open to loopholes, as company CoCs allow a maximum of 12 hours of OT a week, which totals 624 hours per year (Tran 2011). Studies have demonstrated that there exist legal loopholes

in Vietnam that create room for unethical behaviours, such as falsifying records and corruption in the banking sector (Cao 2020). The inconsistencies between Vietnamese law and the CoCs of MNCs within the legalistic logic intensify the ethical paradoxes and dilemmas for the participants. They are aware that there is room to "ignore" labour law and environmental regulations. For instance, participant 13E reported that managerial leaders were likely to turn a blind eye to environmental sustainability in the company's factory partners because compliance with Vietnamese law is very low compared with that of international law. However, if evaluating environmental sustainability based on international standards, the company must spend money to find a new partner. Within legalistic logic, labour and environmental law in Vietnam are basic and low quality by international standards. The participants claimed that the mandatory OT in some MNCs is much lower than that allowed by the Vietnamese government. This is similar to environmental law, as MNCs often have stricter standards than Vietnamese law. Vietnamese law and regulations are also sometimes even unrealistic and unpractical, increasing bureaucracy for the managers. Participant 18G faced an ethical paradox when Vietnamese law required her to organise a training course over two days (as required by the government) for all staff in the organisation, whereas the content of the training course could have been completed in one day. Many staff on the manufacturing site disagreed with the two-day stipulation and wanted the training over just one day, because the longer it takes, the more it costs, and business operations would be delayed and interrupted. Prescriptively following the legalistic logic in this sense would not actually bring any benefit to organisations. Participant 18G argued that some companies conduct the training over one day and fake the data to show that it took place over two days. Participant 18G argued that she was facing the competing logics of complying with Vietnamese law and

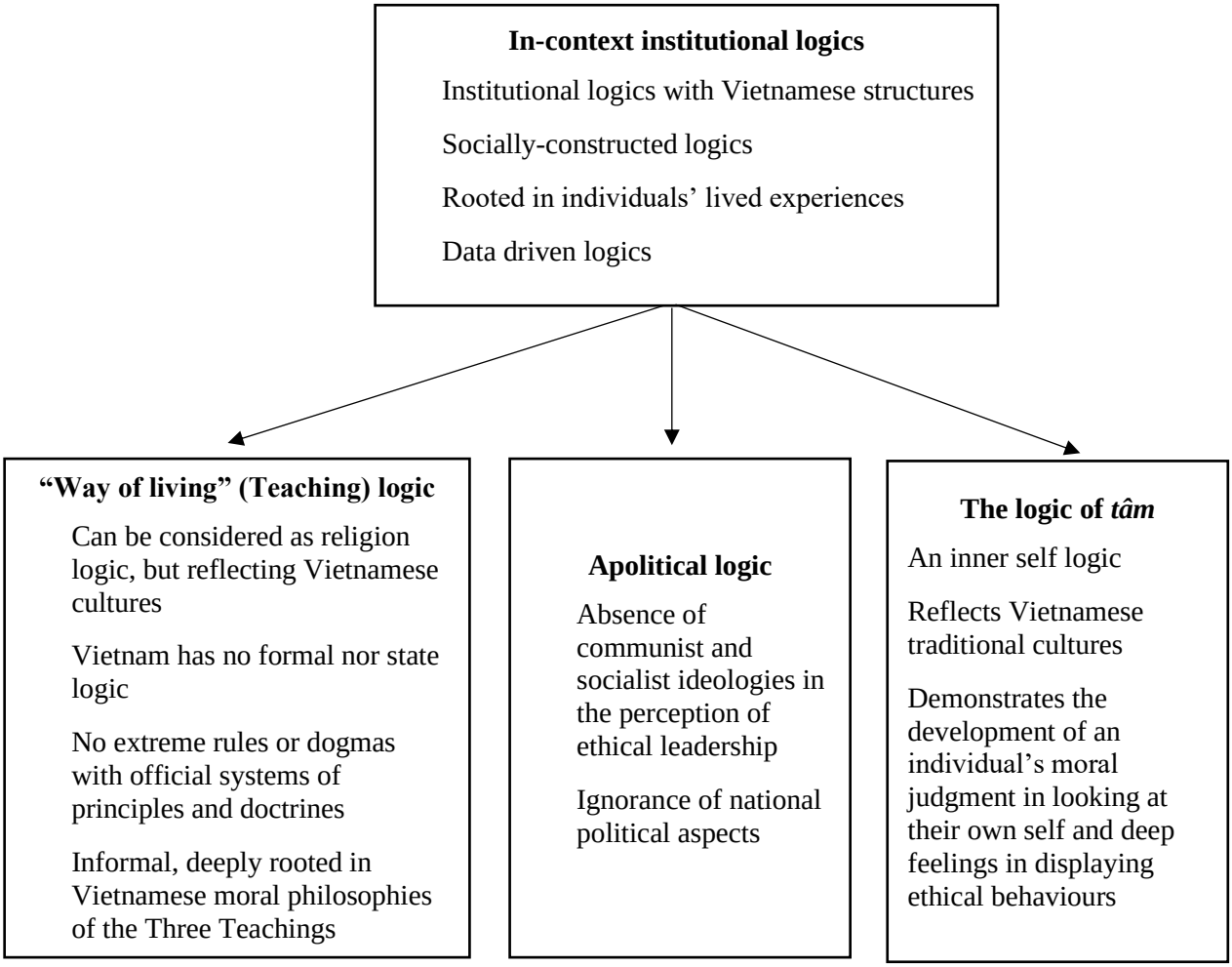
the market logic of the organisation. This demonstrates a conflict within legalistic logic, but also a conflict between legalistic logic and market logic.

In addition, community logic itself has some contradictory aspects depending on the Vietnamese context. For example, the rationale behind community logic is for firms to practise CSR and serve community needs for a better future, which benefits everyone (Reay et al. 2015). However, in the context of Vietnam, the logic does not provide true benefits for the people, especially factory workers. It lowers their salaries, as MNC subsidiaries try to transfer the cost of adhering to international standards in labour law and environmental sustainability to the workers, who have no voice (Hoang and Jones 2012). This study, therefore, contributes to the IL literature with the notion that ILs are not only intertwined and interrelated but also that the elements within each logic can also compete and contradict each other, creating serious ethical dilemmas and paradoxes for the Vietnamese managers to solve.

Moreover, institutions cannot be treated as reified and constant entities with certain rigid structures, norms and beliefs (Zilber 2016). Although the concept of ILs was introduced as *"a set of material practices and symbolic constructions"* (Friedland and Alford 1991, p. 248), to date studies have adopted the ideal types of IL set forth by Thornton et al. (2012) to explain the causal relationship between ILs and behaviours. The problem of highly relying on the ideal types of IL has been raised by a number of scholars who favour a microfoundation perspective, as discussed in section 3.4. For example, Currie and Spyridonidis (2015) argue that ideal types of IL represent a formal analytic framework for comparing empirical observations across seemingly pre-determined institutions. This study agrees with Currie and Spyridonidis and extends the view that it is not nuanced

enough to understand ILs and individuals' behaviours through a structure-agency approach, and a cause-effect model in which ILs act a priori and are fixed across contexts. This notion of a positivist approach is also seen in studies of EL in which ethical leaders are normally and simply viewed as dependent or independent variables, and act as antecedents or moderators/mediators, thus leading to ethical/unethical outcomes. This study contributes to a more nuanced understanding of ILs and EL from a micro and individual level perspective, a lived experiences approach and a social constructivist worldview. Zilber (2016) argues that ILs should be in situ and in vivo. This study argues that the ILs within which Vietnamese managers are embedded should be considered through their original forms and their in-context form to truly understand their meanings, especially in the context of Vietnam. Figure 7.2 illustrates Vietnamese institutional forms in their interactions with existing institutional arrangements (i.e., religion logic and legalistic logic) to form the in-context ILs with Vietnamese structures. In this way, we reconfirm our argument that there should be a departure from the isomorphism and positivist nature of both ILs and EL, which is also supported by Dacin et al. (2002). We contribute to the IL approach by understanding the unique elements and properties of ILs subjected to local conditions, as well as the relationships between different logics (Johansen and Waldorff 2017) and how in-context ILs relate to the ideal types.

Figure 7.2: In-context Institutional Logics



Source: Created by author

7.3.1 "Way of living" logic

From the discussion of the participants, it seems that there are certain logics whose meanings seem very different from those described in other studies. One of these is religion logic. As presented in the findings in Chapter 6, Vietnamese managers frequently use the concept of *tâm* to describe and relate to their perceptions and practice of EL. While this concept was originally rooted in Buddhism and Confucianism, surprisingly the majority of the participants were non-religious and did not relate to religion in their

discussion of EL. This differs from studies which have demonstrated that ILs based on religion delineate the rules and principles which influence actors' ethical decisions. For instance, Fathallah et al. (2019) report that while Muslim family firms are influenced by a rule-based approach from religion logic, Christian ones are influenced by a principle-based approach. The rule-based approach has a strong influence on Muslim family firms when making ethical decisions, meaning that such firms rely unequivocally on religious rules, which they must implicate, obey and follow in all their decisions to avoid being punished by God. In contrast, the principle-based approach means that Christian family firms only partially rely on religion, which is applied with a degree of freedom in that it introduces fundamental ideas that govern thoughts and behaviours, but with a greater focus on results. Religion logic provides firms with general guidance that they can apply in an infinite variety of situations that arise in practice. It appears that ILs are normally treated as higher-order types, with one logic delivering associated practices, which are taken for granted, unified and stable (Zilber 2016).

What is different in this study is that it shows that due to the complex history of western interventions and colonisation by the French and Americans, Vietnam has never had a state religion, unlike its neighbour Thailand, where Buddhism has been recognised as the national religion (Vu 2022) (see Chapter 4). In the context of Vietnam, religion as an institution is very different from how is perceived in the west or other cultures. It is one of the important informal institutions that can affect the ethical behaviours and practices of organisational actors (Vu 2021). It is described as *"an institutionalized form of spirituality involving personal characteristics as well as cultural factors, can significantly influence ethical judgments, intentions, behaviours, and decision-making"* (p. 522). Vu

and Tran (2021) point out that religion can influence individual morality, such as reciprocity and civic engagement. In the business context of Vietnam, they reveal that *"the incorporation of Buddhist principles has fostered context-sensitive, non-extreme, and reflexive managerial approaches to enhance morality as a response to social trust issues"* (p. 77). The findings of this study confirm that Buddhism exists as an informal institution in which participants are embedded due to their frequent mention of the concept of *tâm*.

However, the findings clarify that the Vietnamese see religion as a "way of living" or a form of "teaching" (Vuong et al. 2018), rather than something extreme or dogmatic with official systems of principles and doctrines. Interestingly, the way the Vietnamese practise religion, in particular Buddhism, differs significantly from the understanding of the word "spirituality" in the west (Vu and Tran 2021). The way Buddhism is perceived and practised in Vietnam is not the same as what the religion prescribes. For example, the practices of Buddhism can also be a form of superstitious practice. Especially, religion was originally defined as a belief in the spirits, such as superhuman controlling powers like gods or animating powers that initiate certain rules, reason and logics, creating a thinking system that guides human behaviours (Dow 2007). However, in the context of Vietnam, people refer to religions as part of the ideologies of the Three Teachings for guiding ethical practices.

The findings of our study suggest that religion logic does not strongly influence or impact the ethical decision-making of the participants. Religious values have been blended and flexibly integrated for such a long time that they are no longer regarded as religious principles or rules, but have gradually become adopted as local, Vietnamese traditional values. The practice of Buddhism does not reflect the religion itself, but instead is mixed

and blended with Confucianism and Taoism (Vu and Tran 2021; Vuong et al. 2018). This is true in the case of the study participants, who did not see any connection or correlation between religion and their ethical practices, although their foundations of moral beliefs were based on elements of the Three Teachings. The practice of Buddhism in Vietnam is not merely a religious practice as the concept denotes. Rather, it relates to traditions and practices of social life that the Vietnamese are not even aware of. Our findings uphold the view that religion logic should be viewed as a socially constructed concept and a practical response, with religion considered as informal (as discussed in Chapter 4), instead of a formal institution with specific rules and regulations (Bruce 2011; Vu and Tran 2021). Religion should therefore be viewed as a folk institution in Vietnamese culture. It has penetrated deeply into the perceptions of Vietnamese people as ethical philosophies and traditions rather than extreme rituals. This contributes to the socially constructed and phenomenological aspects of institutions that tend to be faded away in current studies of ILs (Bévort and Suddaby 2016).

This study thus argues that there is a need to consider the social construction of institutions to understand EL in an indigenous and cross-cultural context. The current literature on both EL and ILs employs a prescriptive approach to understanding organisational or organisational actors' behaviours. First, ILs are normally identified through a set of existing institutions such as professions, religion and markets, which have already been defined by scholars (Thornton et al. 2012). For instance, Reay et al. (2015) investigated the relationship between family, business and community logic in family firms to understand organisational behaviours in family firm legitimacy and sustainability in the Okanagan region of Western Canada. In doing so, they drew on a set of "ideal types" of

IL to examine how family firms are influenced by multiple logics and how they align, combine, and reshape the rules of such institutions. The "ideal type" approach is regarded as an analytic framework using a pattern matching approach (Reay and Jones 2016) in which researchers need to evaluate their raw data in terms of the ideal types of IL to determine the extent to which their identified logics match these types. Similarly, Goodrick and Reay (2016) identify profession, state and market logics as the related ILs which influence how Accountable Care Organisations manage underlying multiple ideas and pressures to better understand the conflicting principles in serving patients and communities. Although the findings of our study are similar to previous research on ILs, in that there exist certain multiple institutions that can be identified, such as market, community and profession logic, it diverges in the way that institutions remain different across contexts. The different meanings in institutions lead to the different ways Vietnamese managers perceive these meanings in their ILs and consequently take unique ethical decisions. The current IL perspective is normally based on a prescriptive approach, in which it is assumed that institutions have the same meaning across contexts and that the contexts themselves are also stable. Adeleye et al. (2020) state that institutions are normally put in the context of a strong and stable government, with well-established rules of law and a civilised society. This study shows that, for instance, religion logic itself remains very different from the word "religion" itself and that in the Vietnamese context it should be called a "way of living" or "teaching" logic. The findings of this study are similar to the arguments made by McPherson and Sauder (2013) and Zilber (2016), that ILs are not simply top-down and that certain ILs can deterministically lead to organisational behaviours and decision-making. In particular, *"logics are not purely top-down: real people, in real contexts, with consequential past experiences of their own, play*

with them, question them, combine them with institutional logics from other domains, take what they can use from them, and make them fit their needs" (Binder 2007, p. 568). This is consistent with the findings that Vietnamese managers are rarely placed in an "ideal" context of right or wrong, or that they have similar experiences that they can call upon in situations they find themselves in. The participants are faced with ambiguous and interrelated ILs whose elements even conflict with each other. The ILs they are embedded within come from different kinds of institutions and the meanings of each institution diverge and possess their indigenous structures. Therefore, it is not simply a case of dealing with institutional complexities by taking some prescriptions in each logic, combining them, and making them fit their goals. With insights into the structures of religion logic in Vietnam, which is a "way of living" logic, this study not only offers a means to theorise on the specific and local contextual settings, but also the differences between religions and local ethical and moral philosophies (Gümüsay 2020). As indicated in section 3.3.1, the IL perspective originates in the western context, with specific emphasis on institutions in western contemporary capitalism, Christian religion, theoretical concepts and empirical findings from western organisations, such as ones in the US (Gümüsay 2020). This study revisits certain pre-defined concepts of ILs and enriches the understanding of new logics in their relation to a broader inter-institutional system, thus leading to a unique Vietnamese perspective of ILs. This therefore enhances knowledge of the perceptions of EL by Vietnamese managerial leaders working in MNC subsidiaries in Vietnam.

