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Everyday ethical decisions in business – A structure and agency perspective

Corinne Fenech ^{*} , Thomas Anker , Sabina Keston-Siebert 

Glasgow Caledonian University, Cowcaddens Road, G4 0BA, UK

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ABSTRACT

This study explores how everyday ethical decisions in business emerge through the interplay of individual agency and organisational structures. Drawing on structuration theory and descriptive ethics, we argue that ethical decision-making is neither solely a matter of personal cognition nor entirely determined by structural norms. Using qualitative data from interviews across diverse industries, we conceptualise ethical practice as a dynamic process situated within a *field of possibility* defined by two dimensions: *ethical agency* and *structural influence*. Our findings reveal four relational configurations of ethical agency and identify a spectrum, spanning free ethical agency to constrained ethical agency, where ethical engagement is most productive. We introduce the concept of a *dynamic ethical equilibrium* to explain how decision-makers sustain ethical awareness under structural pressures. This relational perspective advances theory by integrating micro-, meso-, and macro-level influences, offering a nuanced lens for understanding and fostering ethical behaviour in organisational contexts.

1. Introduction

Ethical decision-making in organisations is commonly examined through frameworks that privilege either individual-level determinants or structural constraints. For example, descriptive ethics emphasises the subjective, emotional and cognitive processes through which individuals exercise agency when they act upon ethical issues (Craft & Shannon, 2025). By contrast, institutional theory, a major theoretical framework in organisational studies (Scott, 2013), highlights how organisational rules, norms and cultural expectations structure decision-making and action (Haack et al., 2020). Although each tradition offers valuable insight, they generate partial and often incompatible explanations: descriptive ethics predicts variation in ethical behaviour among individuals who face the same organisational conditions, whereas institutional theory predicts behavioural uniformity under shared structural influences.

However, ethical practice differs. Decision-makers in organisations rarely experience ethical decisions as either purely subjective or entirely structurally determined. Everyday organisational life is characterised by ambiguity, competing expectations and evolving interpretations of what is ethically correct or appropriate. Ethical decision-making is therefore not a binary judgement of right or wrong but a *dialectic process* in which individuals continually assess and negotiate their values in relation to organisational expectations. This observation gives rise to the fundamental question we explore in this study: how do individual agency and

structural influence jointly shape the ethical choices decision-makers make in the course of their everyday work?

Empirical insights derived from qualitative accounts of decision-makers across diverse industries highlight the influence of environmental conditions, the role of individual agency, and their dynamic interplay shaping ethical decision-making. These findings underpin our theorising, demonstrating that ethical decisions do not arise solely from individual agency or institutional norms, but from their relational interaction. Our theoretical contribution is to conceptualise everyday ethical decision-making as unfolding within a *field of possibility* defined by two dialectic dimensions: the degree of *ethical agency* an individual brings to a situation and the degree of *structural influence* that surrounds it. We model this interplay through a relational 2×2 matrix that identifies four distinct configurations of ethical agency. Building on this conceptualisation, we show that the most productive terrain for ethical practice lies not in any single configuration but in the *spectrum of engagement* that spans situations of free ethical agency and constrained ethical agency. This spectrum captures the conditions under which decision-makers are both morally attuned and organisationally embedded in ways that render ethical issues visible, negotiable and actionable.

In doing so, the paper advances a relational theory of everyday ethical agency that integrates individual subjectivity with organisational structuration, offering a more complete and empirically grounded explanation of how ethical decisions are made in organisational contexts.

^{*} Corresponding author. Glasgow Caledonian University, Glasgow School for Business and Society (GSBS), Cowcaddens Road, G4 0BA, UK.

E-mail addresses: corinne.fenech@gcu.ac.uk (C. Fenech), thomas.anker@stir.ac.uk (T. Anker), sabina.siebert@glasgow.ac.uk (S. Keston-Siebert).

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2. Overview of literature

2.1. Structural influence

While the scholarly discourse on ethical decision-making predominantly focuses on individuals (Craft, 2013; Craft & Shannon, 2025; Newman et al., 2020), institutional theory tends to focus on the meso- and macro-environment as the basis of institutions (Haack et al., 2020). In practice it is a mutually constitutive relationship whereby individuals are influenced by institutions and, in turn they shape institutions through institutional work (Lawrence et al., 2009). Due to the lack of consensus on what constitutes an institution, we adopt Giddens' (1984) definition, interpreting institutions as stable structures of rules and resources. The macro-, meso- and micro-environments are not to be interpreted simply as hierarchical layers. Instead they can be more effectively described as different lenses, time-based dimensions and influences that shape activity (Steele & Hannigan, 2020).

At the macro-level, individuals and organisations are embedded within prevailing societal rules and norms (Gonin et al., 2012). The macro-environment which may include the national culture, legislative frameworks, religion, industry, and specific regulations exerts significant pressure on both the meso-environment (Scott, 2013) and the micro-environment (Battilana & D'Aunno, 2009). Wu et al. (2023) also emphasise the importance of developing a deeper understanding of how non-market institutions, such as family, community, religion and country influence organisations and individuals. A better understanding of the macro-environment has potential to contribute to descriptive ethics (Gonin et al., 2012; Newman et al., 2020), and institutional theory offers significant explanatory power in this regard.

Interpreting institutions as sets of lenses (Steele & Hannigan, 2020), the organisation within which the individual operates often lies at the meso-level (Battilana & D'Aunno, 2009). The individual's interpretation of institutions (Giddens, 1984), impacts ethical awareness (Jones, 1991). Organisations shape behaviour through regulative, normative and cultural-cognitive elements (Scott, 2013). The regulative element refers to formal systems of documented, monitored, and sanctioned rules (Tenbrunsel et al., 2003), including codes of conduct whose efficacy remains contested and may provoke adverse effects (Pater & Van Gils, 2003). The regulative element also includes ethics training (Kavathatzopoulos, 1994), opportunities to speak (Walumbwa & Schaubroeck, 2009), investigations and related sanctions (Kaptein, 2008). The normative element, associated with rights and responsibilities both restrains and empowers action (Giddens, 1984; Scott, 2013). It shapes ethical decision-making through organisational routines (Kump & Scholz, 2022), bureaucracy and automation (Bandura, 2002), specialisation (Gonin et al., 2012), targets, incentives and pay structures (Anand et al., 2005). The cultural-cognitive dimension involves collective meaning and shared culture (Scott, 2013), and the prevailing shared culture impacts ethical decision-making (Hiekkataipale & Lämsä, 2019; Kaptein, 2008). The use of language, for example through euphemisms (Farrow et al., 2021), metaphors (Bandura, 2002), negative labelling and technical jargon (Ashforth & Anand, 2003), may obscure or accentuate ethical content.

At the micro-environment level, individuals have the ability to think and engage in multiple institutions and as actors temporarily assuming institutional roles (Voronov & Weber, 2020). From a psychological perspective, by focusing on the individual, various authors have explored personality traits that affect decisions. These traits include self-identity (Lim et al., 2023), self-interest (De Cremer & Vandekerckhove, 2017), locus of control (Bandura, 1989; Detert et al., 2008), physical challenges, intellectual abilities (Bok, 1980), empathy (Detert

et al., 2008), education, experience (Gantman & Van Bavel, 2015), and personal values (Glynn & D'Aunno, 2023). Individuals often regard ethical conduct as integral to their identity (Kish-Gephart et al., 2010; Walumbwa & Schaubroeck, 2009). Role identity derives from the position occupied within an organisation (Voronov & Weber, 2020), comparable to an actor assuming a role with associated rights and duties (Giddens, 1984). As individuals navigate multiple roles across institutions, scholars including Ashforth (2001) contend they disengage from one before adopting another, often embracing values distinct from privately held ones (Anand et al., 2005).

In this article we draw on Giddens' (1984) structuration theory which inspired many scholars of institutions and on the literature on ethical decision-making, anchored on Jones (1991). Hence we acknowledge that decision-making is an interplay between individual agency and structural forces. Giddens (1984, p. 14) posits that "to be an agent is to be able to deploy (chronically, in the flow of daily life) a range of causal powers, including that of influencing those deployed by others." However, individuals can cause unintended consequences either by chance or by acting on behalf of others (Giddens, 1984). Despite the argument that ethical decision-making is largely intuitive, from a constructivist standpoint, individuals remain agents even when unaware of their decision-making processes (Lawrence et al., 2009). Structures and individuals interact through modalities. These encompass interpretive schemes, the capacity to exert power and the norms governing social lives (Giddens, 1984).

