

THE CONCEPTUAL PROPOSAL OF THE RELATIONSHIPS OF ETHICAL CLIMATE, MORAL DISENGAGEMENT AND UNETHICAL PRO-ORGANIZATIONAL BEHAVIOR

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Abstract: *Over the past decades, there are various unethical behaviours at workplace have been reported including the emerging trend of employees' involvement in unethical behaviours with the main intention to benefiting the organisation and the members of the organisation which is also known as unethical pro-organizational behaviour (UPB). The promotion of UPB at the organizations result in various impacts such as fines, bad reputations, and the emotions of the employees. The UPB phenomenon has caught the attention of business ethics scholars to understand on when and how employees involve in UPB. Drawing from social cognitive theory, this paper proposes conceptual proposals that ethical climate and moral disengagement are the main predictors of UPB at the workplace.*

Keywords: unethical pro-organizational behaviour, ethical climate, moral disengagement, conceptual paper

1. Introduction

In the recent years, there are various unethical conducts at the workplace that being conducted with the intention to benefiting the organization or its members which also known as unethical pro-organizational behavior (UPB) (Umphress & Bingham, 2011; Umphress et al., 2010). In the seminal works by Umphress and colleagues from social identity and social exchange theoretical perspective, they argue that when employees feel identified with the organizations, they are willing to go extra miles and involve in unethical behaviors as they perceive that such behaviors are justified for the sake of the organizations and its members (Umphress & Bingham, 2011; Umphress et al., 2010).

The recent review by Mishra et al. (2021), shows that various theories have been used in explaining and predicting UPB including social identity theory, social exchange theory, social learning theory, and social cognitive theory (Mishra et al., 2021). Despite the growing number of research in this area, but there are several gaps including how employees involve in UPB at the workplace (Mishra et al., 2021; Newman et al., 2020).

Based on the triadic reciprocal determinism of social cognitive theory (Bandura, 1986) that suggests an actor behaviors are influenced by environmental and cognitive factors, so this paper argues that in an ethical climate environment the employees are less likely to involve in UPB, and in the environment that the employees perceived as less ethical, it will promote their intention to involve in unethical behavior such as UPB.

Prior research found that cognitive factor of moral disengagement will increase employees' involvement in UPB at the workplace. The literature suggests that moral disengagement is the

underlying factor that helps employees to neutralize their unethical behaviors so that they will not feel bad or ashamed to conduct unethical behaviors at the workplace (Bandura, 1999; Chen et al., 2016; Mishra et al., 2021; Mo et al., 2023). Based on the previous findings, this paper suggest that ethical climate will deactivate the neutralization of self-regulatory process of the employees, which results in less involvement of employees in UPB.

2. Literature Review

2.1 Unethical Pro-Organizational Behavior

In the recent years, the increasing of reported unethical behaviors at the workplace have caught the attention of the business ethics researchers (Newman et al., 2020). One of the main reasons that motivate the employees to involve in unethical behaviors is for their individual gains (Seuntjens et al., 2019). Started in the last decade, researchers started to find that some employees involve in misconduct mainly to benefit the organizations or the members of the organization which also known as unethical pro-organizational behavior (UPB) (Mishra et al., 2021) which was conceptualized in the semantic work of Umphress et al. (2010). The willingness of employees to conduct unethical behavior for the benefit of the organizations and its members could expose the organizations to various negative impacts such as bad image and reputation to the organizations (Mishra et al., 2021).

The researchers started to research to understand why, how and when employees tend to engage in unethical pro-social behavior such as UPB (Mishra et al., 2021; Mo et al., 2023). A group of researchers are investigating the consequences of UPB (Mishra et al., 2021), they found that employees' involvement in UPB results in pride and guilt feeling (Tang et al., 2020). Some of the employees would feel proud when they committed such unethical behavior, and another group of employees feel bad and ashamed when they committed such behavior (Tang et al., 2020). These findings show that an organization that promotes UPB will give impact towards the employees' emotion.

In the current literature, there are four main theoretical perspectives that explains UPB which are social identity theory, social exchange theory, social learning theory, and social cognitive theory (Mishra et al., 2021). Based on the social identity theory (Tajfel et al., 1979), the sense of belongingness, oneness, and association with the organization influences the employees to involve in UPB (Ashforth & Mael, 1989; Umphress & Bingham, 2011; Umphress et al., 2010). Employees that have high association with the organization are willing to commit UPB as they believe that the organization's interests are more important than any other interests such as the potential bad consequences of their UPB actions (Umphress & Bingham, 2011; Umphress et al., 2010). In addition, the same theoretical lens suggests that transformational leaderships styles within the organization will promote UPB in the sense that they will influence the employees to believe that the organization's success and failures as theirs (Effelsberg et al., 2014).