7.3.2 Apolitical Logic

The socialist morality transmitted through Vietnamese formal channels such as national and moral education and governmental social slogans and activities (Doan 2005) is absent in the discussion and social construction of EL in the perception of Vietnamese managers. This indicates an apolitical logic among the participants. Doan argues that although political education is a compulsory subject in undergraduate education in Vietnam, it is ineffective and not perceived as beneficial for the students due to its lack of practical orientations and its irrelevance to students' academic interests and future careers. The emphasis of the Vietnamese government on political education exists only on the surface and is ineffective in guiding Vietnamese citizens towards ethical and moral practices. For example, Participant 13E stated that they do not pay attention to political communist slogans in their perception of EL and ethical practices in MNC subsidiaries. Instead, they focus more on individual, organisational and team values. The national values of a prosperous people, strong country, democracy, justice and civilisation *(dân giàu, nước mạnh, xã hội công bằng, dân chủ, văn minh)* were not discussed or recognised in the interviews with the participants. Although corruption and transparency are issues many participants confront, they do not refer to these as political issues, but rather as breaches of inner moral standards. The ignorance of national political aspects in the perception of EL of the Vietnamese managers also reflects political oppression from a macro point of view. The Vietnamese government tries to project an authoritarian stance and dominance to the public (London 2009). Although communist and socialist ideologies are evident in the Vietnamese political context, they are rarely discussed in the participants' interpretations of ethical dimensions and EL.

7.3.3 The Logic of *tâm* – the Inner Self

It has been observed in the findings that the participants mention *tâm* as the main logic in their perception and practice of EL. Due to its multifaceted and elusive characteristics, *tâm* is normally viewed as a broad and abstract concept (Binh 2016). Its logic has a complex origin. On one hand, it reflects the spirituality of a person, with the concept representing their soul, spirit and inner heart (Binh 2016). The concept is believed to come from Chinese script, reflecting both Vietnamese traditional culture and religion. Nguyen-Thu (2021) adds that the word *"tâm"* has a rich conceptual etymology that represents the heart and is rooted in East Asian language and philosophy. It *"carries a philosophical and cultural weight incommensurable to the Western equivalent"* (p. 8). Binh (2016) contends according to its religious meaning, a person who truly acts with their *tâm* comes closest to the condition of Buddha, who does good things without any ulterior motive. A person who has *tâm* will not only be perceived and recognised by human beings but also by Buddha (or the gods). If a person has *tâm*, they can *"achieve anything they want (muốn làm gì là làm được)"* (Binh 2016, p. 86); those who display it in their daily behaviours demonstrate a high level of spirituality and development (Swenson 2020). Moreover, when performing religious practices, a person with *tâm* means they are very true-hearted, which will be witnessed and recognised by a higher power (God or Buddha) (Endres 2007).

It can be seen that the concept of *tâm* not only comes from Buddhism but is a mix of different Vietnamese traditional cultures influenced by the Three Teachings. Its elements incorporate important characteristics and virtues that strongly reflect moral beliefs and ethical practices in Vietnam; that is, compassion, modesty, and authenticity. These

elements demonstrate a blend of the three dominant moral philosophies and religions in Vietnam, namely Confucianism, Taoism and Buddhism, known as the Three Teachings (Le and Yu 2019). The moral values of the Three Teachings are demonstrated through national governance, education, and social orders, and serve as the core ethical foundations embedded in the everyday life of the Vietnamese and strongly impact their beliefs, thoughts and behaviours. This is also consistent with section 4.4, where it is indicated that the level of integration and adaption of the Three Teachings, including Buddhism, is not in an extreme form, and that it is flexibly practised in Vietnamese culture and the Vietnamese are only unconsciously aware of it.

Laurel (2012) explains that *tâm* is a fundamental practice in both Vietnamese life and worship. Its concept has been used extensively in Vietnamese culture and history, and has been an inspiration to poets and leaders in emphasising the nature of the inner self and deep feelings and convictions, in accordance with ethical values and moral judgments (Thi 2021). *Tâm* is defined as *"the bearer of inner awareness, sentiment, knowledge and moral judgment' and it aims to describe the "inanimate, reflective, perceptive, sentient, sympathetic dimensions of human nature"* (Marr 2000, p. 770). Marr shows that it is more inclined towards a voluntary nature and that a person with a strong sense of *tâm* is *"capable of internalising ideas and emotions, formulating a vision, taking action, and living (or dying) by the results"* (p. 770). The concept matches the data, which shows that the participants mentioned *tâm* in their conceptualisation of EL even if they were non-religious. It demonstrates the strength of an individual and their development of moral judgment in looking at their own self and deep feelings when displaying ethical behaviours and making ethical decisions (Swenson 2021). The interviews suggest that the

participants unconsciously perceived the concept of *tâm*; that is, the underlying meaning of benevolence, righteousness, and morality. Although it was at the core of participants' perception of EL, they used the word *"tâm"* in their discussion simply as a language medium. Marr (2000) argues that *tâm* is not limited or restricted by hierarchies in society. Through it, people of different social classes can communicate with each other, with nature and with the universe. This is a kind of social interaction without relying on intermediaries. Nguyen-Thu (2021) adds that *tâm* not only represents the heart but also represents the body and mind. In other words, it *"is an assemblage of all feelings, thoughts, perceptions, attachments, movements, and transformations that constitute the total vector of a human's existence"* (p. 8). This is true in our findings, which show that whenever facing ethical dilemmas, the Vietnamese managers thought about their *"tâm"* when making decisions. It is not only based on feelings or spirituality, but it is the responsibility that Vietnamese managers consider most highly. Therefore, the discussion of *tâm* by the participants reflects their inner, coherent self, which generates an inner force that encompasses different dimensions of *"viscerality, intellectuality, emotionality, and morality"* (Nguyen-Thu 2021, p. 8). Therefore, the logic of *tâm* reflects the Vietnamese managers' inner selves. Bayly (2020) argues that in Vietnam ethical action is only authentic and real if it comes from the heart, not from the product of convention or rules, or a strict calculation of costs and benefits and that ethics should be related to humanity, emphasising *"a life lived feelingly/dutifully/ethically"* (p. 1537).

The findings of this study show that the participants are challenged by their *tâm* confrontations and the interplay of other ILs such as legalistic, community, profession and market logics, as these appear to contradict each other at some stage. The Vietnamese

managers have experienced complex and conflicting situations between maintaining their *tâm*, their inner self, and the pressures from MNCs, their work and broader government rules. Studies have demonstrated that *tâm* is usually forced into a constant combative mode between the inner self and the outer world. For instance, when studying the lives of Vietnamese mothers in the age of digital exposure, Nguyen-Thu (2021) shows that they are facing a paradox related to their burdened *tâm* and their exposure to the digital marketplace. While their *tâm* signifies a sense of self-authenticity, its representation on Facebook demonstrates the need for market competition and competitive advantage. Therefore, this study argues that Vietnamese managers go through a process of putting their *tâm* when dealing with the complexities and interplay of multiple ILs, and also need *"to submit this process to the regulation of capitalist government"* (Nguyen-Thu 2021, p. 8).

Understanding the indigenous ILs in the context of an MNC subsidiary provides insights into the transfer of practices between headquarters and subsidiaries. As Molina (2012) has demonstrated, it allows us to understand the complexity of institutions and why some practices are rejected or ignored by individuals. For instance, the transfer of a team system from an American manufacturing MNC to a Chinese subsidiary faced rejection of the local teams due to the employees' strong embeddedness in a guanxi logic, which accentuates the importance of doing business based on a personal relationship or family ties (Edwards and Zhang 2008).

7.4 Institutions and Ethical Leadership across Cultures

The findings enrich the current literature on EL by demonstrating that it is insufficient to understand EL across cultures through prescriptive ILs and structural dimensional models

of cultures, as ILs vary with the culture (as discussed in section 2.7). As institutions have different meanings in the context of Vietnam, employing a prescriptive or positivist approach to ILs and EL will not be sufficient to understand the practices and perceptions of EL in Vietnam in a nuanced way. This study therefore advances the literature on both ILs and EL by moving away from the positivist approach to a more socially constructed one. It is argued that to understand EL, it is significant to look through the lens of ILs. The study goes beyond the prescriptive national cultural dimensions research on EL, including the GLOBE project and Hofstede's dimensions (Hofstede and Minkow 2010; House et al. 2004) (see section 2.4.2). Although such national cultural dimensions provide a general overview of cultural differences that lead to a variety of EL manifestations, they are not thorough enough to understand the actual meaning of institutions.

7.4.1 Institutions across Cultures

This study shares the view of Tan and Wang (2011) that *"an ethical belief in a particular context is defined by, and is part of, the institutional logic in a given culture and/or country"* (p. 375). By confronting the plurality of logics, organisations and organisational actors have room to heterogeneously interpret their ambiguous ethical surroundings due to the inconsistencies between different embedded institutions. In addition, geography and location will lead to different ILs subject to indigenous traditions and culture. However, the findings of this study emphasise that it is insufficient to consider the prescribing and proscribing actions that re-enact ILs, but that it is also important to understand the social construction of that specific institution and its associated ILs. Although studies on ILs normally look at the practices of an IL in a particular country to observe how it is represented across contexts, this study argues that the construction of the institution itself

should also be reconsidered. For example, in this study it can be seen that religion, in particular the concept of *tâm* rooted in Buddhism (an informal institution), is neither a rule-based nor principle-based approach for the participants; rather, it is the values that are unconsciously embedded in even the language and cognition of the participants. The core values of religion logic in the context of Vietnam diverge from those of the connotations of the word "religion"; therefore, the peripheral components which are prescribed by the core values remain different and unique in the context. In particular, Vietnamese managers confront their way of living, apolitical, and *tâm* logic.

Thornton et al. (2012) argue that the IL perspective indicates the inter-relationships between organisations, institutions and individuals through the prescriptive institutional orders which guide unique organising principles. There exist different logics at different points in time, which create institutional multiplicity and complexity for organisational actors. The findings of this study are similar to those in the current literature, that there co-exist ILs that can compete and conflict with each other, and that these are inter-relating and complicated (Thornton et al. 2012). However, Adeleye et al. (2020) highlight that studies on ethics and leadership in organisations adopt western perspectives with a range of particular institutions, including *"strong governments, respect for the rule of law, efficient and reliable judicial systems, vibrant civil societies, sophisticated markets with strong competition, and well-informed investors and consumers, etc"* (p. 720-721). This study supports this argument. Although it points to several ILs that influence the ethical practices and perceptions of Vietnamese managers, it has been observed that these are not the same as the pre-existing ones such as family, religion, state, market and community. As discussed in section 7.3, the meaning of each institution is largely different in the

context of Vietnam. Gümüsay et al. (2020) argue that ILs have a different appearance across cultures. It is not only that there exist pluralities and complexities between each logic, but also within each one. Vietnamese institutions are embedded in unique Vietnamese indigenous cultures, political economy, and an inconsistent rule of law; therefore, any generalisation about an institution needs to be qualified and considered through a more socially constructed approach instead of a positivist one.

Due to the highly contrasting and complementary elements in each logic, the original definition of each IL does not capture the real situation and ethical dilemmas and perceptions of EL of the participants. In line with this, this study exemplifies certain prescriptions of ethical principles from Vietnamese institutions and associated ILs; however, there exist indigenous Vietnamese structures within a particular logic. Therefore, the microfoundations of the IL perspective are a valuable approach to take in the Global South, in particular in Vietnam, to indicate indigenous structures of Vietnamese logics. In this way, although there exist some IL boundaries, it should be acknowledged that institutions should not be prescriptive in their original own forms. This is similar to Currie and Spyridonidis's (2015) argument that any logic is variegated, different and ambiguous; therefore, the structuralism paradigms of institutional theory and the current positivist approach to ILs (Cloutier and Langley 2013) are insufficient for understanding how individuals manage such complexities. Similar to studies on the microfoundations of ILs and the micro-level interpretation of individuals of multiple ILs, this study argues that there exists an agency of organisational actors in their interpretation of the interplay of ILs, their lived experiences and their situational context. However, it is also emphasised that institutions themselves possess indigenous structures; in this study, Vietnamese ones.

For instance, religion logic in the Vietnamese context can be referred to as a way of living logic, instead of a logic of spirituality. Therefore, this study complements Bévort and Suddaby's (2016) study, which found that there exist individual confrontations towards the phenomenological fragility of logics, and that analysis of ILs should bring individuals back into empirical investigations. Bévort and Suddaby (2016) argue that although scholars acknowledge that there is an institutionalised process in which the dynamic of institutionalisation is reproduced by individuals' daily interactions, this original meaning of the phenomenological aspects of institutions has been lost due to the high reliance on the prescriptive and positivist approach. Therefore, similar to Bévort and Suddaby, the findings of this study explain the role of individual interpretation in the institutional process of perceiving EL and ethical decision-making. This study extends that of Currie and Spyridonidis (2015), arguing that multiple ILs are not only re-arrangeable parts but are conceived through individual reinterpretations and elaborations, as well as being rooted in institutional situations.