Giddens (1984, p. 174) introduced the concept of material constraints, referring to the physical limitations experienced in relation to the world describing them as "the constraining aspects of the body and its location in contexts of the material world" encompassing human capacities and features of the physical environment. However, structuration theory insufficiently addresses material constraints, particularly the uniqueness of circumstances (McPhee et al., 2013). In descriptive ethics literature significant emphasis is placed on elements comparable to Giddens' (1984) material constraints. These are particularly salient in Jones' (1991) concept of moral intensity, which underscores the importance of unique circumstances impeding ethical decisions (Palazzo et al., 2012).

Recent literature provides support for our choice of structuration theory in the study of ethical decision-making. For example Whittington (2025) contends that structuration theory offers a robust foundation for analysing micro-level actions whilst simultaneously situating them within a macro-level perspective. He advocates for its continued application in contemporary research, emphasising its capacity to connect with other domains of inquiry. Structuration theory, he argues, prevents micro-level research from becoming isolated or detached from broader environmental forces, whilst also highlighting the significance of individual actions within macro-level contexts. Whittington (2025) also highlights the positive orientation of structuration theory, particularly its support for human agency as playing a meaningful role within institutions. Englund et al. (2020) provide further support for the relevance of Giddens' (1984) structuration theory, framing it as both a conceptual foundation and methodological toolkit for the study of organisational behaviour. Edman and Stevens (2025) observe that business environments are increasingly recognised as complex, necessitating a stronger focus on agency and a multi-dimensional approach to institutional research.

2.2. Individual ethical decision-making

Building on contextual influences, we now examine how individuals navigate ethical dilemmas through cognitive and behavioural processes.

Ethical decision-making research remains anchored in Jones' (1991) issue contingent model, which following Rest (1986), depicts a linear sequence from moral recognition to judgement, intent and behaviour. While foundational, this may oversimplify the interpretative complexity of organisational life.

Recognising a moral issue requires interpreting cues and constructing a situational frame (De Cremer & Vandekerckhove, 2017). This process relies on mental schemas, which are knowledge structures guiding decisions (Gioia, 1992; Sonenshein, 2007), shaped by education and experience (Gantman & Van Bavel, 2015) and activated automatically in familiar contexts (Garrigan et al., 2018). Two rather narrow definitions of ethical awareness are by Reynolds (2006) who refers to it as the recognition of an ethical dilemma whilst Lim et al. (2023) refer to it as the awareness of consequences. However, decision-makers often fail to perceive ethical dilemmas (Jones, 1991; Palazzo et al., 2012), particularly in volatile environments (Demuijnck, 2015). Without clear values and corresponding schemas, recognition is unlikely (Blum, 1991), although work experience can improve awareness (Eweje & Brunton, 2010). Even with relevant schemas, individuals may overlook moral issues (Gioia, 1992; Palazzo et al., 2012). Knowing an ethical rule does not guarantee recognising its applicability (Blum, 1991). Such lapses manifest as 'ethical blindness' a temporary inability to recognise an ethical dilemma (Palazzo et al., 2012), and 'moral myopia'. Landy and Royzman (2018) describe moral myopia as the inability to consider a range of ethical perspectives, whilst Drumwright and Murphy (2004) interpret it as the ethical component not being considered central to a decision.

Upon recognising an ethical dilemma, individuals make an ethical judgement (Jones, 1991). Decisions may incorporate ethical considerations or disregard them (Tenbrunsel & Smith-Crowe, 2008). Traditional perspectives depict decision-making as rational discernment (Palazzo et al., 2012; Sonenshein, 2007). However, there is increasing agreement that ethical decision-making is predominantly intuitive rather than rational (De Cremer & Vandekerckhove, 2017; Kish-Gephart et al., 2010).

Following judgement, individuals establish moral intent, which shapes subsequent actions (Jones, 1991). However rationalisation techniques can distort perception, enabling unethical behaviour without cognitive dissonance (Lowell, 2012; Tenbrunsel & Messick, 2004). Through rationalisation, unethical choices are re-framed as well-intentioned (Bandura, 2002). Some authors contend that rationalisation is unconscious (Palazzo et al., 2012; Sonenshein, 2007), others contest this. However there is consensus that decision-makers remain unaware and self-deceiving (Bandura, 2002; Lowell, 2012; Sonenshein, 2007; Tenbrunsel & Messick, 2004). Such self-deception persists until individuals perceive themselves as dishonest (Mazar et al., 2008). Bandura (2002) terms this selective detachment from ethical principles 'moral disengagement'. Schaefer and Bouwmeester (2021) categorise moral disengagement mechanisms as either a reconstruction of morality to justify actions or reconstruction of agency to absolve responsibility.

The final stage entails moral behaviour, which may require individuals to overcome significant challenges (Jones, 1991). Leadership significantly influences ethical behaviour through guidance and role modelling (Brown et al., 2005). Making ethical decisions often requires resistance to pressures from the meso- and macro-environment (Bandura, 2002), which may involve reassessing relationships with authority (Jones, 1991) and personal sacrifice (Bandura, 2002). Literature, such as Milgram's (1963) work on obedience to authority, highlights that obedience stems from expectations that employees follow management directives (Lee Hamilton & Sanders, 1999). This can lead individuals to overlook their potential to shape their environment (Bandura, 1989) and not perceive themselves as agents (Jones, 1991). Fear may prevent individuals from perceiving a choice (Ashforth &

Anand, 2003), by constructing mental schemas that restrict perceived permissible choices (Lee Hamilton & Sanders, 1999). Knowingly acting against personal values leads to strong negative emotions including guilt, shame and anxiety (de Klerk, 2017). This aligns to the Festinger's (1962) concept of cognitive dissonance, which arises from holding inconsistent cognitions, especially when actions significantly deviate from personal values, without easy justifications. This often results in either rationalising the decision or pursuing alternative actions (Lowell, 2012). However decision-makers may encounter moral uncertainty, which happens when the individual recognises an ethical dilemma, yet is unsure of what constitutes an ethical decision (MacAskill et al., 2020).

2.3. Ethical outcomes as a product of agency-structure interplay

Ethical decision-making is often portrayed as a singular event culminating in moral behaviour (Jones, 1991). Yet this view obscures the dynamic relationship between individual agency and structural influence that shapes both immediate outcomes and their ripple effects across organisational and societal contexts. Decisions do not occur in isolation, but they are embedded within institutional arrangements that both enable and constrain action, while individuals simultaneously interpret, reproduce and occasionally transform these structures (Giddens, 1984).

Scholars such as de Klerk (2017), Lowell (2012) and Palazzo et al. (2012) note that individuals may later reassess and amend unethical actions illustrating the reflexive capacity of agency even under structural constraint. Zimbardo's (2007) reflection on the Stanford Prison Experiment underscores this point as a "powerful jolt of reality" that prompted recognition of previously unexamined behaviour. However, when rationalisations persist, small acts can escalate and become routinised eroding ethical salience (Ashforth & Anand, 2003). Once embedded in organisational processes, these practices are normalised (Kump & Scholz, 2022), rendering individuals complicit despite personal disapproval (Ashforth & Anand, 2003). Fleming et al. (2022) argue that what becomes normalised is not the act itself but the tolerance to unethicity. This is a subtle yet a critical distinction.

This normalisation process exemplifies the agency-structure dialectic: structural influences combined with individual agency that amplify unethicity. Such dynamics extend beyond the meso-level, diffusing into macro-level norms (Gonin et al., 2012) and producing institutional isomorphism (DiMaggio & Powell, 2000). Ultimately, institutional change emerges through the cumulative effect of individual and collective actions operating across multiple environments (Wu et al., 2023). As Bok (1980) observes, even societies can collectively rationalise unethical practices. This demonstrates that ethical erosion is not merely an individual failure, but a systemic phenomenon sustained by the interplay of agency and structure.

3. Methodology

Engaging with decision-makers across diverse organisations offered unique insights into the cognitions and emotions, and their absence, in business decision-making. Our literature review enabled us to construct a preliminary framework, distinguishing between environmental factors, the decision-making process and effects on future decisions. While scholarly debate questions whether individuals corrupt institutions or vice-versa, this framework suggested more complex interactions. This led us to adopt an interactionist approach, following Treviño (1986), Sonenshein (2007) and Jones (1991), viewing decision-making as shaped by both individuals and their environment. We also examined existing research methods, noting a dominance of quantitative studies using vignettes, experiments, and student surveys, alongside qualitative approaches such as report analysis, self-ethnography and interviews.

3.1. Data sources

Taking an interpretivist stance, we centred our research on practitioners' perspectives, interpreting their words to highlight often-overlooked cognitions and emotions. Following [Campbell and Cowton \(2015\)](#), we used qualitative methods to gather rich data, conducting semi-structured interviews guided by the preliminary framework and focused on organisational, situational, and individual factors. Participants were invited to interpret what ethical decisions mean to them. A significant challenge in discussing ethical decision-making is distinguishing between individual and societal values. Some authors like [De Cremer and Vandekerckhove \(2017\)](#), discuss individuals acting against societal values, while others, like [Palazzo et al. \(2012\)](#), focus on personal values. We adopted a non-normative approach, aligning with participants' views. To ensure rigour, we compared participants' interpretations with [Schwartz's \(2005\)](#) six universal ethical values for organisations, during data analysis. Participants shared lived examples, both personal and observed. The researcher clarified objectives, facilitated discussions, and analysed data in line with interpretivist principles.

The sampling strategy was set following [Saunders et al. \(2019, p. 316\)](#) sampling flowchart. Given the exploratory nature of the study and the need for diverse perspectives, heterogeneous purposive sampling strategy was adopted. Heterogeneous sampling relies on informed judgement to select participants who offer maximum variation in the data ([Saunders et al., 2019](#)). Respondents were selected to represent a range of professions, hierarchical levels, and industries. Of the thirty-one invitations sent, twenty-four resulted in completed interviews as summarised in [Table 1](#).

A preliminary interview with an HR professional helped refine our questions. Participants were encouraged to be candid and could skip any question. Four interviews were held online and twenty in-person, following COVID-19 guidelines. Although we initially considered grounded theory, the pandemic made it impractical. To manage lockdowns, we conducted, translated, and transcribed interviews in small batches, making use of relaxed summer restrictions. Theoretical saturation was achieved by the nineteenth interview, at which point all new data could be accommodated within the existing coding framework. To confirm this saturation, an additional five interviews were conducted, and the data from these also aligned with the previously established

codes. We maintained a diary to track interactions and the evolving analysis strategy. Interviewing and analysis quality were regularly reviewed with co-authors and colleagues.

3.2. Data analysis

We used NVivo 12 for data storage and manual coding, choosing immersion over automated analysis. Two analytical approaches were adopted: first, open coding following [Gioia et al.'s \(2013\)](#) methodology and second an analysis of stories as one unit of analysis in line with [Flick \(2014\)](#). Adopting [Gioia et al.'s \(2013\)](#) methodology as illustrated in [Fig. 1](#), first-order coding was initially developed by the lead author and subsequently refined and validated through collaborative discussions with co-authors. These codes were derived through recurrent themes and in-vivo expressions. First order concepts were then synthesised into second-order themes, which were subsequently refined into aggregate dimensions ([Gioia et al., 2013](#)). Second-order coding and the formulation of aggregate dimensions were critically reviewed, reshaped, and confirmed through peer feedback. The terminology of institutional theory informed the labelling of these dimensions, as shown in [Fig. 1](#), while their interpretation drew on a structuration theory lens ([Giddens, 1984](#)), as presented in the Findings and Synthesis with Literature sections. At the first-order concept stage, we deliberately departed from existing frameworks, adopting a 'wilful suspension of belief concerning previous theorising' ([Gehman et al., 2018, p. 291](#)). Building on open coding and employing an abductive approach, second-order themes were developed through a search for an appropriate theoretical lens. Structuration theory ([Giddens, 1984](#)) was selected, as these findings reflected a dynamic interplay between agentic and institutional forces.

Given the richness of narrative data, we applied an additional method to analyse the eighty-two participant stories, treating each as a unit of analysis ([Flick, 2014](#)). A decision-tree as depicted in [Fig. 2](#) was constructed to guide analysis. In line with our research scope we excluded stories lacking an ethical component guided by [Schwartz \(2005\)](#) ($n = 9$) and those without explicit decision-making criteria ($n = 3$). The remaining stories ($n = 70$) were categorised based on whether the decision taken mirrored the environmental push and the level of awareness demonstrated. Stories categorised as partial ethical unawareness were further analysed based on the justifications provided, as described in the findings.

Table 1
Participant sample spread.

Participant	Industry	Departmental focus	Hierarchy level
1	Software/IT	Customer experience	Middle management
2	Higher education	Lecturing	Middle management
3	Tourism	HR	Higher management
4	NGO	General management	Higher management
5	Telecoms	Marketing	Middle management
6 and 6a	Machinery import	General management	Ownership
7	Financial sector	Sales	Middle management
8	Uniformed services	Internal audit	Middle management
9	Tourism	Director	Higher management
10	Tourism	Software development	Middle management
11	Telecoms	CEO and Director	Higher management
12	Uniformed services	Marketing	Middle management
13	Software/IT	Software development	Entry level
14	Business consulting	Sales	Higher management
15	Higher education	Administration	Entry level
16	Construction	General management	Ownership
17	Beauty	Sales	Entry level
18	Marketing	General management	Ownership
19	Higher education	Lecturing	Middle management
20	Water services	HR	Middle management
21	Local council	Customer experience	Middle management
22	Software/IT	Sales	Higher management
23	Entertainment	General management	Ownership
24	Uniformed services	Operations (Fire-fighting)	Entry level