7.4.2 Ethical Leadership across Cultures

As institutions vary across cultures, so does EL due to the influence of different kinds of ILs. Mainstream research on EL, including the empirical-descriptive and philosophical-normative approaches, aims to understand EL in terms of antecedents, moderators/mediators and outcomes, as well as the prescription of EL based on moral reasoning. The findings of this study contribute to research on EL across cultures, which normally relies on the national cultural dimensions (Hofstede and Minkow 2010; House et al. 2004) of Hofstede and the GLOBE project (Resick et al. 2011). Hofstede's cultural dimensions are based on a structure derived from factor analysis which compares the

behaviours of members of societal culture with reference to certain dimensions, such as individualism/collectivism, masculinity/feminism, uncertainty avoidance, long-term/short-term orientation and power distance. Although these provide an overall picture of the converging and diverging characteristics and behaviours of EL, they are not nuanced enough to understand the dynamic context and the interplay of national and organisational cultures and societal institutions (Tung and Stahl 2018). The dimensions are prescriptive and too broad to allow a fine-grained understanding of leadership, specifically EL (see section 2.5). Looking deeper into the heterogeneous nature of the institutional context of Vietnam, including the political, economic, and cultural environments, this study advances the literature on cross-cultural EL. It shows that overly broad cultural dimensions are insufficient to understand the complexities that exist in EL. On the surface, the findings indicate that Vietnamese managers believe that to be ethical leaders, individuals need to possess certain universal characteristics such as authenticity and humanism. This is similar to the findings of Resick et al. (2011) and Martin et al. (2013), that EL in Eastern cultures favours humane-oriented leadership due to the embodiment and influence of Confucianist ideology. Scholars have argued that EL in western cultures is rooted in the moral philosophies of Plato, Aristotle and Kant and the religions of Christianity, Judaism, and Islam, while EL in Eastern cultures is rooted in the moral philosophies of Confucianism and Buddhism, Hinduism, and Sikhism (Eisenbeiss 2012). This leads to divergent EL ethical characteristics between cultures. For instance, western EL is associated with effectiveness and fairness, but eastern EL with the serving role, inner calling and spiritual connection (Hartog 2015; Keck et al. 2018). For instance, Hofstede's dimensions demonstrate that countries whose traditional values are rooted in Confucianism normally represent characteristics of collectivism and that ethical leaders

exercise their personal morality (Resick et al. 2011). However, the findings of our study enhance the notion that Vietnamese managers practise different types of leadership from effective leadership to spiritual leadership when they attempt to balance logics emerging from different sources, including societal, organisational and international ones. The findings indicate that although Vietnamese managers enact their logic of *tâm* and activate personal ethical references when making ethical decisions, these references are not solely related to internal virtue because they are embedded in the multiple ILs. Their personal ethical reference remains relational and pragmatically reflexive and the *tâm* logic not only rests on emotion. Vietnamese managers are embedded in a complicated system of institutions which vary across cultures.

In addition, following a socially constructed approach to understanding ILs, this study also advances the literature on institutional complexity, which for a long time has made comparisons between ILs to identify practice complexities, but without considering the conflicting aspects that exist within a particular logic. For example, it can be seen that MNC subsidiaries have very clear regulations on anti-corruption and transparency which should be systematised and easy to perform. However, the findings show that many Vietnamese managers face difficulties when making ethical decisions due to the inconsistencies that exist between and within logics. Misangyi et al. (2008) argue that to battle corruption, there are regulative forces such as anti-corruption laws and anti-corruption action plans at the national level and from specialised units; however, these are just window-dressing policies that show little evidence of effectiveness.

The social scientific approach in mainstream research (see 2.4.1), including the empirical-descriptive and philosophical-normative approaches of inquiry, provides an overview of

EL including its ethical behaviours and practices. However, the approach is static and fixed, descriptive and prescriptive. On the other hand, the critical interpretive approach (see 2.6) argues that EL is relational and contextual and aims to understand the embodied experiences of ethical leaders. Such an approach is phenomenological, complementing the mainstream research, which is fixed in context. This school of thought emphasises the high reliance on masculine- and white-based approaches in mainstream research, in which EL is believed as leaders who hold resources and possess powers to make decisions; it thus proposes a more feminine approach to EL based on, for example, care, emotion, and body representation. However, there are insufficient empirical studies to understand the specific contexts of individuals subjected to complex institutions and dilemmas. This study complements this kind of critical interpretive research to understand the interpretation of individuals in their perceptions of EL, therefore contributing advanced understanding of EL as a multidimensional concept in which EL is socially constructed, negotiated, and interpreted through an institutional process.

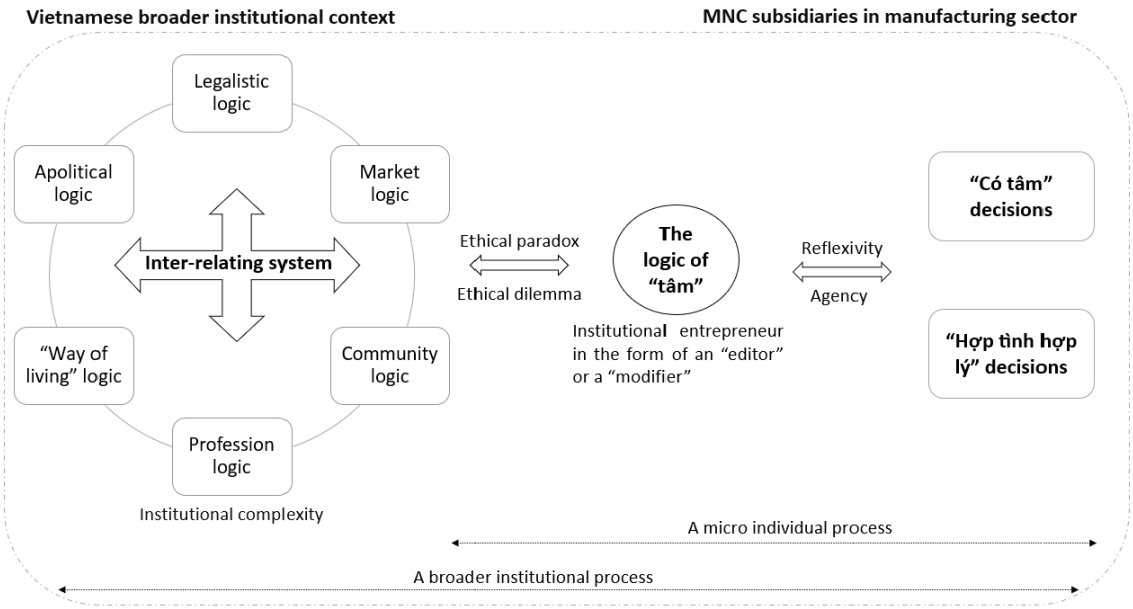
7.5 Ethical Leadership as an Institutional Process

Cornelissen et al. (2015, p. 14) state that *"institutions, as common cognitive understandings, are, importantly, also an emergent effect, or outcome, of on-going processes of communication between diverse actors"*. As actors are embedded in different institutions and associated ILs, EL is also an institutional and on-going process. Zilber (2016) argues that an institution is processual-oriented, in which the underlying behaviours of the institutional dynamics emerge from day-to-day experiences, recursion and complex actions. The findings of this study support Zilber's arguments that Vietnamese managers go through an interpretive system of the plurality of ILs in

perceiving and practising EL. Ethical decision-making does not come from a causal relationship between certain logics and associated behaviours; rather, Vietnamese managers go through a process of interpreting competing and compatible elements within one logic and across logics, and these kinds of IL possess indigenous Vietnamese structures (see 7.2 and 7.3). To date, the literature on EL has tended to study an EL process in which EL acts as antecedents, moderators/mediators, and outcomes. For instance, using the ELS construct of Brown et al. *(*2006), Den Hartog and Belschak (2012) argue that work engagement is a mediator between EL and personal initiative and counterproductive work behaviour. Avey et al. (2012) discuss the EL process as one in which employees' voices and feelings of psychological ownership mediate the relationship between EL and psychological well-being, and EL and job satisfaction. Although the studies cited above provide some understanding of the relationship of EL with other constructs and consider this as a process, they take for granted the perceptions of EL from the existing definitions, conceptualisations and models, which remain constant. As discussed, and demonstrated in Figure 7.3, the findings of this study indicate that the embedded ILs of Vietnamese managers are socially constructed with certain indigenous Vietnamese structures, thus leading to different meanings in institutions, as well as individuals' social construction of their inner self – the *tâm* logic. The process of interpreting the interplay between multiple ILs and putting *tâm* logic into practice allows the agency of Vietnamese managers' behaviours and ethical decision-making. *Tâm* logic can be considered as a personal ethical logic which explains the role of individual agency in reinterpreting ILs from macro- and field-levels. Therefore, this study argues that EL is an institutional process, including a micro individual process, situated in a broader institutional process. This work therefore contributes to the phenomenological dynamism of institutions and ILs, and acknowledges

the presence of individual interpretations. It demonstrates that taking a broader view, there exists a dynamic interplay between individuals and macro-level analysis and that institutions simultaneously exist with indigenous Vietnamese structures. In addition, in line with studies on the micro-level of ILs (Bévort and Suddaby 2016), this thesis argues that individuals play an important role in the interpretation of their ILs, and thus shape their perceptions of EL. This means that individuals inhabit the institutions. The following sub-sections will discuss this in detail.

Figure 7.3: Ethical Leadership as an Institutional Process



Source: Created by author

7.5.1 Ethical Leadership as a Micro Individual Process

In studying the experiences of nurses of new changes driven by market-based logics, Sonpar et al. (2009) argue that the role of agency exists, despite the pressures of institutional orders. They found that nurses questioned and challenged the ethical appropriateness of the ILs of changes in a rural health organisation in Canada. Similarly,

this study finds that individuals challenge and contest ILs. This is the reason why more scholars encourage having a closer investigation of the microfoundations of ILs. This study makes the ethical underpinnings of ILs explicit and on the surface in arguing that individuals reinterpret, question, and challenge the ethical appropriateness embedded in ILs. It shows that what is determined as legitimate and consequentially determined from a set of different ILs is being questioned and causing confusion for Vietnamese managers working in MNCs.

The results of this study confirm that Vietnamese managerial leaders possess an inner self, the *tâm* logic, and that this is used as a personal ethical logic in its interplay with other ILs. In other words, *tâm* is an IL which co-exists with other logics, such as those of the "way of living", market, profession and community. For instance, the aspects of community and *tâm* logic complement each other in a way based on the benefits of employees. While community logic aims at providing benefits for employees because it is a strategic and long-term move for the organisation, *tâm* logic is based on the human aspects of sympathy. Environmental logic within community logic is normally practised in MNC subsidiaries mainly as strategic and regulative forces which only represent paperwork in Vietnamese regulations (see 4.5.3). However, it is complementary and convergent with *tâm* logic in the aspects of care for and awareness of human beings. The Vietnamese managers perceive environmental logic to be important because it is believed to be adjacent to their *tâm* logic. Specifically, Participant 2A said that she found her company followed exactly what was required by Vietnamese law in terms of labour and environmental sustainability, but that for her this was inauthentic because it was done simply to adhere to the law, and it could also save them money. Participant 13E reported

that he had the scope to take advantage of gaps in the law and just follow exactly what was required, thus saving the organisations a considerable amount of money; however, he chose to focus on human well-being. The participants interpret environmental logic not only as a strategic force, but as a caring inner self which matches the caring and altruistic values in their inner self logic. In addition, the integrity aspect of their logic closely matches legalistic logic, by which they adhere to the regulations/law even though there exist loopholes, as they have high self-dignity and want to live up to their integrity. This is shown in the case of participants 10E, 15F, 16F, 31O, who argue that in some circumstances faking data will not affect people, but simply increase costs for their organisations. However, they decided not to do this because it went against their self-dignity and the responsibilities of *tâm*, a belief that matches legalistic logic.

In addition, some aspects of the profession and legalistic logics complement the *tâm* logic of the participants. They are aware that they follow the rules and work with their heart in their job, not only because it is a requirement of organisational regulations, but also because of the *tâm* concept rooted in their perception and mindset. The aspects of professional and organisational responsibilities align with those rooted in the *tâm* of the participants. In addition, the participants are not involved in corruption not only because it is a rule of their organisations, but also because this corresponds with the authenticity aspects of their *tâm*, their inner self. The strong belief in acting in line with *tâm* aligns well with the legalistic and profession logic of the MNC subsidiaries. As discussed, the Vietnamese managers construct their own ethical logic, which is deeply rooted in traditional and cultural values, and which in turn enables them to localise their MNCs' ILs.

Therefore, it can be stated that the inner self, *tâm* logic acts as a mediator in the micro-level interpretations of multiple ILs. As Misangyi et al. (2008) and Zilber (2016) suggest, ILs are questioned, challenged and reinterpreted by the organisational actors. It can be seen in this study that Vietnamese managers are aware of the complementary and competing aspects of MNC logics. These do not appear to be purely international in "ethical" terms, but it is the participants who take on only the aspects that they think match their *tâm*. MNC logic appears to be the one element which supports, strengthens and is used to justify the embedded and immersed concept of the cultural perception of EL. Therefore, this study contributes to the individual agency perspective in the microfoundations of ILs. It advances insights into the logic of the self (*tâm* logic) which is used within the interpretive mechanism of the participants to perceive EL and make ethical decisions. It thus complements the study of Lok (2010), who argues that ILs at the societal level are reproduced and translated at the micro and individual levels of analysis. Lok (2010) argues that the role of individual identity exists in mediating the institutional process in a multi-level system where there are ambiguities and contradictions in institutional orders and ILs due to inconsistent and unstable prescriptions. This study contributes to the micro-level explanations of EL through the concept of the inner self, in particular the *tâm* logic in Vietnam. The study also emphasises that ILs should be considered in terms of indigenous Vietnamese structures and institutional contexts where traditional values still hold sway in the Vietnamese community and society (Burr 2014).

The participants view EL as a naturally on-going process to be completed by themselves, which should be rooted in their inner self values, and which can be improved by the support from ethical reinforcement in their organisations. Instead of basing their

perceptions on pre-existing concepts of EL to categorise their ethical behaviours (as discussed in Chapter 2), the Vietnamese managers have their own concepts of EL due to the existence of certain unique Vietnamese institutions and ILs, which are then reinterpreted through their inner *tâm* logic. They generate and produce their own form of knowledge and indigenous values in the demonstration of EL, pointing to the complex and unique institutional context in Vietnam. The difference between this study with others is that EL is not seen to be situated in a functionalist and essentialist approach, but rather multi-level ILs go through the individual process of ascribing meanings. This study further extends Sonpar et al. (2009) argument for considering the micro-process of institutional change, regarding which studies have to date focused only on the interplay between individuals and institutional orders at a macro-level. Tran (2015) explains that emotional discourse in Vietnam is no longer about sentiment or private feelings, but is beginning to relate to people's opinions and the demonstration of the self. This is due to the introduction of the new marketised value ethics of personal responsibility resulting from the "Đổi Mới" policy and the neoliberal process, but without fully replacing the deeply ingrained Three Teachings philosophies and socialist ethics.