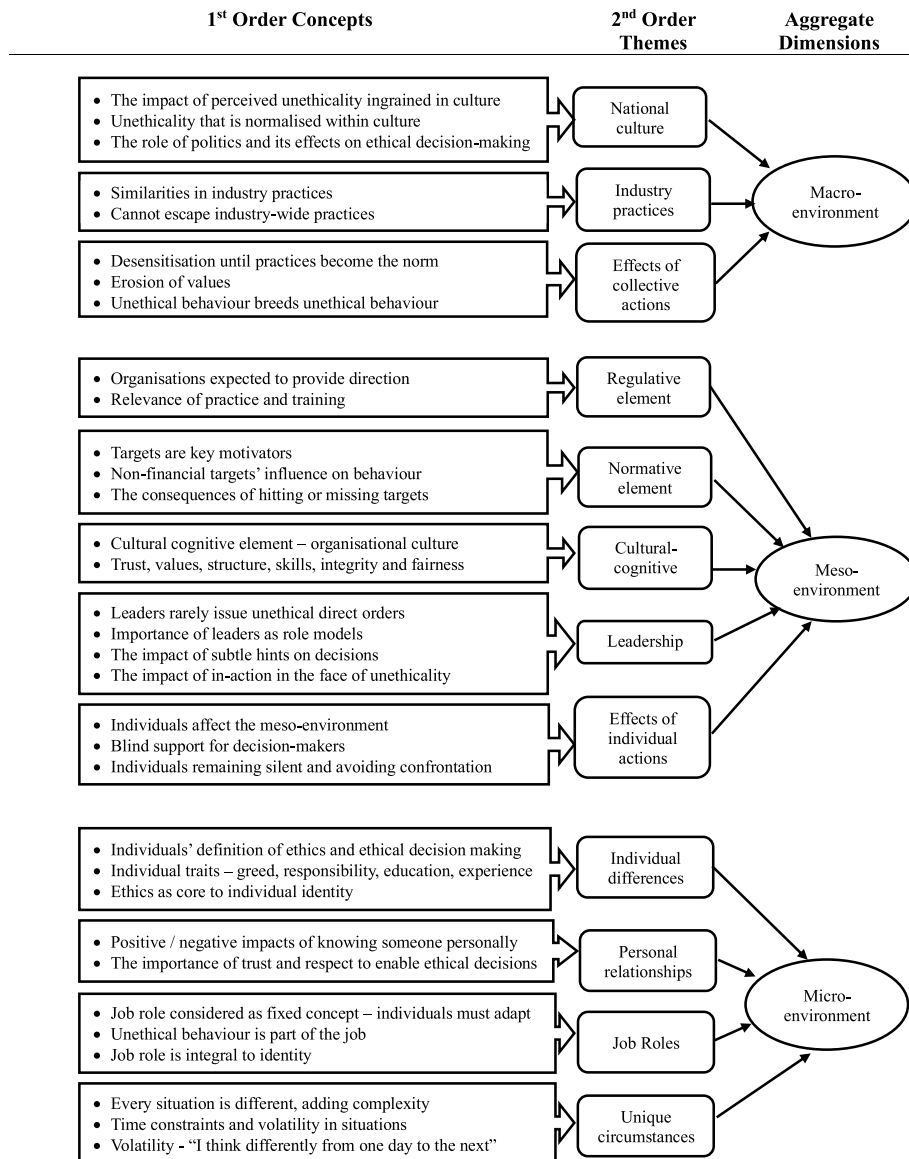


Fig. 1. Research data structure.

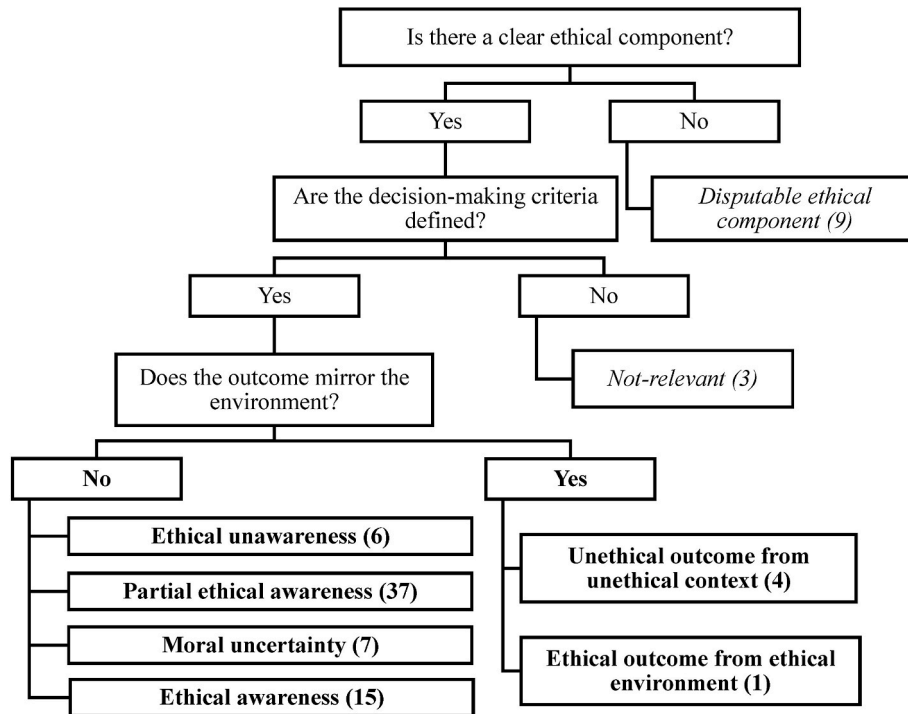


Fig. 2. Decision tree - categorisation of stories

Legend: Normal font – categorisation criteria; *Italics* – will not be explored further; **Bold** – will be explored further.

4. Findings and synthesis with literature

4.1. Structural influence

Macro-level structures relative to the individual were prominent in our findings, with national culture and industry practices being most influential. Discussing national culture, most participants were critical of the local culture but also provided other examples including bribery in the Middle East, corruption in the Mediterranean basin, scammers in India, Cypriot golden passport schemes, and positive work ethic in Scandinavian countries. Participants noted that when unethical practices become ingrained in culture, they are normalised and perpetuated. Findings indicate that organisations within the same industry often adopt similar practices. Participants cited both ethical practices, such as fair wage structures, and unethical ones, like contract cheating. They highlighted the difficulty of escaping industry-wide unethical practices and described a lack of awareness due to task specialisation and fragmentation.

The organisation often featuring as the meso-environment relative to the individual, also emerged as a particularly significant influence in our findings. Our research indicates that organisations are expected to establish rules and regulations, and these are central to their role. The role of the regulative element in our data featured as streamlining, simplifying decision-making and ensuring fairness. Participants emphasised the importance of clarity and structure, to provide direction. Such structure also provided legitimate authority to roles such as internal auditors. They noted instances where decision-makers, despite their willingness to act ethically, lacked clarity on what constituted an ethical decision, highlighting the importance of guidance. While underscoring the necessity of training, participants also explained that practical training is more effective than theoretical instruction and strongly supported its lasting impact.

Of the twenty-four participants, fifteen identified targets as key motivators. Targets influence ethical decision-making through their quality and the consequences of meeting for missing them. For instance, Participant 10 highlighted unethical targets in the gambling industry:

“The targets of the company drive ... [towards] optimisation of the addiction. Finding the right balance between addicting people enough so that they keep spending, but not too much that it raises red flags for the government.” While such unethical targets may be rare, our findings suggest that targets can induce unethical behaviour. Examples included providing mediocre customer service in call centres to meet targets, inflating projected market growth, and cheating customers to achieve sales targets. The consequences of hitting or missing targets may influence behaviour more than the targets themselves and participants indicated that super-bonuses encourage unethical actions.

Although intangible, organisational culture significantly influences ethical decision-making. Participants noted that when they feel misaligned with the organisational culture, they consider responses such as leaving the organisation. Relevant cultural components include trust, values, structure, skills, leadership integrity and fairness. While there is general acknowledgement that business decisions require strategy, which may sometimes appear unethical, Participant 3 explained that when an organisation embraces strong values, “very clear unethical decisions are not even on the table.”

Leadership influenced ethical decisions through direct orders, role modelling, subtle hints, and inaction. While most agreed that leaders should provide ethical guidance and rarely give unethical orders, some argued otherwise. For example, Participant 20 recounted being compelled to hire undeserving individuals. Leaders exert influence as role models. For example, Participant 2 recounted a leader advocating to conceal child abuse in an organisation: “Everyone was agreeing because this person is so influential. That made it even more wrong.” Leaders also used vague hints as Participant 14 noted: “My only direction was, you are allowed a yellow card, but don't get a red card from the regulator”. Such ambiguity, combined with power dynamics, can lead to unethical choices. In some cases, leaders disengaged entirely abdicating responsibility or showing disinterest in their teams' actions. For instance, Participant 6 described how some purchasing department leaders: “tell you ‘I can't be bothered with these things’ ... You have a budget of €20,000. See what you are going to buy.”

At the micro-environment level, our findings highlighted individual

and situational uniqueness. Many participants lacked an in-depth understanding of ethical decision-making. Participants with ethics expertise, like Participant 19, offered nuanced views, contrasting with vague responses such as Participant 1, who said, "I googled it a bit before today". Indicative of decision-makers' modalities, few had in-depth knowledge of ethical decision-making, and decision-makers seem to rely on a limited range of ethical perspectives.

Traits like greed, responsibility, education, and experience shaped decisions. Greed involved pursuit of money, power, and favours. Responsibility, or the ownership individuals feel over decisions, affects adherence to core values. Although responsibility suggests ethical decision-making, this is not always the case. For instance, Participant 14 justified obstructing competitors as part of their duty. Many took pride in their values, viewing them as core to identity. Education and experience were formative with experience often deepening awareness, although not necessarily ethical behaviour. Experience can make individuals more astute and potentially less ethical. For example, Participant 5 argued: "I am a person who challenges ... But then with time I have frankly learnt that there are some battles you need to fight, and certain battles you just have to lie low and leave everything pass passively."