This study also aligns with that of Furnari (2019) in arguing that the very definition of ILs being situated in a societal context and centring on people's daily experiences has become weaker due to the increase in research on the prescriptive dimensions of ILs, so should be reconsidered. According to Furnari, *"scholars' portrayals of logics have become somehow detached from people's everyday life experience, sometimes conjuring the image of "free floating" cultural templates that are disembodied and disconnected from people's everyday life"* (p. 194). The findings of this study also match the analysis of

Allal-Chérif et al. (2021) of EL during the Covid-19 crisis by highlighting that ethical leaders not only conform to a set of practices and ready-made answers but also evolve through the development of their identity and their inter-relationship with others. Using *The Walking Dead* American post-apocalyptic horror television series as a reference for analysis, Allal-Chérif et al. reinforce the notion of leadership as a process of learning and transformation, in which ethical leaders should realise when to step back and balance consultation and initiative.

Vietnamese managers are not only embedded in the broad institutional context of Vietnam and their organisation but also specific situational experiences depending on their definition of them. This contributes to a more in-depth understanding of the microfoundations of ILs and the individual process of EL in Vietnamese managers, especially in social situations (Furnari 2019; Thornton et al. 2012). The findings of this study indicate there exists a hybridisation of multiple ILs; however, there is no prevalent logic that guides Vietnamese managers' ethical decisions. Instead, they have different EL processes and thus the manifestations of EL come from the activation of personal ethical references from their inner self, their *tâm* logic. This supports Furnari's (2019) study that it is not simply a case of individuals activating or re-combining pre-existing ILs through their interactions with the situation, but instead, the logics come from people's everyday experiences, interaction and embedded situations. This study finds that it is important to consider each particular IL, as their meanings, norms and values diverge greatly, meaning that generic individual responses are no longer applicable. The study also complements research on ILs at the micro- and individual levels of analysis, but not through the conflicting worldviews provided by competing ILs. Instead, an attempt is made to

understand how institutions are socially constructed in a particular institutional context which leads to different embedded ILs, and thus different types of individual responses. This study therefore contributes to a more in-depth understanding of inhabiting institutions where individuals enact institutions (Bévort and Suddaby 2016). The unique contribution is that while previous studies have attempted to link EL with people's emotions and lived experiences, this study provides a more holistic insight into how multi-level ILs are perpetuated in the individual-level lived experiences and inner self of the EL of the participants.

Demers and Gond (2020) argue that current research on institutional complexity has overlooked the aspects of moral judgments which create contradictions between ethical values and principles. The findings of this study concur with those of other current studies of ILs, in that individuals are embedded in an inter-institutional system (Thornton et al. 2012) where there exist multiple co-existing ILs that create institutional complexities. These ILs are interrelated in an interplay system. For instance, Van den Broek et al. (2014) posit that organisations adopt and implement innovative practices in their confrontation of the tensions, contradictions and ambiguities created by the interplay of multiple ILs. Their study contributes to the IL perspective by attempting to understand how the existence of multiple co-existing ILs influences the adoption of the decision-making and implementation process of innovative practice in healthcare. Studies on multiple ILs focus on their influences on organisational responses, such as that of state and family logics, as well as the indirect influence of religion logics on market behaviour in Spain (Greenwood et al. 2010), and how organisations explore a pool of strategies to cope with the institutional complexity of co-existing multiple ILs that drive conflicting pressures

(Greenwood et al. 2011). However, current studies on ILs tend to focus on the field- and organisational level, as well as emphasise the dominance of certain ILs. While previous studies focus on understanding how multiple ILs are refracted through field-level structures and the processes that influence organisational responses and strategies (Greenwood et al. 2011), this study shows that there is a possibility to understand how the plurality of different levels of ILs are interpreted at the micro- and individual levels. The study therefore responds to the call for a more individual response towards multiple co-existing ILs (Pache and Santos 2013; Reay and Hinings 2009), in particular by connecting multi-level understandings with micro-level individual behaviours.

This section contributes to the current literature on EL by arguing that the perception of EL should be contextually contingent, in which ILs can be combined, configured and manipulated by the organisational actors, and subjected to geographic locations and political economies (Braga et al. 2021). This supports the microfoundations pathway of ILs (Pache and Santos 2013) in understanding individual agency and individual behaviours towards EL. There has been a shift in the microfoundations of ILs; for example, the construction of individual identity during the institutionalisation process in the reproduction and translation of new ILs (Lok 2010). Alternatively, individuals respond to different logics through variations of creation and disruption, or they "*pursue a strategy of status quo or disengagement through maintenance or other forms of disruption*" (Dahlmann and Grosvold 2017, p. 263). This study contributes to the understanding of EL through the insights of ILs, especially individual agency in the work of justification and interpretation. Similar to Demers and Gond (2020), the findings emphasise that EL is not only driven by underlying normative and prescriptive moral principles, but instead that

individuals go through a socially constructed process of managing a co-existing plurality of logics in relation to different moral systems.

Scholars have paid attention to individual responses to multiple logics by investigating individual exposure to ILs through different channels (Pache and Santos 2013). The degree of influence of a particular logic will depend on its availability, accessibility and activation towards individuals. In addition, the degree of influence is also reflected through the relationship between the individuals and the ILs, such as novice, familiar or identified, thus leading to their level of adherence. This results in several individual responses, such as compartmentalisation, combination or ignorance. Pache and Santos (2013) and Reay and Hinnings (2009) discuss the micro-level of ILs and argue that the two competing logics of medical professionalism and being business-like in the healthcare industry in Alberta, Canada provides different organising principles and associated attitudes that guide the different behaviours of actors, in particular physicians, healthcare managers and the Alberta state government. This study, however, focuses on the microfoundations of ILs to investigate how they can be used as an individual tool in the interpretive process of EL and ethical decision-making. In other words, it examines how organisational individuals process, make sense of and deal with both conflicting and compatible institutional pressures.

This study also contributes to an understanding of institutional complexity. It contrasts with the current positivist approach to ILs, in which they tend to be in a hierarchical order, where one logic prescribes certain institutional orders; therefore, this follows the shift to a more socially constructed approach to ILs. The participants in our study make sense of and uniquely construct ILs. This can be considered institutionalisation, which is *"seen to*

be sustained and given meaning and direction through its capacity to constitute distinctive forms of 'actorhood'" (Lok 2010, p. 1331). Cloutier and Langley (2013) argue that there is a tendency for individuals to question, justify and negotiate ILs in their organisational practices and decisions. This emphasises the lived experiences and day-to-day practices of individuals when they confront and respond to a set of organisational paradoxes. This further diverges from current studies on institutional complexity, in which paradoxes are normally resolved through structural and conforming practices at the organisational and field levels, which shows a lack of understanding of paradoxes and complexities as both contradictory and interdependent at an individual level (Smith and Tracey 2016). As indicated, there is a lack of suitable institutions for Vietnamese managers to make ethical decisions because institutions differ according to the context. Therefore, instead of using certain strategies such as co-optation, segregation, combination or compartmentalisation in their confrontation of multiple logics (Reay and Hinings 2009), the Vietnamese managers interpret EL through their inner self *tâm* logic. In addition, the findings of this study are similar to the argument of Bévort and Suddaby (2016) that individuals go through an iterative process and "*creatively engage in provisional interpretive reproduction*" (p. 19), despite the coercive institutional structures and pressures.

The contribution of this section is that ILs in the context of Vietnam are not in a hierarchal or dual form, in which certain ones lead to institutional orders with pre-determined values. Instead, they are socially constructed, reinterpreted and unconsciously embedded in the representation of EL in the Vietnamese managers working in MNC subsidiaries in Vietnam. This supports the microfoundations of IL, in which individuals are placed at the centre of the interpretations (Thornton et al. 2012). The findings of this study are in line

with Garud et al.'s (2007) argument that the current institutional perspective faces a "structure-agency debate"; they tend to emphasise causally deterministic models to view the social world as reified and structured. Therefore, according to Garud et al., the social world is viewed as automation-like processors instead of interpreting ambiguous symbolic elements. Garud et al. specify that studies on the institutional perspective normally reinforce continuity and conformity, but lack an understanding of changes in the organisational process, especially organisational actors' agency and creativity. This study highlights that there exists a form of institutional entrepreneurs. Institutional entrepreneurs are those who can break and transform existing rules and practices associated with current ILs into more institutionalised creative rules, practices and logics (Garud et al. 2007). According to Misangyi et al. (2008), the institutional entrepreneur is defined as a social actor who can actively manage currently available resources to practise new institutional orders and establish new institutional forms. Although the findings indicate that Vietnamese managers are knowledgeable agents who act differently from the prescribed taken-for-granted rules, their entrepreneurship takes place at a micro level and it does not appear the same as the concept denotes. Instead, they become modifiers or editors. The findings of this study enrich and complement research on the microfoundations of ILs and Thornton et al.'s (2012) model by *"identifying the individual-level conditions under which embeddedness in competing logics may trigger reflexivity and agency on the part of organizational actors"* (Pache and Santos 2013, p. 6).

7.5.2 Ethical Leadership as a Broader Institutional Process

The difference between this study and others in the field is that the institutional complexities created from the inconsistencies of institutions and associated ILs provide

platforms and fabrics for unfolding the entrepreneurial elements in Vietnamese managers working in MNC subsidiaries in Vietnam. Suddaby and Greenwood (2009) argue that studies on institutional perspectives tend to focus on the effects and outcomes of institutional pressures, but lack insights into the institutional process whereby the effects occur. The findings of this study unfold the institutional process that Vietnamese managers go through in managing institutional complexities through the influence of socially constructed institutions, their interpretive process of EL through their inner self, and their *tâm* logic. This therefore advances understanding of the institutional process that exists at the individual level of analysis and provides a bigger picture of the multiple levels of the institutional system. The findings reflect the broader indigenous institutional process of contemporary Vietnam, which is *"a country in flux as its populace attempts to make sense of conflicting messages from an evolving value system"* (Burr 2014, p. 158). The way Vietnamese managers make sense of and interpret their subjected ILs in the perceptions of EL reflects a broader contemporary Vietnamese institutional context, with the country situated amongst an influx of complicated and confusing values stemming from its geography, culture, political economy, and modernisation. Due to this, Tran (2015) argues that Vietnamese people are confronting new ideas about themselves within the discourse of emotions and affection.

The findings of this study reflect the individual agency of the participants in flexibly selecting and modifying cultural values. Vuong et al. (2018) argue that Vietnamese people tend to arbitrarily add new values to their indigenous ones through the inherent tolerance of cultural additivity. The literature on multiple ILs supports the notion that they can be in a cordial relationship and that they are additive in the sense that individuals try to

harmonise the demands of different logics simultaneously to legitimise their actions/behaviours (Currie and Spyridonidis 2015; Goodrick and Reay 2016; Reay and Hinings 2009). “Cultural additivity” is described as the phenomenon of Vietnamese people adding mismatched values of the Three Teachings, Buddhist, Confucian and Taoist values, into their indigenous and current values of norms and beliefs, helping them become harmonious with each other (Vuong et al. 2018). This indicates a broader Vietnamese society in which people have a high tolerance for the blending of new values to complement traditional ones, without seeing them as contradictory or competing. This study therefore agrees with Cloutier and Langley (2013) that there should be more understanding of micro-level individual actions to understand the broader, macro-level institutional context, which is moving away from the highly structuralist paradigms, and action-structure duality.

The construction of the modifier *tâm* logic reflects “cultural additivity” in Vietnam (Vuong et al. 2018), which is demonstrated through not only religions but also languages. For example, it is reflected through the word *tâm* itself, which is mentioned frequently and unconsciously by the participants. Burr (2014) disagrees that Vietnamese society has abolished traditional practices and argues that the current socio-political context is not a post-socialist society. On the other hand, it reflects the Vietnamese people's long-standing skills to survive and adapt to new challenges. Burr (2014) and Truong and Hallinger (2017) indicate that traditional practices in Vietnam still hold sway and represent a significant belief in the mind of the Vietnamese people, despite the strong emphasis on socialist moral education by the Vietnamese government. Being aware and caring for each other is a die-hard cultural practice that has been long ingrained in Vietnamese society, so

there should be respect for the phenomenon and not all global practices can be homogenously applied (Tran and Jeppesen 2016). The move to an open-market economy and socialist implementations does not make it less embracing for the people to rely on traditional values (Burr 2014). In addition, Nguyen and Bach (2014) argue that *tâm* can be considered a conceptual metaphor that has been used so frequently that it is taken for granted. Although when translated into English *tâm* represents heart or whole-heartedness, which is normally aligned with emotions, it is not the case in the discussions of the Vietnamese managers. The findings indicate that *tâm* is regarded as a unified inner element inside the individuals, which guides their ethical perceptions and decisions; in other words, it is "the ruler of the body", as indicated by Nguyen and Bach (2014). Interestingly, *tâm* reinforces the flexibility of Vietnamese culture in blending new elements, as some studies regard it as belonging to the Buddhism concept, while others see it as rooted in Chinese ideology. This reflects the flexibility of the people toward new values and beliefs, as well as the wise but subtle tactics towards the incorporation of new values. This is also reflected in more macro institutional practices in Vietnamese politics, namely being "*firm in objectives, flexible in strategies and tactics*" (Do 2017, p. 25). For instance, this is showcased in the way the government policymakers deal with China in their dual strategy. The Vietnamese see China as a neighbouring partner country with an indispensable economic advantage, but at the same time attempt to defend and protect the country's territory from increasing threats.

The values of the Three Teachings are also showcased in the way the participants devise *hợp tình hợp lý* decisions (with reason and with sentiment). In other words, it is a "head and heart" approach. Traditionally and historically, these kinds of decisions have been

reflected through *cưởng* and *nhu* (tough and soft) practices. These reflect the Taoist values of yin and yang principle in maintaining social harmony. Taoism stresses the significance of maintaining harmony between individuals and between people and nature through the yin-yang principle (Le and Yu 2019). The yin (*âm*) aspect signifies the feminine side, with features such as softness, calm and flexibility, whereas the yang (*dưởng*) aspect symbolises the masculine side of being hard, tough, energetic and aggressive. Yin-yang principles mean that there should be a balance in the universe to maintain harmony. In addition, "*cưởng* and *nhu*" is a special term used in Vietnam in different ways. First, it is a central principle used in oriental martial arts such as kung fu to demonstrate the philosophy of *"yielding to greater strength though avoidance and deflection, and then using one's own strength, speed, and accuracy to fight by channelling one's own force"* (Yue 2010, p. 40). It is believed to be a unique strength in interpreting Asian masculinity as opposed to the western version, which largely relies on muscularity and aggression. This means that problem-solving should be based on a balance of the hard and the soft, which is quite similar to the yin and yang principle, and that it should reflect the five pillars of living, giving, caring, sharing and loving (Greenwood and Greenwood 2009). *Cưởng* and *nhu* are also reflected through the issue of gender distinction, with women belonging to the "soft" substance and men to the "hard" (or tough) aspect (Tran 2020).