Personal relationships also shaped decisions, fostering empathy or bias. While lack of such relationships may impede ethical decision-making, potentially due to reduced empathy, relationships can lead to both ethical and unethical outcomes. They foster social, cultural, psychological or physical proximity, which may be absent without such connections. However, relationships can also result in animosity, biases, favouritism and cliques. For instance, in negotiations, personal relationships can be exploited, as illustrated by Participant 5: "You know how much your suppliers are willing to negotiate ... you have another one who is genuine and believes in the relationship ... so you sort of abuse of the good relationship that you have."

Findings reflected the tension between personal identity and role expectations. In some cases, the job role is seen as a fixed concept requiring individuals to adapt their behaviour. Participant 14 described cheating in contract negotiations as part of their role: "I do not see that as a lack of ethics, I used to see it as part of my role". Unethical behaviour appears to be accepted, if not expected, in commercial roles like sales and marketing, as well as in strategic actions like hindering competition and gaining market share. Contrastingly, some individuals view their role as integral to their identity. Participant 23 illustrated this by stating: "The people who are in front of the camera love to be there, so it is their life. They are defined by that, so if you are ... a dancer on TV, that is you ... it defines you ... or journalists, they live, breathe and sleep journalism." Role identity may prevent one from questioning unethical practices perceived as part of the role.

The uniqueness of each situation added complexity to the decision-making process. While stable traits also shape ethical choices, they do not normally fluctuate, whereas situational circumstances vary considerably and exert a dynamic influence. Participant 14 stated, "Sometimes the circumstances dictate the situation. If that is what the competition is doing, what do you do?". This indicates that unique circumstances influence decision-makers. For example Participant 9 highlights the element of volatility in unique circumstances as central to decision-making. They describe themselves as inflexible in decision-making yet acknowledged that certain circumstances necessitate unethical actions. Citing COVID-19 they said: "You say ... this is what I have to do ... whatever it is, if I fire someone unjustly, if I'm going to steal from a person. We are seeing this at the moment ... but you cannot do it any other way." Time pressure and volatility, especially in high-stakes roles, often led to rapid decisions that conflicted with values. This volatility is intensified by unique circumstances and individual variables, such as mood, challenging the consistency of mental schemas. For example Participant 19 argued: "Sometimes someone tells me, 'but once you did not reason this way'. But maybe that day was different, maybe then things were not exactly the same, maybe I was in a better mood, or

maybe I was in a much worse mood."

While the environment influences decisions, individuals can affect ethical decision-making in the meso-environment, potentially impacting the macro-environment. For instance, Participant 2 noted how one person swayed group decisions: "Because of the great influence that this person exerted, when it came to voting, nearly everyone voted like this person." Other examples included individuals supporting decision-makers without ethical consideration and remaining silent to avoid confrontation or social exclusion. Participants described instances where groups become desensitised to unethical practices until they become the norm. For example, Participant 6 discussed how bribery became routine in sales: "Before, we used to find it strange because you would meet one occasionally. Now it's everywhere. ... We no longer take any notice. It's the norm ... it is so much in the air that if you see it from that angle, it's normal, it's good and it's healthy." In these instances, individuals seem to no longer recognise the ethical component, however what seems to be normalised is not the unethical practices themselves but their tolerance. Participant 20 illustrated this: "If you have good values, I can say that it will affect you badly. Especially in the beginning, when you start being exposed to things that you have never seen. But as you go along, you get used to them."

4.2. Ethical agency in individual ethical decision-making

The narrative data (Fig. 2) was categorised according to key traits and positioned along a continuum of varying degrees of ethical agency. These degrees are described as ranging from ethical unawareness to ethical awareness. Six stories were interpreted as demonstrating total ethical unawareness, a term being used to describe a state where individuals lacked the knowledge and experience to recognise ethical dilemmas. These stories depicted low ethical agency and low structural influence. Stories mirrored instances where decision-makers lacked understanding of ethical principles and the application of rules. Ethical unawareness was observed both in inexperienced individuals as well as in experienced individuals encountering new situations. The risk of ethical unawareness increases with new situations and changing work environments.

Advancing towards awareness and not demonstrating strong structural influence were thirty-seven stories interpreted as moral disengagement. These narratives predominantly featured rationalisations, whereby decision-makers acknowledged the unethical dimension of their choices yet reframed them as legitimate, rendering their actions acceptable to themselves. These were categorised dependent on their positive, neutral, or negative stance and interpreted as increasing in awareness of the ethical component and agency. Positive expressions involved justifying unethical actions as appropriate under the circumstances, without acknowledging the ethical aspect. For instance, Participant 3 justified underperformance due to lack of respect. Other examples included repaying cheating with cheating and justifying theft when wronged. Neutral expressions involved recognising an ethical component but not prioritising it. Rationalisations often cited triviality or external forces. For example, Participant 13, a software developer in the gambling industry, stated: "I was not the one on the table distributing the cards ... So indirectly I do not feel responsible." Stories classified as negative expressions, involved participants justifying unethical decisions. For instance, Participant 14 described contract cheating as part of a negotiator's role while other examples included necessary unethicality in sales, businesses cheating to avoid financial crises, and cheating customers for the company's benefit.

Demonstrating significant structural influence and low individual agency, other stories depicted instances where decision-makers felt compelled to take unethical actions due to authority orders. Obedience to authority lies towards the awareness end of the spectrum but challenges the perceived agency of the decision-maker. These stories exhibited three features: the individual felt forced into an unethical decision, the decision was clearly unethical, and the individual

perceived no feasible choice. For example, Participant 23 described being ordered to film scenes they deemed unethical: “What they used to tell me is that ‘you have to get the shot because it is your job’ and if you don’t do it, they have to find someone else, and it is not possible that you choose what you want to film”. Authority, often interpreted as orders from management, also emanates from market and peer pressures. Stories of obedience to authority showed negative emotions, ranging from uneasiness to fear, indicating awareness and challenging perceived agency.

In seven stories, featuring high individual agency but low structural influence, participants recounted rational decisions that resulted in ethically questionable outcomes. These narratives reveal ethical dilemmas where decision-makers recognise their agency but remain uncertain about the ethicality of their choices, both at the time and retrospectively. For example, Participant 15, a bookshop owner, faced a refund request for a non-refundable item. They recalled: “Once something happened and I still remember it ... because I felt very bad ... I wanted to give him the money back but then I fought it off with myself ... I still think about it, and I feel like I did something wrong.”

Fifteen stories demonstrated ethical awareness and a conflict between self-determination and structural influence. These featured ethical decisions despite environmental pressures and exhibited four key features. Firstly, there was pressure from the meso- or macro-environment to act against their values. Secondly, individuals perceived risks as consequences of their decisions, including unwanted confrontation, job loss, reputational damage, and social exclusion. Thirdly, individuals made decisions aligned with their values. And fourthly, individuals recognised that their actions had personal consequences, such as revenue loss, reprimands, or false accusations. Many stories included expressions of pride in taking a stand, like Participant 3, who stated: “I walked out with my nose high in the air because I refused to do things with that level of disregard towards the way things should be.”

Five stories illustrated forms of ethical alignment in which individuals’ ethical decision-making reflected the prevailing pressures within their organisational environment. This meant either conduct shaped by ethical norms or unethical conduct that emerged in response to unethical environmental influences. One example of unethical practice was provided by Participant 7, who described questionable behaviours within the financial advisory sector. They explained that some advisors, motivated primarily by financial gain, contact clients to encourage investment or divestment based on unverified rumours about a company’s financial instability. As they noted, “In this sector ... there’s a lot of leeway where you can play, you can buy and sell and buy and sell.” This suggests that the ethical agency of financial advisors is facilitated, or compromised, by the ambiguity and permissiveness of their working environment. In contrast, Participant 3 described working within a strongly ethical organisational culture, which they felt enhanced their own professional conduct. They explained: “When you find a place of work where you can do things properly, where meritocracy prevails, where ethics prevail, where there is a level of respect, there is a level of trust in the workplace, then you automatically are more motivated, and the more motivated you are the more you perform.” This illustrates how ethical organisational climates can reinforce and elevate individual ethical behaviour.

4.3. Discussion

In line with Giddens (1984), our findings illustrate that individual agency and structural forces are mutually constitutive rather than independent. Drawing on more recent scholarship (Edman & Stevens, 2025; Englund et al., 2020; Whittington, 2025), the application of structuration theory provided a robust analytical lens through which to interpret the data and develop our theoretical insights.