The regulative forces of institutions such as rules, law, and standards within the respective national context impact how managers perceive and perform EL in relation to ethical dimensions (Braga et al. 2021; Huq and Stevenson 2020). The institutional forces inform, shape and direct the views and practices of managers in their ethical decisions. Similarly, this study argues that the institutional forces set out, create, and direct the situations for

Vietnamese managers to interpret EL. This contributes to the understanding of institutional pressures in institutional theory. However, the uniqueness of this study is that while the institutional forces impact and influence the context in which Vietnamese managers make decisions, the actual perception of EL and its practices are subjected to the interpretive process of the individuals themselves, in which they reinterpret and socially construct their own logics and thus produce new knowledge related to EL. Although their ethical responses are informed and directed by institutional forces, they are their own agent in making ethical decisions. The way Vietnamese managers make ethical decisions and perceive EL does not linearly take place and the institutional forces are not necessarily prescribed to certain norms, scripts, or behaviours. This study again argues that it is insufficient to have a fine-grained understanding of EL through the positivist approach of institutional forces; instead, the focus should be on the microfoundations to understand the insights of EL in Vietnamese managers. The institutional context in Vietnam raises institutional and ethical complexities for participants when making decisions. The difference between this study and others on the EL process is that the institutional process of perceiving and practising EL goes through the conditions of multiple co-existing logics, institutional complexity, and institutional entrepreneurship. It is therefore argued that EL should be considered together as a broader institutional process, not separately. Greenwood et al. (2010) argue that *"multiple institutional pressures not only have to be interpreted, they provide opportunities for organizational leadership because institutional prescriptions "can be used differently, and different constraints can be overcome, creatively""* (p. 16). Similarly, our study supports the institutional complexity created by the Vietnamese institutional context as an

underpinning factor and a situation in which individuals interpret their confrontation with multiple ILs.

As indicated in the findings, the ethical paradoxes demonstrate the competing and complementary aspects within and between ILs. They reflect the fact that the institutional context in Vietnam offers both opportunities and challenges for Vietnamese managers when making ethical decisions, and setting out the formal and informal institutions for the participants. First, the political-legal context reinforces the fact that the emerging anti-corruption campaign in Vietnam is only superficial, aiming to suppress political rivals instead of touching on the life of the citizens (London 2019). This therefore results in different forms of ethical issues, as in the case of labour standard compliance and environmental sustainability. Although labour laws and regulations have been updated and improved, they are insufficient to increase the standard of living of workers, leading to many breaches of the law. They also create spontaneous practices within organisations, with some attempting to take advantage of the legal loopholes. The legal framework is ineffective in solving the actual needs of employees and is the reason why there are many wildcat strikes in the manufacturing sector (Siu and Chan 2015). Some factories do not meet the environmental criteria but still receive the related certificate from the government, leading to ethical dilemmas for the Vietnamese managers to solve, as in the example of participant 13E (section 6.6.2, p. 191). The gaps within formal institutions, which relate to Vietnamese and MNC standards, create inconsistencies and challenges for managers in making ethical decisions. In addition, the inconsistencies between formal institutions stem from the inconsistencies between regulative and normative forces. While

the regulative ones represent Vietnamese law and regulations, the normative ones include MNC standards.

7.6 The Formula for Ethical Leadership in Vietnam

As indicated in Chapter 2, EL is rarely situated in a fixed, constant, and "ideal" context of right and wrong, ethical and unethical. By demonstrating the multiplicity and plurality of ILs that Vietnamese managers confront, this study complements the critical interpretive orientation of EL (see 2.6), showing that EL should be viewed from a lived experience and phenomenological lens, in which ethics are embedded in everyday activities and ethical leaders are involved in dynamic interactions, connections and relationships (Clegg et al. 2007; Pullen and Rhodes 2015). This is similar to critical interpretive research, according to which ethical leaders are not holders of all the power and resources, and which is often viewed through masculine and white-based approaches in mainstream research. This study also contributes to the current gap in EL research, where the perception of EL largely involves followers' evaluations and cognition (Banks et al. 2021). Although EL is believed to hold certain universal moral characteristics, the findings of this study also confirm that Vietnamese managers are not the ones with all the power to make decisions, as they face a series of complex ethical paradoxes and dilemmas within their organisations. This supports the view that there is not only a dyadic relationship between leaders and followers in the representation of EL. The relationships in which leaders are embedded are much more complex, stemming from the gap between formal and informal institutions and emerging from the institutional context of the country, Vietnam, the organisation, the field, and leaders' day-to-day situations. This study

therefore offers a holistic and nuanced understanding of EL. The embedded ILs come from the country's political context, economic condition, and local society.

7.6.1 When Ethical becomes Unethical

As discussed in Chapter 2, the Literature Review (section 2.8 – unethical leadership), unethical elements of leadership should be discussed simultaneously with ethical ones, because even EL can generate unethical behaviours and outcomes. The study findings are in line with the literature review, in that the unethical aspects of EL become more visible when Vietnamese managers confront ethical paradoxes and dilemmas (see 6.5). Bank et al. (2021) call this the dark side of EL. For example, when labour law compliance prescribed in MNCs aims to set certain boundaries for employees' OT, it is not perceived as benefiting the workers. It is inappropriate in the context of Vietnam, where workers have very low salaries and rely on their main sources of income from working in factories. They always choose to work in places that allow more working hours so that they can earn more. Legalistic logic in this sense seems to contradict community logic as it aims to strictly adhere to rules, while the latter aims to benefit people. Community logic even conflicts with itself, as on one hand it is perceived to ensure employees' well-being, while on the other, it lowers salaries meaning workers cannot afford to live and support their families. In support of this, by proposing a relational approach, Edwards et al. (2019) demonstrate that within "good" EL, there can exist an ugly side that emerges from organisational reality. The Vietnamese managers confront multiple co-existing ILs, which are both competing and compatible. Similarly, Wang et al. (2021) conclude that EL *"is not a universally useful practice to decrease unethical behaviour"* (p. 449) and that it is not always beneficial. Allal-Chérif et al. (2021) further reinforce the limitations of the

classical view of EL, which is usually situated in a stable condition associated with specific goals and missions, which is no longer applicable in the hyper-competitive context and after the radical changes forced by the Covid-19 pandemic. Allal-Chérif et al. argue that the bright and dark sides of EL can quickly flip depending on the situation, thus supporting our findings that EL is institutionally driven.

In addition, as companies foster a competitive working environment to increase workers' productivity and effectiveness, the findings reveal that this leads to widespread office politics due to the aggressively competitive mindset of the Vietnamese. This is similar to studies on EL and unethical leadership which show that being strongly embedded in their managerial role can make leaders be involved in self-centring behaviours for personal gain (Hoyt et al. 2013). However, this study provides a more nuanced and institutional view, that this is caused by the enhancement of profession logic together with corporation logic, which hinders the practice of EL. The competitive mindset that emerged from the findings indicates the influence of Confucian education in Vietnam. As the country had a long history of 1000 years under feudal Chinese imperial rule, Confucian ideology is believed to have had a strong influence and impact on Vietnam's culture, education, business practices and legal systems, which is still evident at present. It is believed that Confucian values are still dominant in guiding the thoughts of Vietnamese people. For example, in terms of education, Vietnam has a very competitive selection system, which was the result of the competitive selection of imperial officials in the past based on Confucian teachings (Huong and Fry 2004). Every year, high school students face harsh competition in their entrance examinations to university. Vietnamese parents think that good academic achievement is equal to success and family pride (Dat Nguyen 2018). Although some

experts have warned of the negativity of exposing students to the pressures of studying, intensive timetables with private tutoring classes are still dominant in Vietnamese education (Tuan Son 2018). This can explain the competitive mindset of the Vietnamese people.

The mainstream orientation in EL demonstrates that there is an ideal leader who possesses moral characteristics and can communicate the ethical values of the organisation to their followers. Behaving unethically is unacceptable. This widely used definition takes a masculine- and white-based approach and has been applauded for its clear and succinct formulation as well as its flexibility (Kaptein 2019; Knights 2015). However, an increasing number of drawbacks have been recently revealed by scholars. First, Fehr et al. (2015) and Solinger et al. (2020) indicate that the construction of "normatively appropriate" behaviours in the current EL mainstream literature does not yet capture the organisational and social context in which leaders are embedded, resulting in a uni-dimensional concept representing only the moral person and moral manager (Lemoine et al. 2019). This study concurs with such research, in that it is not simply the case that there is a uni-dimensional approach in EL. In addition, the findings indicate that on the surface participants know what appropriate moral characteristics they should possess as an ethical leader or what should not be done; however, when facing ethical dilemmas these characteristics are insufficient to guide their behaviours and decision-making, even confusing the Vietnamese managers themselves. The structure-agency of what should/should not be done does not seem to be sophisticated enough to solve the complicated ethical process. Letwin et al. (2016) argue that what is considered "ethical" is rooted in a deontological perspective inspired by Immanuel Kant, who proposed that

what is right is ethical and what is wrong is unethical. This is normally utilised in studies of EL from the followers' perspective, which focus on understanding what ethical behaviours are considered right or wrong in the eyes of followers/subordinates. This is also called the bottom-up approach, which presumes that followers need ethical guidance and care from their leaders (Munro and Thanem 2018). Another perspective is the top-down approach, whose focus is on the eyes of the managers and takes the consequentialist-utilitarian perspective that what is ethical is subject to the greatest good of the outcomes. Ethical leaders are believed to follow certain prevailing moral norms, which lack insights into their critical ethical justifications, as well as being limited to only the two scales of the "moral person" and "moral manager" (Kaptein 2019). This study indicates that there not only exists a linear line of ethical or unethical, but there are also usually two sides of ethical and unethical elements in the same ethical practices. This is because participants go through an institutional process of ethical paradoxes and dilemmas.

7.6.2 No "Elixir", "Best Practices" or "Ideal" Ethical Leaders

Although this study finds that ethical leaders implement different styles of EL, it demonstrates that the ethical paradoxes and dilemmas that Vietnamese managers face are not meant to be "right" or "wrong", "ethical" or "unethical", but instead subjective, institutional, and situationally embedded. This is similar to Amiridis (2018) argument that there are no clear-cut boundaries between good or bad ethical practices, and there may exist good or better ones. Ethical or unethical facets can change radically (Allal-Chérif et al. 2021). The business context in Vietnam is believed to be full of ethical dilemmas (Vu and Tran 2021). Therefore, this study differs from other mainstream EL literature in that when facing ethical judgement, making decisions based on what is "right" or "wrong", or

“ethical” or “unethical” is no longer applicable. The Vietnamese managerial leaders’ on-the-surface perceptions of EL share similar characteristics with mainstream research; however, their actual belief rests on the fact that EL is a perception phenomenon. Mainstream literature on EL tends to focus on followers' evaluation of their supervisors and managers, with ethical leaders believed to possess certain universal characteristics that must be appropriate and acceptable by the followers, which leads to confusing concepts of EL (Banks et al. 2021). This study argues that EL is embedded in an interpretive system of institutions. For example, Participant 31O reported:

“The hard part is you have to be realistic with your work environment and your 'tâm' (inner self) [...] Sometimes you need to motivate your team in a way that drains most of their energy in order to be able to meet your company's goals and benefits. However, when you get home, close the door, and sleep, your "tâm" says something to the contrary, "Hey, it's not okay." You know, it's always been like that. As an ethical leader, you often have to distinguish between two things. One is from your company, the other is from you, which is your “tâm” (nội tâm, lương tâm).”

In addition, as leaders are facing the increasing institutional complexities of EL, this study shares a similar view to that of Amiridis (2018), that there are no clear boundaries between right or wrong ethical dilemmas, and that there exist highly complicated ethical resolutions which underlie the lived experiences of the leaders. Therefore, this study advances the critical interpretive orientation, which tends to be conceptual and normally focuses on emotion and body embodiment, thus lacking insights into relational-contextual and empirical evidence (Edwards et al. 2019), by examining ILs more closely. Through an IL perspective, similar to that of Braga et al. (2021), this study argues that there is no best practice nor ideal ethical leaders, and that there is no clear-cut boundary between EL and unethical leadership. For example, Participant 32P stated that: *“Ethical leadership*

should be based on the situation, rather than using a specific style throughout". Participant 18G also stated that:

"Every company has problems in EL [...] There are situations you can solve quickly, but there are also situations that take time. […] When I was in this management position, I could see how decisions can have such a powerful effect on the business, that it leaves you with such a paradox […]. Honestly, no such person is an ideal leader. I don't have that in mind. However, in my work, there are some colleagues or leaders I see as having one or two good traits, so I follow them. But after you have worked 5 or 10 years, you experience more in your life and work, and you will know that you have to be more proactive."

This finding also matches Wang et al. (2021) study, in that the view of role models in EL is not the same among followers. One of their participants indicated that the behaviours of the leaders may be ethical, but that this does not mean that they are their role models. Similarly, the findings validate that EL is not only a simple process of followers mimicking what is perceived as "normatively appropriate" from their leaders as role models, because there are no such "ideal" or "taken for granted" figures. Wang et al. (2021) argue that followers see leaders as their role models if the psychological bonding and moral identity between them are strong, which will then increase leader identification. However, it is necessary to revise the taken-for-granted assumption that there are pre-determined characteristics of "ethical" or "unethical" and "right" or "wrong" associated with an elixir recipe, as EL is subject to the inhabited conditions, institutions and lived experiences of the leaders, which is complicated case by case, and as one of the participants argued, EL is individually specific.

As institutions possess their own indigenous structures, such as Vietnamese ones, there are no ideal types of IL that prescribe and predetermine the behaviours of an ethical leader.

In other words, it is not a simple process to understand EL through a linear relationship between leaders and followers due to their confrontation with multiple ILs, as well as their social construction of institutions. The Vietnamese managers do not draw their knowledge of EL from a Western perspective or predefined concepts; instead, they generate their knowledge of this from their own experiences and Vietnamese cultures. For this reason, this study contributes to the literature on EL not by adding new dimensions or constructs as in the current mainstream approach, but instead by arguing that EL should be looked at through the inhabited institutions and lived experiences of leaders.

7.7 Summary

The discussion presented in this chapter supports the overall understanding of the perceptions of EL of Vietnamese managers working in MNC subsidiaries in Vietnam. It concurs with the current EL literature that ethical leaders, especially those in the east, tend to possess certain moral characteristics such as authenticity, compassion and spiritual-orientation. It also complements the literature on multiple ILs, indicating that Vietnamese managers confront different co-existing ILs that either constrain or enable their enactment of ethical decisions. Specifically, there is an interplay of multiple ILs, including conflicting and competing ones, as well as complementary ILs. The discussion brings to the surface the notion that elements within each logic can also conflict with and complement each other, depending on the judgment and social construction of Vietnamese managers. The study findings extend the literature on EL by showing that it is not a fixed and stable concept prescribed by certain moral principles and values, but rather an institutional process reinterpreted and justified by individuals. The discussion contributes to the microfoundations of ILs by arguing for reconsideration of EL and ILs as social

construction processes, instead of taking a positivist and functionalist approach. The study therefore points to the micro and fine-grained level of ILs through how Vietnamese managers interpret, make sense of, and negotiate ILs in their perceptions of EL. It is argued that Vietnamese managers confront confusing ILs which come from western institutions in their organisations, and indigenous Vietnamese institutions such as the Three Teachings, ethical philosophies and socialist values.

Therefore, this study provides a more advanced understanding of ILs and integrates them into the understanding of EL, in particular the microfoundations of ILs. The research enriches the understanding of EL within a broad institutional theory, specifically ILs as a novel and multi-dimensional lens through which to analyse EL. It not only advances the study of EL that integrates ILs, but also responds to the call by scholars to move to a more micro-level understanding of ILs, focusing on individuals and how they interpret multiple ILs (Lok 2010; Pache and Santos 2013; Reay and Hinings 2009). This also extends the literature on ILs to the EL setting and international business. It not only responds to requests for more microfoundational studies of ILs and how individuals cope with multiple ILs, but also addresses numerous calls to analyse how individuals such as Vietnamese managers working in MNC subsidiaries in Vietnam interpret their ILs in the perceptions of EL.

Chapter 8: Conclusion

This research aimed to explore the perceptions of EL in Vietnamese managerial leaders working in MNC subsidiaries in Vietnam. It has offered ILs as a new theoretical lens to consider EL, arguing that this perspective addresses the major gaps in the current cross-cultural EL research. In doing so, this study advances institutional theory and the IL perspective, specifically the microfoundations of ILs, in the understanding of EL, and in a broader sense the literature on leadership and management. Chapter 7 discussed the key findings of the research in relation to the main research question. This final chapter summarises the overall thesis, including an overview of the research aims, objectives and motivation. It then proceeds to discuss the research contributions, including theoretical, methodological and empirical ones, and the managerial implications. The chapter ends by indicating the limitations of the study, making recommendations for future studies, and presenting the concluding remarks.

8.1 Overview of Research Aims, Objectives and Motivation

The motivation for this research originated from the interest and experiences of the researcher, who enrolled on an MBA degree at RMIT University, Vietnam, in 2016. In her conversations with fellow MBA students, many of whom had been previously employed as managers in MNCs in Vietnam, it was clear that many of them had decided to leave their jobs and pursue full-time study due to the very poor managerial leadership they had experienced. This included instances of corruption, poor morale, job dissatisfaction and a lack of employee well-being. The researcher experienced many of the same problems in her own professional working life in Vietnam, which are leading to high levels of turnover and affecting the performance of many organisations. During the

module “Leadership and Management”, taught by Dr Matthew McDonald, Senior Lecturer and Chartered Psychologist with the British Psychological Society, she began to develop a strong research interest in EL due to her own and many other workplace experiences. In order to deepen her knowledge, she completed an empirical research project as a part of her MBA on EL, and then continued to do her PhD at Kent Business School, University of Kent, to investigate how Vietnamese managerial leaders perceive EL in their interpretations of ILs.

The world has witnessed many high-profile ethical scandals in some of the world’s largest organisations, affecting many thousands of people including employees, shareholders, and stakeholders. Increasingly, the litany of corporate scandals, poor governance and reward for failure in the last two decades has prompted a quest for a better understanding of failure (Lukason and Laitinen 2019) and how we can best instil the values and ethos of EL into organisational leaders. Specific ethical scandals that have emerged in different nations, industries and organisations across the globe have included accounting fraud (Enron, WorldCom, Lehman Brothers); false emissions tests (Volkswagen); sexism (Uber); and oil spills (Deepwater Horizon). These exemplify lapses in leadership and a lack of in-depth insights into the values of ethics in our leaders. Through an extensive literature review in Chapter 2, this study has demonstrated three orientations in the EL literature: the mainstream (see 2.4), critical interpretive (see 2.6) and institutional (see 2.7). The most dominant orientation is the mainstream research pioneered by Trevino et al. (2000), Treviño et al. (2003) and Brown et al. (2005). This views EL in terms of the “moral person” and “moral manager”, with ethical leaders being role models for their followers. A “moral person” is believed to possess certain moral characteristics that should be

"normatively appropriate" and accepted by followers, such as trustworthiness, altruism and honesty. The key difference between EL and other leadership constructs is the aspect of the "moral manager", with ethical leaders being those who can communicate personal and organisational ethical values to their followers. The mainstream orientation includes the social scientific approach and the cross-cultural approach. First, the social scientific approach is based on SLT, SCT, SIT, and SET. These theories focus on the relationship between leaders and followers by exploring how ethical leaders act as role models, and how followers perceive, imitate and reciprocate their ethical behaviours (Bavik et al. 2018). For example, studies based on SLT assume that ethical leaders have enough power, resources, and traits to act as role models, thus influencing followers' behaviours. This means that how employees accept, promote, practise, or ignore organisational ethical procedures and practices is subject to the ethical behaviours of the leaders and their ability to communicate these within organisations. Extending SLT, SCT argues that the more leaders act in the followers' interests, the greater their influence through vicarious expectancy learning (Tu et al. 2017; Zhu et al. 2018). In addition, followers will act, reciprocate, and respond accordingly to the leaders' ethical behaviours, which is reflected in SET. Moreover, this is because the ethical behaviours of the leaders make followers feel attached, integrated into their group and identify with their organisation, which is supported by SIT (Walumbwa et al. 2011). Hence, EL in the social scientific approach tends to be viewed through the eyes of the followers, with ethical leaders influencing followers' motivations and productive behaviours through their expressed identity and representation of accepted ethical behaviours (Den Hartog and Belschak 2012; Frisch and Huppenbauer 2013). Resulting from the social scientific approach, there have been extensive empirical-descriptive studies (see 2.4.1.1) to investigate EL in its relation to

other constructs, such as employee psychological well-being (Sarwar et al. 2020), absenteeism (Hassan et al. 2014) and leader Machiavellianism (Frazier and Jacezko 2021). These studies normally employ a quantitative approach (i.e., surveys, questionnaires, etc.) to measure EL outcomes, moderators and mediators, as well as antecedents by applying the popular ELS (Brown et al. 2005). Some scholars also call this the process of EL, which is one of the variables in its relationship with other constructs. For instance, the relationship between EL and psychological well-being is mediated by the employee voice, while the relationship between EL and job satisfaction is mediated by feelings of psychological ownership (Avey et al. 2012). Another school of thought within the social scientific approach is the philosophical-normative perspective, which provides the precedencies and moral philosophies for leaders to behave ethically (Avella 2017; Bedi et al. 2016). This kind of perspective sets out moral standards for leaders to behave in a "normatively appropriate" way, as indicated by Brown et al. (2005 2006). The philosophical-normative approach is normally rooted in western moral philosophies such as Aristotle's virtues ethics and Kantian philosophy (Lawton and Páez 2015).

Second, the majority of studies on EL have been conducted in developed and powerful countries, such as the United States (Mayer et al. 2013; Schaubroeck et al. 2012; Yukl et al. 2013); China (Christensen-Salem et al. 2020); and Western European countries such as the Netherlands (Den Hartog and Belschak 2012) and Belgium (Waldman et al. 2017). This leads to another approach in mainstream orientation which calls for an emphasis on cross-cultural EL, due to the increasing interest of international business and MNCs. Understanding cross-cultural EL is believed to assist global MNCs in devising appropriate training and educational programmes for EL (Eisenbeiß and Brodbeck 2014; Resick et al.

2006). These studies usually adopt the "national cultural dimensions" (i.e., individualism vs collectivism, power distance, uncertainty avoidance, masculinity vs femininity) of Hofstede and the GLOBE project (Hofstede and Minkow 2010) to explain the cross-cultural similarities and differences of EL between countries and regions. For example, perceptions of EL in Confucian Asian countries differ from Anglo/Germanic countries in important characteristics such as integrity and self-discipline (Resick et al. *20*11). Eisenbeiß and Giessner (2012) argue that much of the EL literature stems from western Anglo-centric perspectives, neglecting the viewpoints, principles, and values of different cultures. The national cultural dimensions perspective acknowledges how the perception of EL varies considerably across nations, resulting in significant challenges for international businesses, such as MNCs in their offshore ventures as they seek to understand employees' norms, perceptions and expectations in the subsidiary countries they operate in (Resick et al. 2009). However, this dimension has to date remained prescriptive and fixed on the geographic categorisation of EL, but has not provided insight into the complexities of business ethics, institutional context and social development (Schedlitzki et al. 2017). There is another cross-cultural approach using the "interdisciplinary integrative approach" proposed by Eisenbeiss (2012), which integrates different principles of moral philosophies from western and eastern cultures to understand EL. Although this approach appears to be more sophisticated than the national cultural dimensions, it still does not provide a holistic and comprehensive understanding of the inter-relationship and complexity of ethical paradoxes and dilemmas that leaders confront across cultures due to institutional differences.

The discussion above indicates that current mainstream research in EL views ethical leaders as having enough power and resources to make ethical decisions and that EL is a dyadic relationship between leaders and followers (Stouten et al. 2012). EL is situated in a hierarchical and linear relationship where there are certain ethical guidelines and moral philosophies that orientate and direct ethical characteristics and behaviours. In other words, the mainstream orientation takes an essentialist and functionalist approach, considering EL to possess predefined moral characteristics and to act accordingly to the ethical guidelines and pool of existing (western) knowledge. For instance, as indicated in section 2.2, the majority of studies believe that EL can demonstrate effectiveness and attractiveness (see 2.2.1), followed by the possession of certain predefined virtue and moral characteristics (see 2.2.2). Due to their power and privileges, ethical leaders are believed to hold key responsibility and maintain sustainability within their organisations (see 2.2.3). However, some scholars have started to challenge the popular definition of EL because of its vague concept of "normatively appropriate" and its reliance on the relationship between leaders and followers. Mainstream management research tends to view EL as a stable static phenomenon that can be solved (resolved) by applying a set of empirically supported best practices (Braga et al. 2021). In addition, EL is situated in a causal relationship with other constructs such as workplace ostracism (Yang and Wei 2018), reflective moral attentiveness (Miao et al. 2020), and turnover intention (Suifan et al. 2020), acting either as dependent or independent variables. Therefore, we have argued that EL should be considered a complex phenomenon that needs more nuanced understanding instead of mainly relying on leaders' behaviours (Frisch and Huppenbauer 2013). It has been demonstrated that EL is not a fixed and static concept and that it is situated in a multi-level and inter-relating system of institutions. In line with this, Liu

(2017a) and Liu (2017b) challenge the mainstream orientation for its high reliance on the masculine-focused and white-based characteristics of EL, such as competitiveness and dominance, neglecting the individual, contextual and political immersion of leaders. Liu (2017b) is concerned that leaders are not only the ones who can decide on *"hierarchical control, rationally enact ethical behaviors, objectively enforce reward and discipline, and willfully shape the ethical behavior of all organizational members via a linear causal relationship"* (p. 346). We therefore conclude that the context in which leaders are nested is multifaceted, in that it refers to the inter-relationship between individuals, groups, and organisational, industrial, and socio-historical contexts.

Enhancing the positivist and masculine-oriented approach in mainstream EL research, a critical interpretive orientation starts to emerge, arguing that EL does not simply possess certain universal characteristics with "right" or "wrong" behaviours and hierarchal-linear relationships (Ciulla et al. 2018). Instead, ethics should be embodied in the everyday activities and lived experiences of leaders, underpinned by the multi-level systems of the historical, social, cultural, economic and industrial contexts (Clegg et al. 2007; Pullen and Rhodes 2015). This orientation thus takes a more phenomenological and ontological perspective in its understanding of ethics in the organisation. While acknowledging the "being" of ethics, these studies have not specifically studied EL, but rather focused on business ethics within organisations in general. They also tend to focus on the emotions, feelings, and physical representations (i.e., body embodiment) of EL. This results in a pool of conceptual research, which lacks relational-contextual, normative-empirical, or normative-descriptive evidence (Edwards et al. 2019). Liu (2017a) attempted to study the social construction of EL; however, her study only focuses on the body embodiment and

emotion of leaders in media representation. In another study, Liu (2017b) advances the understanding of the relational practices of EL through the narratives of three leaders to argue that EL is contextualised, individualised and politicised. Following this, we support the view that EL is a social construction process, in which ethical leaders are embedded in a social system, with engagement and negotiation.

As such, this study has not rejected the mainstream and critical interpretive approaches; instead, it has attempted to bridge the gaps between the two by arguing there should be a more nuanced, novel and holistic approach that acknowledges the multi-level, complex, cross-cultural, and social construction of EL. This led to our proposal of the IL perspective, in which we improved the one-dimensional and hierarchical-linear relationship of leaders and followers in mainstream research. The IL perspective offers another novel and effective lens to understand the institutional influences of EL in depth. ILs provide insights into a variety of assumptions, values and beliefs in which individuals are embedded, defining, justifying and making sense of their perception of EL (Thornton et al. 2012). In addition, we complement the critical interpretive orientation by illustrating that ILs allow us to understand the socially constructed aspect and lived experiences of institutions and leaders. In support of this, there has been a shift to institutional orientation in EL (see 2.7) using neo-institutional theory, Scott's institutional theory and institutional complexity. Related studies set out the institutional context in different countries, such as India (Chan and Ananthram 2020), Brazil/Colombia/the UK (Braga et al. *20*21) and the US (Nite and Bopp 2017) in a variety of organisations and industries such as MNCs, HRM and sport, respectively. However, current studies on institutional orientation, in particular ILs, face similar challenges to the EL literature, as ILs are treated as independent and

dependent variables with pre-determined assumptions, values and beliefs. Zilber (2016) is concerned that studies on the IL perspective have been largely relying on a positivist approach, moving far away from their core and original definition as "socially constructed" and phenomenological. It has been observed that studies tend to identify certain ILs based on the "ideal" types identified by Thornton et al. (2012), such as family, community, religion, profession, market, state and corporation logics. These demonstrate the influence of a number of beliefs and values of institutions on the cognition and behaviours of individuals; however, they are strongly rooted in an isomorphic and conformity aspect of institutions (Cloutier and Langley 2013). Therefore, scholars have called for more focus on the microfoundations of ILs, which acknowledges the micro- and individual-levels of analysis, aiming to understand how individuals interpret and respond to multiple ILs and institutional complexities (Pache and Santos 2013; Reay and Hinings 2009). Responding to this call, we therefore employed the microfoundations of ILs as our theoretical lens for understanding the perceptions of EL of Vietnamese managerial leaders working in MNC subsidiaries in Vietnam. We have argued that although there exist certain ILs that conform or comply with the ideal types, there also exist the indigenous structures of inhabited institutions in individuals.