Aligning with Steele and Hannigan (2020) the macro-, meso- and micro-environments are better viewed as different lenses depending on

the position that is being analysed at any point in time, rather than static hierarchical levels. National culture and industry practices can be interpreted as the macro-environment when analysing structures from an individual decision-maker’s perspective. These structures, notably absent from established ethical decision-making frameworks such as Jones (1991) and Sonenshein (2007), featured prominently in our study. In line with Wu et al. (2023), our findings suggest that non-market institutions such as family, early childhood education and national culture also exert significant influence in ethical decision-making. In unethical macro-cultural contexts, our findings align with Fleming et al. (2022) who argue that individuals often see no alternative, rather than losing moral discernment, as Ashforth and Anand (2003) propose. From an industry perspective, our findings align with DiMaggio and Powell (2000), indicating that organisations within the same industry often adopt similar practices. Reflecting the work of Gonin et al. (2012) our findings indicate that fragmentation and task specialisation can induce unethical decision-making.

Our findings align with the assertions of Bandura (2002), Jones (1991), and Sonenshein (2007) affirming that the organisational environment, often at the meso-level when analysed from an individual’s perspective, plays a pivotal role in shaping ethical decision-making. In contrast with the position advanced by Pater and Van Gils (2003) who contend that codes of conduct are largely ineffective, our findings suggest continued relevance of such codes, with their impact contingent upon consistent and meaningful enforcement. Similarly to the conclusions of Kavathatzopoulos (1994), our findings indicate that practical experience-based training yields more enduring and effective outcomes than theoretical instruction. Although explicitly unethical targets appear to be relatively uncommon, our findings indicate support for the argument of Anand et al. (2005), who maintain that performance targets can act as catalysts for unethical behaviour. In contrast with Mazar et al. (2008) who argue that higher rewards reduce unethical behaviour, our findings suggest that substantial, sometimes disproportionate, bonuses may encourage unethicality.

Although intangible, organisational culture significantly influences ethical decision-making, as also posited by Hiekkataipale and Lämsä (2019) and Kaptein (2008). Aligning with Anand et al. (2005), findings point towards situations where individuals consider responses such as leaving the organisation when they do not perceive themselves as aligned with the organisational culture. Whilst participants generally agreed that leaders should provide ethical guidance, as proposed by Brown et al. (2005), and rarely issue unethical orders, as Bandura (2002) suggests, our findings indicate that sometimes they do. Supporting Lee Hamilton and Sanders (1999), our findings show the double bind which individuals feel between insubordination and complying with unethical orders that conflict with personal values. Our findings also reinforce Brown et al. (2005), indicating that leaders exert influence as role models.

Interpreted as the micro-level, consistent with ethical decision-making research described by Craft and Shannon (2025), our study examined individual experiences, underscoring the central role of individuals in decision-making. While scholars such as Palazzo et al. (2012) suggest that decision-makers often act against their values, our findings indicate that they may lack a full understanding of ethical decision-making. Supporting Landy and Royzman’s (2018) concept of moral myopia, limited knowledge appears to narrow the ethical perspectives individuals draw upon. In line with prior research, including Jones (1991), our findings show that traits such as greed, responsibility, education, and experience influence ethical choices. Akin to the assertions by Kish-Gephart et al. (2010) and Walumbwa and Schaubroeck (2009), participants expressed pride in upholding their values. This points to an agreement with Lim et al. (2023) that self-identity is critical to ethical decision-making. The relevance of education and experience aligns with Gantman and Van Bavel (2015), who argue that these factors shape mental schemas. The lack of personal relationships as it impacts ethical decisions, discussed in our findings, may reflect reduced

empathy, as [Detert et al. \(2008\)](#) suggest.

Our findings also support the distinction between individual and actor roles, as argued by [Voronov and Weber \(2020\)](#). While traits are inherent to individuals, behaviour often reflects role expectations, consistent with [Giddens \(1984\)](#), who describes individuals as actors exercising power relative to their positions. However some participants viewed their roles as integral to their identity, offering an alternative to [Ashforth's \(2001\)](#) view that individuals disengage from one role before assuming another.

The lack of attention to unique circumstances in structuration theory as noted by [McPhee et al. \(2013\)](#) is noteworthy, as our findings align with [Jones \(1991\)](#), [Bandura \(1989\)](#), and [Palazzo et al. \(2012\)](#), who argue that unique circumstances shape ethical decisions. While [Jones \(1991\)](#) treats moral intensity as separate from meso- and macro-level factors, our findings suggest it can be embedded within them. Time constraints, highlighted by [Darley and Batson \(1973\)](#), but underexplored since, were also prominent. The volatility of ethical decision-making, intensified by unique circumstances and individual variables such as mood, challenges the consistency of mental schemas, as argued by [Garrigan et al. \(2018\)](#).

Our interpretation of narratives aligns with and extends [Schaefer and Bouwmeester \(2021\)](#). While they focus on moral disengagement, we found that the interplay between morality and agency was evident in all ethical decision-making instances. Adopting [Blum's \(1991\)](#) perspective, narratives identified as ethical unawareness, reflect the situations where decision-makers lacked understanding of ethical principles and rule application. [Eweje and Brunton \(2010\)](#) link such unawareness to less experienced individuals who, once aware, learn from their actions. However as noted by [Demuijnck \(2015\)](#), we also observed this in experienced individuals facing unfamiliar situations. Our findings support [Treviño et al. \(2014\)](#), who argue that ethical unawareness increases in new or changing environments. Our findings add a layer of nuance on the relevance of awareness of consequences in decision-making advocated by [Lim et al. \(2023\)](#) and suggest that awareness of consequences is preceded by awareness of the ethical dilemma. Drawing on [Blum \(1991\)](#), we argue that without specific values, individuals may not recognise dilemmas. In case of ethical unawareness, decision-makers lack both ethical understanding and rule application.

We categorised rationalisations, as described by [Bandura \(2002\)](#), into positive, neutral, and negative. Positive rationalisations, reflecting ethical blindness ([Palazzo et al., 2012](#)), suggest a temporary failure to recognise the ethical dimension. Neutral rationalisations align with moral myopia ([Drumwright & Murphy, 2004](#)), where the ethical element is present but not considered. Negative rationalisations acknowledged the ethical component but justified unethical actions, resembling [Bandura's \(2002\)](#) concept of advantageous comparison. Our findings highlight a concerning dimension of [Farrow et al.'s \(2021\)](#) work. The use of language to conceal unethical behaviour may originate within the organisation and can subsequently be internalised by individuals, becoming part of their own justificatory narrative.

Several narratives depicted individuals compelled to act unethically under authority, consistent with [Milgram \(1963\)](#), [Palazzo et al. \(2012\)](#), and [Bandura \(2002\)](#). Other stories reflected cases of moral uncertainty, as defined by [Macaskill et al. \(2020\)](#), and reflecting [Festinger's \(1962\)](#) cognitive dissonance, where decisions conflicted with personal values over time. Such cases challenge [Giddens' \(1984\)](#) interpretative schemes, as individuals struggled to apply the appropriate frameworks. In classifying narratives demonstrating ethical awareness, we propose an extension of [Reynolds' \(2006\)](#) concept. While [Reynolds \(2006\)](#) defines ethical awareness as recognising the ethical component, we argue in line with [Jones \(1991\)](#), that it also involves recognising agency, making value-aligned decisions, and redefining one's relationship with authority.

Institutional theory describes meso-level impacts as unintentional institutional work ([Lawrence et al., 2009](#)). Reflecting the intricate dynamics between institutions and individuals, our findings align with [Wu](#)

[et al. \(2023\)](#) in underscoring the importance of recognising the complexity of these interactions across multiple levels, thereby cautioning against overly simplistic interpretations. Through the lens of structuration theory ([Giddens, 1984](#)), such impacts can be seen as interactions influencing modality, thereby shaping structure. Our findings depict examples of ethical fading ([Tenbrunsel & Messick, 2004](#)), where groups gradually become desensitised to unethical behaviour until it becomes routine. This mirrors the normalisation of corruption ([Ashforth & Anand, 2003](#)), where the ethical dimension is no longer recognised. However our findings align more with [Fleming et al. \(2022\)](#), who argue that it is not unethical practices themselves that are normalised, but rather their tolerance.