In summary, although there is promising potential for incorporating ILs to understand EL, the dynamics and integrative mechanisms for doing so remain a major gap in the current literature. The purpose of this study was to explore the concept of EL by investigating the experiences and perceptions of Vietnamese managerial leaders and the sociocultural forces that constitute them through the lens of ILs and their microfoundations. Vietnam was chosen as the main research context due to its unique socialist-oriented market

economy, the integration of Confucian and modern values, and fast-paced globalisation (Budhwar et al. 2016; Nguyen et al. 2020). The main contribution of this study is to offer the lens of ILs to understand the perceptions of EL in investigating the interpretation mechanism of leaders in making ethical decisions. The study has aimed to explore how Vietnamese managers translate and interpret ILs in their perceptions and implementations of EL. Additional contributions are summarised in the following sections (8.1.1, 8.1.2, and 8.1.3).

8.1.1 Theoretical Contributions

The main conclusion of the thesis is that there should be a reconsideration of the EL definition and concept through the lens of ILs. The findings challenge mainstream research, which views EL as a fixed and static concept situated in stable institutions. Instead, we have argued that EL is rooted in a multi-level and interrelated institutional system. By answering the research question, the study contributes to the literature on the broader field of leadership and institutional theory, specifically EL and the microfoundations of ILs.

First, the study contributes to the notion that ILs are a powerful lens for investigating EL because they help to understand the complexities and interplay of institutions and the associated ILs that Vietnamese managers have embedded in their perceptions and practices of EL (see 7.2). The findings are similar to those of Reay and Hinnings (2009), by considering ways of understanding how individuals manage rivalries created by their competing associated ILs in their day-to-day work. This therefore also contributes to the understanding of multiple ILs and institutional complexity in IL configuration (Durand et al. 2013; Thornton et al. 2012). The findings indicate that leaders are confronted with

different interplays of multiple institutions, which lead to co-existing ILs and their arrangements, such as competing and conflicting ones and complementary ones. For example, the Vietnamese managers confronted ethical paradoxes and dilemmas due to the gaps between international standards and Vietnamese regulations (6.5.1) and between economic responsibilities and humanistic feelings (6.5.2), together with office politics intensified by an aggressively competitive mindset (6.5.3). This is due to the existence of conflicting forces between legalistic, community, and market logics. We also found that ILs not only compete but also complement and support each other. This advances current studies, which tend to identify a set of logics to compare with each other. Therefore, the IL approach proposed in this study is valuable, as it acknowledges the variety of logics that are interrelated and situated in an interplay of institutions, which create ethical paradoxes and dilemmas for leaders working in MNC subsidiaries.

Second, the study has clarified various in-context ILs (see 7.3). First, IL can face conflict within itself. Although similar to the findings of Pache and Santos (2013), that individuals experience a set of competing logics, this study clarifies that if the two logics are competing, it is also possible that some of the elements will be contradictory within themselves. In other words, there are multifaceted institutions. For example, Vietnamese managers working in MNCs are embedded in community logic to foster employee well-being by reducing OT and adhering to the strict standards of OT regulations indicated by MNCs headquarters. However, this does not benefit workers, who intentionally and deliberately want to work OT to earn extra money to support their families. In addition, logics are possessing Vietnamese indigenous structures. In particular, religion logic is considered a “way of living” logic (see 7.3.1) instead of a spirituality or religion logic, as

the concept denotes. Vietnamese managers are also embedded in apolitical logic (see 7.3.2), with politics rarely mentioned in their perceptions of EL. This study has thus clarified how institutions differ across cultures, especially how Vietnamese ones possess indigenous Vietnamese structures. It is therefore highlighted that although logics are significant constructs to explain structural-agency mechanisms and connections between organisational actors and their behaviours through the connections of their common purpose and goals, it is important to return to the original definition of IL as being "socially constructed". Research on ILs to date has been mainly based on a positivist approach, with a tendency to focus on macro-level and reified ILs (Zilber 2016). By providing empirical evidence for the microfoundations of ILs (Pache and Santos 2013; Reay and Hinings 2009), this study contributes to the understanding of both ILs and EL using a micro-level, individual-focused approach to understanding how institutions are enacted and inhabited through the lived experiences of the individuals. Finally, there exists an inner self logic, the logic of *tâm* (see 7.3.3). The discovery of this logic calls for more understanding of a personal ethical logic that acts as a mediator in the individual perceptions of EL. The findings demonstrate that in contrast to the current positivist approach to ILs, it is important to understand individual-level ILs in organisational behaviours, in which macro- and meso-level ILs are interpreted and socially constructed differently at the individual level. Few studies have explored EL at the micro-level, particularly without loss of overall macro coherence and consistency (Lok 2010). Similarly, the discussion above suggests that field- and organisational-level ILs are interpreted through an inner self, the *tâm* logic, generated at the individual level. This logic can amplify or dampen the influence of broader field-level logics. The study has indicated the micro and fined-grained level of ILs through the way the Vietnamese managers interpret, make sense of,

and negotiate ILs in their perceptions of EL. By providing the extensive institutional context of Vietnam (Chapter 4), the study has touched on both the individual-level, but also acknowledged the macro influence of the institutional context. It therefore provides a micro-level but multi-dimensional approach to the theoretical implications of EL and ILs. These contribute to a more nuanced understanding of institutions and EL across cultures, instead of relying on the general applications of "national cultural dimensions" in a cross-cultural approach.

Third, as mentioned in the Literature Review (Chapter 2), EL is often viewed as a fixed and pre-determined concept situated in static institutions. This research was able to develop the EL literature by showing that it is a perception phenomenon and an institutional process. Specifically, EL is a micro-individual process whereby individuals manage, justify, and provide meanings for their inhabited institutions (Bévort and Suddaby 2016; Lok 2010; Reay and Hinings 2009; Zilber 2016). The findings point to the ethical complexities confronted by Vietnamese managerial leaders, causing more confusion than ethical guidelines, as indicated in the mainstream orientation. The Vietnamese managers are embedded in an interplay of a variety of ILs, including the ideal ones (community and legalistic logics) and in-context ones (way of living and apolitical logics), which is once again reinterpreted through the personal ethical logic of t*âm*. The study has provided deeper insight into the micro-processes and interpretive mechanisms by which individuals make ethical decisions, especially when western knowledge of EL remains incomplete and confusing for managers. Therefore, we have extended the existing knowledge of EL to acknowledge the multifaceted aspects of EL by recognising the complexities that arise when ethical practices become unethical, resulting from the

interplay of multiple ILs. Consequently, one of the unique contributions of this research is the enrichment of the literature on both EL and ILs, which are mainly of a positivist, causal, and structural agency nature, by focusing on the micro-process of individuals in their interpretations of ILs.

Furthermore, the findings indicate that EL is a broader institutional process. The ILs of Vietnamese managers demonstrate the impacts of Vietnamese culture and indigenous institutions, such as the Three Teachings of ethical philosophies, socialist values and populist politics. This links to Chapter 4, by showing that the institutional context provides platforms and fabrics to unfold and investigate the ethical complexities and decisions of the Vietnamese managers. By doing so, we have bridged the gap between the mainstream and critical interpretive orientations by viewing EL as a process involving the influences of multi-level and inter-relating institutional and contextual forces, as well as the micro and individual-level interpretations of the individuals. Highlighting the agency of EL and ILs, the study indicates that there are no “elixir”, “best practice” or “ideal” ethical leaders (see 7.6).

Finally, our study provides a renewed conceptualisation of EL which supports Zilber (2016), defining it as both a micro and macro institutional process in which leaders interpret their embedded and inhabited ILs subjected to their associated phenomena, mediated by their personal ethical reference. As mentioned in the Literature Review (Chapter 2), the conceptualisation of EL is deontologically rooted in compliance with normative standards, and also overlaps in its moral aspects with other leadership constructs such as authentic and servant leadership (Lemoine et al. 2019). Continuously adding new constructs to the concept of EL, results in more fragmented research.

Therefore, this study contributes to the EL literature by showing it as an institutional process in which individuals negotiate, question, and reinterpret their associated ILs in their perceptions of EL and ethical practices. The ILs are also socially constructed due to geographical, historical, social, political and economic differences.

8.1.2 Methodological and Empirical Contributions

Although studies based on institutional orientation have emerged to acknowledge the influences of institutional factors in the representations of EL, they have normally identified certain "ideal" ILs as pre-determined and causal–structural constructs to explain ethical behaviours. First, these studies do not go beyond explaining the micro-individual level and interpretations of multi-level and inter-relating ILs in the perceptions of EL. By introducing the IL perspective, in particular their microfoundations, this study provides a holistic and nuanced framework to understand EL. As indicated in Chapter 3 (theoretical frameworks), we have critically demonstrated the values of ILs in facilitating a deeper comprehension of EL in a multi-level, inter-relating and micro-process of institutional analysis. Supported by a thorough methodological review in Chapter 5 (section 5.8.2), it has been argued that using the "national cultural dimensions" based on the GLOBE project is insufficient for understanding the complexities of EL. In line with other research on the institutional perspective using qualitative methods in investigating EL, this study has been able to provide a hybrid data analysis approach in qualitatively capturing ILs and exploring EL. This approach was informed by exploratory qualitative data analysis, combining Clarke et al.'s (2015) TA six-phase step-by-step approach and Miles and Huberman's (1994) three-step approach (data reduction, data display and drawing and verifying conclusions), supported by Reay and Jones' (2016) pattern inducing technique.

Second, the study adds empirical contributions to the understanding of micro-level ILs and social-constructionist dynamics, which have been ignored by mainstream research into ILs (Zilber 2016). We were able to achieve this by exploring the microfoundations of ILs. This therefore advanced micro- and individual-level understanding of EL and ILs. We have responded to the call by scholars to investigate how the macro- and meso-levels of institutional forces are reinterpreted at the micro- and individual-levels (Lok 2010; Lounsbury 2008).

Furthermore, the study provides empirical evidence to improve the critical interpretive orientation and to go beyond the emotion and affection of EL, taking into consideration the influences of ILs and individual interpretations. To the best of our knowledge, this study is among the first to explore an institutional perspective on the understanding of EL in Vietnam, so currently remains an underdeveloped field of research. For instance, two studies on EL in Vietnam have been conducted, by Khuong and Nhu (2015) and Khuong and Quoc (2016); however, these simply adopt the ELS and quantitatively measure EL in its relationship with other constructs, such as organisational culture and employee performance. This study therefore provides an understanding of EL by Vietnamese managerial leaders working in MNC subsidiaries in Vietnam, as well as its underlying "ideal type" institutions and inhabited institutions. The lens of ILs in exploring EL allows in-depth comprehension of the institutional process of EL in the Global South such as Vietnam, where there is a distinct culture, history, education and ethical religious-philosophical ideology, such as the Three Teachings (Confucianism, Taoism and Buddhism).

8.1.3 Managerial Implications

The knowledge and empirical findings developed in this study contribute important managerial implications for leadership and management, in particular EL. First, insights into EL in Vietnam and the real ethical dilemmas that the Vietnamese managers face allow MNC subsidiaries in the country to have an in-depth understanding of the challenges and obstacles that stymie ethical practices. By understanding the micro and individual levels of EL and the interpretation of ILs, this study has been able to provide a deep analysis of how EL is perceived in Vietnam, hence assisting MNC subsidiaries to devise adaptation of related local and indigenous strategies. For instance, subsidiaries simply follow CoCs and international standards but are unaware of the procedure for sharing costs with SMEs, who otherwise have to deal with workers' salaries and their low standard of living (Tran and Jeppesen 2016). Therefore, MNC subsidiaries can *"juggle local-global demands on their managerial practices and engage in continuous negotiations with their headquarters"* (Minbaeva et al. 2021, p. 2). In other words, culturally adapted guidelines and policies on ethical customs must be considered (Robertson et al. 2002). We recommend that MNCs and other international business entities develop insights into what constitutes ethical perceptions and behaviours from a Vietnamese IL perspective and how this translates into managerial EL. This will help to promote greater ethical treatment of workers in Vietnam (particularly those working for, or contracted to, MNCs).

Second, the study will assist managers working in a multinational setting to understand their confrontations with multiple ILs, including competing and complementary ones. Situated within a complex institutional context such as Vietnam, the study will help managers, as well as management boards, in MNCs to understand the importance of

articulating appropriate global management practices that meet the ethical perceptions of the Vietnamese people, thus reducing conflicts with locals. As indicated in the findings (Chapter 6) and the discussion (Chapter 7), we have aimed to reveal that what is perceived as ethical in the Global North and the global context does not mean it is ethical in Vietnam. According to Braga et al. (2021), there are no ethical best practices that can be applied universally. Our findings revealed the conflicts in labour compliance and environmental sustainability and the challenges of ethics during the Covid-19 pandemic in Vietnam. We therefore offer a comprehensive model of the institutional process of EL, assisting organisations to understand how individuals evaluate ILs in their perceptions of EL. This will subsequently help organisations to know what to do and when it is the right time to support their managers. The process model can also be a valuable tool for managers themselves to actively reflect on their EL practices and self-evaluate their performance. The model can assist to unpack and bring to the surface the institutional complexities, challenges, and contradictions that Vietnamese managers working in MNC subsidiaries face, so that it is more explicit and visible to understand the underlying interpretation mechanisms of individuals. By doing so, our study will allow practitioners to understand the multiple ILs and the kinds of the cultural toolkit that Vietnamese managers adopt, socially construct and reinterpret in their perceptions of EL and ethical decision-making. The model offers a more in-depth understanding of EL in MNC subsidiaries in the Global South, which to date has received little attention. In addition, Banks et al. (2021) encourage more ethical discussions between leaders and followers. In a similar vein, organisations can also arrange such discussions for Vietnamese managers internally, as well as externally with others around the world and from headquarters to share and reflect on their EL experiences and decision-making. This will facilitate further understanding of

the institutional complexities in solving EL dilemmas and paradoxes, thus triggering more appropriate but also creative solutions.

Third, the study has provided an in-depth investigation of the broader Vietnamese institutional context, whose cultural and historical characteristics remain unique and divergent from other neighbouring countries. For example, although Vietnam is a Southeast-Asian country sharing Eastern cultural values such as Confucianism, Taoism and Buddhism, it has no official religion and the ethical philosophies of the Three Teachings are deeply embedded in the day-to-day life of the Vietnamese people, so they no longer perceive them as regulative or structural forces. This implies that any information about Vietnam must be qualified. In doing so, practitioners need to understand the unique indigenous values which exist at the micro-level of individual behaviours and ILs.