5. A dialectic approach to everyday ethical decision-making

The contribution of this study lies in showing that institutional theory and descriptive ethics, when treated in isolation, offer only partial explanation of how ethical decisions unfold in organisational settings. Our empirical findings illustrate that decision-makers everyday ethical decisions emerge through an ongoing negotiation between personal values, role expectations and organisational conditions. Everyday ethical practices emerge through a dialectic interplay in which individuals draw upon, reproduce, and occasionally transform the institutional conditions that surround them. This relational view aligns with the structuration theory's proposition that actors are both enabled and constrained by the structures they participate in ([Giddens, 1984](#)), whilst also resonating with descriptive ethics' emphasis on the cognitive, emotional in intuitive processes that shape ethical behaviour. Consider decision-makers who operate across multiple geographical or organisational sub-contexts, encountering the same organisational constraints whilst simultaneously navigating differing local normative expectations. In such circumstances, institutional theory would anticipate behavioural uniformity, whereas descriptive ethics would predict variability grounded in individual cognition and values. Our empirical findings, however, indicate that the lived experience of everyday ethical decision-makers does not align neatly with either perspective. Instead, ethical decision-making emerges as a dialectic process shaped by the interplay of individual ethical agency and structural influence.

Hence, our empirical exposure of the dialectic character of everyday ethical decision-making provides the foundation of our theoretical contribution. Ethical decision-making in organisational settings is not experienced as a binary distinction between right and wrong or ethical and unethical conduct. Rather, it unfolds as a dialectic process that manifests as a spectrum within a broader field of possibility shaped by the interplay of agency and structure.

5.1. Everyday ethical decision-making as a field of possibility

We begin by conceptualising everyday ethical decision-making as a field of possibility. Ethical decisions arise from the interaction between two independent dimensions. The first is the degree of ethical agency, understood here as the individual's capacity to act in accordance with their values, preferences and interpretation of the organisational context through modalities. The second is structural influence at the macro-, meso-, and micro-level. At the macro-, and meso-level structural influence encompass the impact of regulative, normative and cultural-cognitive elements in structures and institutions. At the micro-level, ethical decisions are hampered or aided by material constraints related to individual characteristics as well as situational conditions. To capture this interplay, we conceptualise ethical decisions as unfolding within a two-dimensional space defined by these axes, giving rise to four distinct relational configurations (see [Fig. 3](#)).

On the horizontal axis, structural influence ranges from low to high. Low structural influence, reflects flexible procedures, discretion and interpretive space, affording individuals greater scope for ethical agency. By contrast, high institutional influence at the macro-, meso-

		Low	Structural Influence	High
Ethical Agency	High	<p>Zone 1</p> <p>Free ethical agency</p> <ul style="list-style-type: none"> • Strong intentionality • Flexible structure • Ethical alignment and moral uncertainty 		<p>Zone 2</p> <p>Constrained ethical agency</p> <ul style="list-style-type: none"> • Strong intentionality • Rigid structure • Ethical awareness and conflict between self-determination and organisation
	Low	<p>Zone 3</p> <p>Ethical indifference</p> <ul style="list-style-type: none"> • Weak intentionality • Permissive structure • Ethical unawareness, ethical blindness, moral myopia, moral disengagement 		<p>Zone 4</p> <p>Ethical compliance</p> <ul style="list-style-type: none"> • Weak intentionality • Rigid structures • Obedience to authority and ethical fading

Fig. 3. Field of possibility in ethical decision-making.

and micro-levels, denotes the presence of rigid rules, strong normative expectations and clearly articulated performance pressures that tightly delimit what is perceived as feasible, legitimate and ethically appropriate. On the vertical axis, ethical agency similarly ranges from low to high. Low self-determination reflects weak moral intention, uncertainty regarding ethical requirements or a diminished sense of agency in ethically complex situations. High self-determination indicates a strong commitment to one's moral principles, clarity of ethical intention and a robust capacity to act in accordance with one's values. Together, these dimensions form a 2x2 relational matrix comprising four zones of ethical experience as proposed in Fig. 3. It is useful to consider each quadrant in turn.

Zone 1 (top left) represents the most expansive of ethical agency, an ethical alignment where strong ethical intention coincides with an enabling structural environment. Whilst experiences in this zone are generally positive, this alignment does not necessarily constitute ethical behaviour but rather aligned agency and structural influence. Ethical decisions in this zone are generally experienced as coherent and well supported. At times moral uncertainty can be experienced where high ethical agency meets with ambiguous dilemmas. Decision-makers often demonstrate ethical fluency and creativity in identifying solutions that align organisational objectives with moral commitments. Behaviour in this zone is generally ethically grounded and contributes to positive organisational learning, reinforcing ethical responsibility as a valued aspect of personal and professional identity.

Zone 2 (top right) captures situations in which decision-makers possess strong ethical intentions and ethical awareness but operate within rigid organisational structures that sharply constrain ethical decision-making. Decision-makers frequently experience moral conflict, frustration and a sense of being obstructed in their efforts to act in accordance with their values. Although ethical agency remains present due to the retention of self-determination, it is curtailed by institutional forces. This zone reflects experiences of principled resistance, moral strain and the tensions that may precipitate withdrawal, whistleblowing or subtle forms of rule-bending.

Zone 3 (bottom left) denotes contexts characterised by both low structural influence and low self-determination, resulting in ethical behaviour that is unstable and inconsistent. In the absence of strong moral intention and with few structural cues to guide ethical interpretation, decision-makers may fail to recognise or mis-interpret the ethical dimensions altogether. This gives rise to situations that can be termed as

ethical unawareness, moral disengagement, ethical blindness and moral myopia.

Zone 4 (bottom right) reflects environments in which institutional influence is strong but the individual's moral conviction or capacity for ethical action is weak. In such circumstances, decision-makers tend to comply with organisational pressures with minimal ethical reflection. This can lead to obedience to authority and eventually to ethical fading, whereby procedural conformity and the normalisation of questionable practices become dominant determinants of behaviour.

5.2. Relational agency as the optimal ethical spectrum

The matrix does not identify a single universally optimal zone, as ethical agency is contingent upon the alignment between personal conviction and organisational context. Nonetheless, the relational structure indicates that Zones 1 and 2 together constitute the most productive terrain for ethically engaged decision-making. Zone 1 provides the most immediately supportive conditions for ethical action: ethical self-determination is strong, and flexible organisational structures allow individuals to enact their values with confidence. Ethical fluency, creativity and forms of moral leadership are most likely to emerge in this context.

Zone 2, while more demanding, is often where ethical commitment becomes more visible and consequential. The tension produced when strong moral intention encounters rigid organisational structures can give rise to principled negotiation, constructive dissent or incremental institutional change. Ethical agency in this zone is not effortless, but it is particularly impactful.

Our main theoretical contribution lies in identifying a spectrum of ethical engagement situated at the intersection of Zones 1 and 2 (see Fig. 4). Within this spectrum, decision-makers are both morally attuned and organisationally embedded in ways that render ethical issues visible, negotiable and actionable. This continuum represents the relational space in which ethical practices most likely to develop and, over time, influence and reshape organisational contexts. It reflects the theoretical position that ethical agency is neither solely a matter of individual virtue nor simply a product of institutional conditions. Rather, it is an emergent and situated practice arising from the dialectic interplay between strong ethical self-determination and organisational cultures characterised by clear ethical standards and expectations.

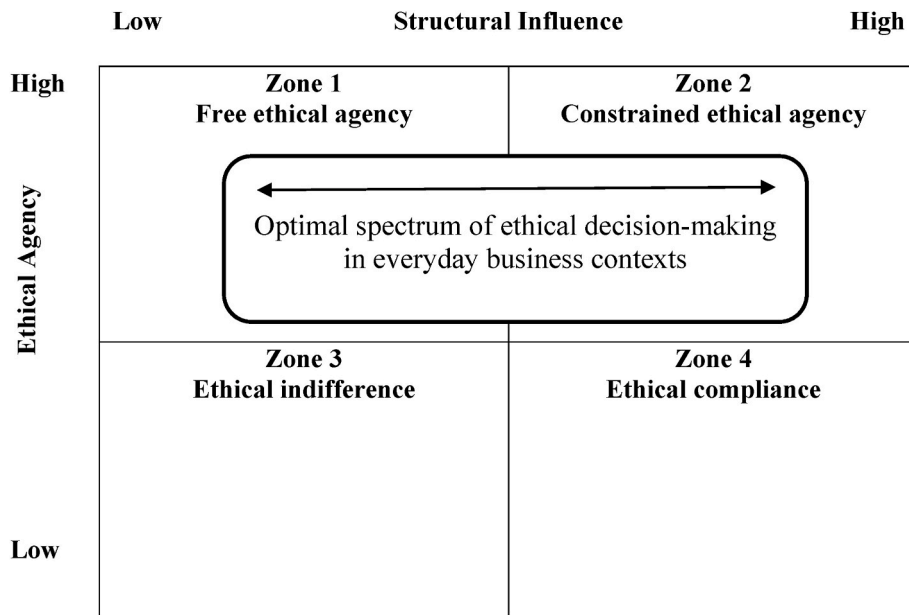


Fig. 4. Spectrum of optimal ethical decision-making.

5.3. Theoretical implications

Our analysis of decision-makers’ lived experiences of everyday ethical dilemmas indicates that ethical decision-making is neither a stable individual trait nor a straightforward outcome of organisational prescriptions. Rather, it unfolds through a continual negotiation between ethical self-determination and contextual structural influence. We conceptualise this relational pattern as a Dynamic Ethical Decision-Making Equilibrium – which we define as a sustained, ethically engaged state in which decision-makers continually recalibrate their moral intentions in response to changing organisational constraints while retaining a stable commitment to ethical action.

This equilibrium is dynamic because individuals move across positions within the field of ethical possibility, particularly spanning within the band of Zones 1 and 2, yet remain within a context of active ethical engagement rather than drifting into over-compliance or ethical indifference.

Our empirical evidence strongly supports this conceptualisation. Across interviews, decision-makers described instances which oscillate between moments of ethical fluency, in which organisational conditions facilitated principled action, and instances of principled constraint, in which ethical commitment encountered structural limits. Despite these fluctuations, decision-makers mostly retained a sense of ethical purpose and continued to treat ethical considerations as salient and actionable. This pattern is precisely what the dynamic equilibrium captures.

The exploratory value of this construct lies in four interrelated insights. First, it accounts for both stability and change within ethical practice by showing how individuals can remain ethically engaged even as their specific decisions shift in response to organisational pressures and contextual cues. Second, it explains resilience and breakdown: equilibrium persists as long as decision-makers operate within the ethical spectrum (Zones 1 and 2) but repeated structural shocks or sustained pressure may push them into situations where ethical awareness diminishes or becomes untenable (Zones 3 and 4). Third, the construct accommodates developmental trajectories, as decision-makers learn over time to navigate constraints more effectively, moving from strained negotiation towards more fluent ethical action. Finally, the model links individual experience to institutional change, explaining how individual negotiation and resistance within Zone 2 can, cumulatively, reshape organisational norms, expectations and ethical structures.

5.4. Extension of existing theoretical frameworks

Our relational field model and the associated equilibrium concept extend existing theoretical frameworks in modest but meaningful ways. Normative ethics provides evaluative criteria for what constitutes ethical conduct but offers limited insight into how such judgements are enacted in everyday organisational contexts. Behavioural and descriptive ethics illuminate the psychological mechanisms underpinning ethical and unethical behaviour. Yet often conceptualise ethical failure as cognitive distortions, fading or bounded awareness. Theories of ethical blindness and ethical fading identify conditions under which ethical salience is lost but do not explain how ethical engagement is maintained under structural constraint.

By contrast, our model foregrounds the conditions under which ethical engagement is sustained, negotiated and, at times, strengthened through constraint, owing to the productive interplay between self-determination and structural forces. It does not replace existing theories but complements them by specifying the relational space in which ethical decision-making occurs in practice.

A core epistemological implication of this framework is that ethical agency is graded rather than categorical. Ethical decision-making cannot be adequately described through binary classifications such as ethical/unethical or compliant/resistant. Instead, ethical agency emerges as a position in a multidimensional field defined by the interplay of self-determination and structural influence. We use the terms ‘grading’ and ‘spectrum’ to denote the way ethical quality varies according to these relational configurations without turning into relativism: the same individual may display stronger or weaker ethical agency across contexts, and the ethical meaning of an action depends not solely on intention or outcome but on how it is situated within the field of organisational possibilities. This implies that ethical decision-making is neither a static property of agents or situations nor a relativistic occurrence but an emergent relational phenomenon that can manifest in different ways within a negotiated spectrum of ethical decision-making constituted through the interaction of subjective moral intention and the organisational conditions that shape what can be seen, attempted or achieved.

Together, these implications clarify how everyday ethical decision-making is sustained, negotiated and transformed in organisational life. They offer a relational foundation on which future research can build more comprehensive theories of ethical agency, accounting for both the

subjective and structural dimensions of ethical practice without collapsing relativism.

5.5. Practical implications

Our conceptualisation of everyday ethical decision-making as a *field of possibility*, together with the notion of *dynamic ethical equilibrium*, offers organisations with actionable insights for strengthening ethical resilience.

As also highlighted by Palazzo et al. (2012) and Whittington (2025), individual agency is central to principled decision-making. In agreement with Brown et al. (2005) and as demonstrated in our findings, leaders strongly influence how far agency is exercised. Employees can develop ethical agency through active involvement in organisational discussions and training on risks such as ethical unawareness, ethical blindness and unquestioning obedience. These interventions elevate awareness and support movement from Zones 3 (*ethical indifference*) and 4 (*ethical compliance*) towards more reflective decision-making in Zones 1 (*free ethical agency*) and 2 (*constrained ethical agency*).

In line with Giddens (1984) and as supported by our findings, individuals are embedded within institutional contexts that enable or constrain decisions whilst exercising a degree of agency. In highly regulated contexts, decision-makers often operate in Zone 2 where strong ethical agency meets rigid structures. Hence, leadership programmes should equip managers with principled negotiation strategies. As highlighted by our participants and argued by Kavathatzopoulos (1994), practical training is preferred to purely theoretically based, hence scenario-based training can present conflicts between personal values and organisational rules, enabling participants to reconcile agency with compliance while avoiding regression to Zone 4.

The model also serves as a diagnostic tool for auditing ethical infrastructure. By assessing structural influence, organisations can determine whether constraints require adjustment. This calibration ensures decision-makers are guided rather than inhibited. Beyond organisational boundaries, the framework informs policy and governance by identifying optimal regulatory oversight and introducing flexibility that safeguards agency without compromising compliance.

6. Limitations of this research

Ethical decision-making poses ideological and methodological challenges (Campbell & Cowton, 2015). Despite using best practices such as informed consent and anonymisation, participants might have withheld self-incriminating information, favouring socially acceptable responses. Identifying self-deceptive practices is difficult, and participants may not be fully aware of their own behaviours (Uhlmann et al., 2012). Heterogeneous purposive sampling offers diverse responses, but lacks the depth of homogeneous sampling or case studies (Saunders et al., 2019). Grounded theory approaches might have been more suitable. Data collection, primarily in Malta during the COVID-19 pandemic, may have influenced responses, reflecting local culture and pandemic impacts. Discussions on personal and universal values, based on Schwartz (2005), can be contentious, as personal values do not always align with societal values.

CRedit authorship contribution statement

Corinne Fenech: Writing – review & editing, Writing – original draft, Visualization, Software, Resources, Project administration, Methodology, Investigation, Funding acquisition, Formal analysis, Data curation, Conceptualization. **Thomas Anker:** Writing – review & editing, Supervision, Methodology, Investigation, Conceptualization, Visualization. **Sabina Keston-Siebert:** Writing – review & editing, Supervision, Methodology, Investigation, Conceptualization.

Declarations of interest statement

No competing interests to declare.

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