Finally, as indicated in the findings (section 6.2), the concept of EL in the perception of Vietnamese managers appears awkward, "alien" and lacks a close, equivalent translation from English into Vietnamese. Similar studies have demonstrated that some western concepts such as CSR are usually viewed as alien when introduced into developing countries such as Vietnam (Tran and Jeppesen 2016). Therefore, local words and phrases should be used for EL to suit the institutional context. For example, EL could be called *hợp tình hợp lý* (with reason and with sentiment) or *có tâm* leadership to suit the "way of living" logic, apolitical logic and the logic of *tâm*. EL is a generic term that should be reinterpreted and locally readdressed and renamed subject to geographic differences, as local words can capture their true meaning. A reappraisal of EL concerning indigenous

values would reflect the current institutional context in Vietnam, where morality is relative and pragmatic (Nguyen 2016).

8.1.4 Public Policy Implications

Studying CSR practices in SMEs, Tran and Jeppesen (2016) found gaps between institutions which lead to ethical dilemmas for managers. Similarly, the findings of this study indicate a gap between institutions in Vietnam, including ones between formal and informal institutions and ones within each institution. We have emphasised the role that Vietnamese institutions and organisational governance play in the thinking and behaviour of Vietnamese managerial leaders. Besley and Persson (2011) argue that strong institutions are what enable countries to prosper. They recommend that conducting ethical practices in government and private organisations is one way to strengthen a country's institutions. Therefore, from a broader perspective, this study suggests that more governmental actions should be taken to strengthen weak institutions and nurture strong ones to promote organisational governance and reduce ethical complexities for organisations.

The government needs to adjust labour policy to reduce the gaps between Vietnamese law and international standards regarding OT; however, it should be suitable for the Vietnamese institutional context. For instance, OT has become more prevalent during the Covid-19 pandemic. On March 23, 2022, the National Assembly Standing Committee approved a short-term Resolution until the end of the year to increase the OT cap from 40 to 60 hours a month, with an increased annual limit from 200 to 300 hours (Hoang-Thuy 2022). This was explained as a post-pandemic recovery strategy, as severe staff shortages have caused operational disruptions. What drives workers' demand for OT, which has been

supported by the findings of this study and by the article by Le (2022b) in the Thanh Nien newspaper entitled *Overtime is fun?*, is that the basic salary is not enough to live on. Workers have no choice but to work OT and they no longer have time to take care of their private life. If workers are exhausted, this will negatively influence their productivity, a fact emphasised by many of the study participants. Therefore, the Vietnamese government must see the increase in OT as only a temporary solution, for example in high-demand seasons.

At the same time, the government should increase the basic salary with evidence-based consideration. The adjustment of the minimum wage needs to be balanced with the participation of worker representatives (i.e., the VGCL) and businesses through effective communication (Le 2022a). This would help to avoid misunderstandings and tension, thereby maintaining and strengthening harmonious labour relations in the enterprise as well as social stability. There must be more specific regulations on the implementation of rights and policies, as well as the responsibilities of enterprises towards employees with regard to OT (Nguyen 2022). For example, employees must be given health insurance (e.g., periodical health check-ups) and toxic compensation packages that are close to the international level. Some industries, such as textiles, clothing, leather and footwear, should no longer rely on cheap labour (Le-Tuyet 2022a).

In addition, the participants mentioned that to date environmental regulations only exist on paper, creating bureaucracy and complexity for managers without in fact dealing with the practical aspect of protecting the environment. Therefore, actual monitoring and follow-up actions should be taken to assess the compliance of the enterprise with

environmental protection so that timely measures and interventions can be made as soon as possible.

8.2 Limitations and Future Recommendations

We acknowledge some limitations in the study, despite the theoretical, methodological and empirical contributions, and managerial implications. To address these limitations, we accordingly offer recommendations for future research.

First, this study focuses on MNC subsidiaries in the manufacturing sector as the main field and organisational context. This is due to the increasing interest from MNCs in EL and ethical practices in the Global South such as Vietnam. In addition, Vietnam's weak institutions and poor organisational governance have led many workers to suffer ill-treatment due to the lack of labour market regulations protecting their rights (Cox 2016; Schmillen and Packard 2016; Steer and Sen 2010; Tran et al. 2009). Although the understanding of EL in this context offers comprehension of Vietnamese institutions, the broader context and EL interpretation schemes, there is potential for examining other kinds of organisations and industries. For example, research indicates ethical practice concerns in other sectors such as banking (Knights and O'Leary 2005); HRM (Braga et al. 2021); and marketing (Van Quaquebeke et al. 2019). SMEs could also be an interesting organisational context within which to investigate EL, as it is one of the most popular business systems in Vietnam that deals directly with workers who are contracted to MNCs (Tran and Jeppesen 2016; Truong 2013). Heres and Lasthuizen (2012) agree there are differences in EL between the private, public and hybrid sectors. Therefore, future research could investigate these fields to explore how EL is perceived and practised in them, and how different ILs are embedded, inhabited and enacted in individuals.

Second, the research was conducted in a singular country, Vietnam. Therefore, similar to Banks et al. (2021), we recommend that future empirical studies could generalise and compare the demonstration of EL to other cultures and Global South countries. We believe the theoretical contributions of this study on EL and IL perspectives could be applied in other cultural contexts. The ILs lens of EL will enable in-depth and nuanced insights into the multiple ILs and institutional complexities embedded and confronted by managerial leaders in other cultures. In addition, the sample population in this study only focused on Vietnamese managerial leaders, such as front-line managers, senior managers and directors of departments. Future research could include other cohorts, such as government members, MNC suppliers and contractors.

Third, we are aware of the language employed for the empirical data because it is the communication tool for humans to construct meaning (Willig 2012). The translational issue raised certain limitations, as the words "ethical" and "moral" in Vietnamese have the same meaning. Translating interview data back and forth between Vietnamese and English was complex due to English incompatibility. However, the researcher minimised this limitation by conducting data familiarisation (see 5.8.3), validation strategy (see 5.9.1), and consistency/trustworthiness (see 5.9.2). In addition, the interview data and their translations were checked and verified by both professionals and Vietnamese academics fluent in English. Language can be one limitation; it is however an important IL that scholars could focus on in future studies on EL. This study has proposed that organisations could use other terms for EL such as *hợp tình hợp lý* leadership and *có tâm* leadership, as well explaining as how the logic of *tâm* represents the "heart" metaphor and the ethical perceptions of Vietnamese managers. Some studies have been aware of language and

metaphors in the understanding of leadership; for instance, poetry and poetic metaphors in understanding ethics in organisations (Van Buskirk et al. 2015). Although we acknowledge the value of metaphors in understanding EL, such as the rich conceptual etymology of *tâm*, we have not gone into detail on this aspect from a dialectic perspective. Therefore, we recommend a closer look at language and metaphors in the understanding of ILs and EL.

Fourth, we adopted the microfoundations of ILs as a general frame to interpret the findings. We also discussed other IL schools, such as institutional complexity (Greenwood et al. 2011; Waeger and Weber 2019) and institutional entrepreneurship (Greenwood and Suddaby 2006; Tracey et al. 2011). We believe future research could be more specific in choosing certain IL lenses, such as institutional work (Lawrence et al. 2011) or institutional change (Bévort and Suddaby 2016). There is potential to understand EL from a longitudinal development in real-life contexts (Gümüsay et al. 2019; Ko et al. 2017).

Finally, this study was conducted during the Covid-19 pandemic. The researcher had to conduct the interviews online instead of following the initial plan to hold these in-person, due to the social distancing rules in Vietnam and around the world, University of Kent policies, and the health of the participants. As discussed in section 5.7.4, online interviews can lack certain body language and interactions, but in this case, provided advantages because of the pandemic. Therefore, we suggest other scholars make contingency plans for data collection to cope with unpredicted situations, especially in ethnographic research, which normally requires physical contact.

8.3 Concluding Remarks

Despite the limitations discussed in section 8.2, we believe this research is timely in understanding EL through the more holistic and nuanced lens of ILs, in particular the microfoundations of ILs. The research advances the socially constructed insights of EL, which to date have relied on the application of universal ethical characteristics for leaders to display ethical behaviours and act as role models. We have connected the literature on EL with an institutional perspective, thus extending (1) the EL literature to the sociological approach (i.e., political, social, and economic) and (2) the IL literature to the international business setting, thereby offering in-depth understanding of how individuals interpret and react to different interplays of ILs when facing ethical complexities.

Although the thesis was conducted during the Covid-19 pandemic, the researcher was able to overcome some of the challenges in the data collection. The findings are also relevant for scholars and practitioners to understand what ethical dilemmas managers confront in their organisations. This will enable more research and accelerate the need for contingency plans, ethical considerations and support for employees in the event of crises.

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Appendices

Appendix 1: Ethics Approval

KBSE 1607 - KBS REAG Ethical Approval to PI

KBS Ethics Admin <kbsethicsadmin@kent.ac.uk>
Mon 17/08/2020 14:20
To: Joseph Amankwah-Amoah <J.Amankwah-Amoah@kent.ac.uk>
Cc: Truc Nguyen <thn5@kent.ac.uk>

Dear Joseph

Re: KBS REAG Decision

KBSE No: 1607

Project Title: Ethical Leadership in Multinational Companies in Vietnam

Date amended application Received: 14/08/2020

I am pleased to advise the above mentioned research project for Phase 1 of the proposed data collection has been granted ethical approval.

May I take this opportunity to remind you that any significant change in the question, design or conduct over the course of the research should be notified to myself and may require a new application for ethical approval.

Kind regards

Dr Adolf Acquaye | Reader in Sustainability and Chair of the Research Ethics Committee
Kent Business School, University of Kent, Room 310, Sibson Building, Canterbury, Kent, CT2 7FS, UK
Tel: +44 (0)1227 827710

WEB PROFILE: www.kent.ac.uk/kbs/our-staff/profiles/acquaye_adolf.html

PUBLICATION: Google Scholar Link

Appendix 2: Participant Information Sheet

PARTICIPANT INFORMATION SHEET

Dear Sir or Madam

Thank you for taking part in this interview. This project has been approved by the University of Kent's Human Research Ethics Committee. The purpose of this study is to get a deeper understanding of perceptions and institutional logics of ethical leadership in Vietnamese managerial leaders working in MNCs' subsidiaries in Vietnam. Ethical leaders are perceived as a moral person who possesses certain moral characteristics and virtue such as fairness, justice, caring and altruism, and as a moral manager who acts as a role model and communicates ethical values to their subordinates through using adequate rewards and regulations.

This interview is expected to last about 45-60 minutes. The interview is voluntary and the information you provide would be treated as strictly confidential. For purposes of data analysis, I intend to record this interview, but please do inform me if you disagree with this. You may ask for any sensitive remarks to be withdrawn from the record and may withhold any information regarded as sensitive in nature. You are, of course, under no obligation to take part in this research, and may withdraw at any point.

The researcher intends to disseminate the findings of this interview through publication in academic journals, conferences, and PhD dissertation. Your identity will be kept confidential and anonymous.

If you have any further questions with regard to this interview, please contact me as the project leader (thn5@kent.ac.uk) or my supervisor:

Professor Joseph Amankwah-Amoah

j.amankwah-amoah@kent.ac.uk

Appendix 3: Interview Questions

1. **Questionnaire checklist**

- Gender:

  □ Male □ Female □ Prefer not to say

- Age:

  □ 18 – 30 □ > 30 – 50 □ > 50

- Religion: _____ / Prefer not to say

2. **Semi-structured interview questions**

Background questions

- Education (major, expertise)
- Have you lived or studied abroad? How many years? Where?
- Which sectors have you worked in? (e.g., public or private sector)?
- What kinds of leadership training courses have you taken? Where did you take it? (Online courses, university, company training, etc)
- Please describe your current job (years of experience, department, position)
- As a leader, what are your goals at work?
- Can you describe your ethical values at work and in life? Where do you think have these values derived from? Why are there similarities/differences in ethical values at work and life?

The 'moral person' aspect of ethical leadership (characteristics, personality)

1. Have you ever heard of the concept of ethical leadership?
2. How do you perceive ethical leadership? Is it important to perform ethical leadership and what motivate you to do so and why? (As a manager in an MNC subsidiary, how is EL performed and reflected in your organisation?)
3. What characteristics and personality should an ethical leader have (in their personal and professional life)? Where do these come from (education, family, moral philosophies, religion, work/life experiences, Vietnamese cultural values…, etc)?

The ‘moral manager’ aspect of ethical leadership (communication of ethical values, role model)

4. Is it important/necessary to become an ethical role model as a leader? Why?
5. Can you describe (give an example) an ideal ethical leader that you want to learn from? Which is easy to follow, and which is difficult to follow? Why?
6. In what ways do you communicate these (characteristics & behaviours) to your subordinates? Why are you doing so? Could you give specific examples?

Relationship of ethical leadership

7. What are the effects of ethical leadership on employees and the entire organisation?
8. What are the advantages and disadvantages of ethical leadership? Why do you think so?
9. Do you think ethical leadership is just about the dyadic relationship between leaders and subordinates? Or what else? Could you explain this (give examples)?
10. Has your perception of ethical leadership changed during your work and life experiences (e.g., organisation’s policies/codes of conduct, junior/senior position, education, life incidents)? What are the reasons behind that?

Measurement of ethical leadership

11. How do you measure your ethical leadership? (reactions/evaluations from subordinates, rewards from the organisation, the success of your work, etc)

Implementation of ethical leadership

12. When facing ethical dilemmas (struggling to balance ethical practices), which are the things you prioritise to make the final decision? Why?
    a. Have you ever faced a situation that goes against your ethical values? Why?
    b. What are the things you can control? What are the things that are out of your control? Why?
13. How difficult or easy is it to perform ethical leadership in practice compared with ethical leadership in theory? Where are these difficulties from (global, societal,

institutional level, organizational level or managerial level or a combination)? Can you give a specific example?

Institutional factors of ethical leadership

14. How do factors from the institutional environment influence (positive & negative ways) your implementation of ethical leadership/practices? In particular:
    Industry and market pressure (trade union, international practices, competition, CSR, sustainability, corporate environmental ethics). E.g.:
    - What are the current sustainability, corporate environmental ethics and CSR face in this industry?
    - How do you as a leader handle and manage it within your organisation?

    Government rules/policies (labour law, environmental regulations, safety). E.g.:
    - What does the Vietnamese government expect from businesses on environmental issues and how do you try to meet them?

    Organisations policies (quality control, organisational culture, board of management, headquarter). E.g.:
    - What requirements are from headquarters? How do you adapt to local regulations/practices?
    - What are the expectations from the stakeholders (customers, workers, community, etc)?

    Vietnamese cultural beliefs and values (harmony, losing face, loyalty, collectivism, etc)
15. Which above factors are the most dominant ones? How do they influence the other factors? Is there a contradiction? How do you respond, negotiate and comply with these pressures?

Covid 19

16. In the difficult time of Covid 19, how have you been able to practice ethical leadership? Why do you act like this? (Pressure from the government, company regulations or yourself)

Concluding questions

17. Do you have any questions regarding the interview?
18. Is there anything you would like to add on the topic of ethical leadership?