Based on social exchange theory, the potential benefit of committing UPB will motivate the employees to involve in UPB, which they believe that exchange for long term relationships with the organizations will create trust from the management of the organization and as a return they will be rewarded (Blau, 2017; Umphress & Bingham, 2011). So, in the environment that UPB actions are incentivized, they employees feel that they should return the favors given by the organization including to commit unethical conducts as long as such

actions will give benefit to the organization (Wang et al., 2019). In addition, bottom-line mentality of the supervisors influence employees to involve in UPB (Babalola et al., 2021). The supervisors with bottom-line mentality will set a tone to the subordinates that when employees meets the bottom-line of the organizations, they will be incentivized regardless of how they achieve the goal (Babalola et al., 2021). So, the ambitious employees would feel motivated to pursue any actions that benefiting the organization without thinking the consequences and ethicality of such action (Babalola et al., 2021). It is also found that employees with high spiritual values are prone to involve in UPB as they feel obligated to return the favors given by the organization (Zhang, 2020).

Social learning theory suggests that employees learn how to behave in an organization by observing others at the workplace (Bandura & Walters, 1977). For example, employees would determine the right or wrong behavior based on their observation of the supervisors (Fehr et al., 2019). In the context of UPB, when the supervisors commit UPB, the employees are more likely will follow the same behavior (Fehr et al., 2019). On the other hand, when the supervisors show high ethical behavior such as ethical leadership, it will reduce the probability of employees to involve in UPB (Miao et al., 2020). Lastly, drawing from social cognitive theory of moral disengagement (Bandura et al., 1996), it suggests that employees justify their unethical behavior by neutralizing it through cognitive process, where they will switch of the self-regulatory process that condemn their moral sanction that prevent them from feeling guilty or ashamed to commit UPB as they believe their actions are morally right because the action will benefit the organization (Chen et al., 2016).

2.2 Ethical Climate and Unethical Pro-Organizational Behavior

There are growing number of research that investigate the influence of ethical climate towards behaviors (Martin & Cullen, 2006) . The recent study shows that instrumental ethical climate moderated the relationships between empowering leadership and UPB (Zhang & He, 2024). They found empirical support that when instrumental ethical climate is high, the relationships between empowering leadership and UPB is stronger (Zhang & He, 2024). The ethical climate of workplace also influence employees' emotion and their involvement in unethical behavior (Xu et al., 2024). They found that in high ethical climate, the employees would feel guilty and ashamed whenever they involve in unethical behavior, while in low ethical climate, the employees would feel proud as they are thinking that the actions as good deeds towards the organization and the potential benefit of unethical behavior is seen as morally justified to them based on the good consequences (Xu et al., 2024).

Two prior research found that ethical self-interest climate does influence employees' involvement in UPB (Deng et al., 2023; Sheedy et al., 2021). In the context of unethical accounting behavior, self-interest climate promotes the UPB as the employees think that such behavior will benefiting both the organization and also themselves (Deng et al., 2023). On a similar note, Sheedy et al. (2021) found that self-interest ethical climate positively predicts unethical pro-organizational behavior, and the interactions of risk climate and ethical self-interest climate are positively influence unethical pro-organizational behavior at the workplace (Sheedy et al., 2021). Lastly, Yin et al. (2021) found that in organization with high ethical climate, the influence of perceived insider status is becoming stronger in predicting unethical behavior (Yin et al., 2021). So, in the context of unethical pro-organizational behavior, we argue that high ethical climate will reduce the involvement of employees in UPB as ethical climate will enhance the ethicality of employees.

Proposition 1: Ethical climate of workplace prevents employees' involvement in unethical pro-organizational behavior.

2.2 Ethical Climate and Moral Disengagement Theory

Social cognitive theory (Bandura, 1986, 1999), suggests eight moral disengagement mechanisms that decouple one's moral actions from their moral standard (Moore, 2015). Moral disengagement theory explains on how actors neutralize their unethical behavior by switching off the self-regulatory process in their brain (Bandura, 1986). The eight mechanisms of moral disengagements are moral justification, euphemistic labelling, advantageous comparison, displacement of responsibility, diffusion of responsibility, disregard or distortion of consequences, dehumanization, and attribution of blame (Bandura, 1986, 1999).

Prior studies suggest that moral disengagement influence employees behavior at the workplace, where this mechanisms allows the cognitive process among the employees in deciding their intention to involve in unethical behaviors (Chen et al., 2016; Mishra et al., 2021; Mo et al., 2023; Newman et al., 2020; Ogunfowora et al., 2013). A study by Ogunfowora et al. (2013) found that moral disengagement is the underlying mechanism that explains how self-monitoring influence unethical decision making (Ogunfowora et al., 2013). In addition, prior study also found support on the role of moral disengagement between authenticity and unethical behavior (Knoll et al., 2016), and between organizational identification and unethical pro-organizational behavior (Chen et al., 2016). Hence, the findings of previous studies show that there is a consistent trend on the role of moral disengagement as the underlying mechanism that explains on how employees neutralize their cognitive processes in justifying their unethical behavior including unethical pro-organizational behavior (UPB).

So, drawing from the triadic interactions of personal and environmental factors in predicting behavior (Bandura, 1986), this paper argues that high ethical climate environment at the workplace will deactivate the moral disengagement mechanisms of the employees, which result it less intention and involvement in unethical pro-organizational behavior, and when the employees perceived their working environment is less ethical, it will activate their moral disengagement mechanisms that influence the employees to think that unethical behavior such as unethical pro-organizational behavior is justified to be conducted. Hence, we propose below proposition.

Proposition 2: Ethical climate of workplace will reduce employees' moral disengagement that results in lower intention to involve in unethical pro-organizational behavior among the employees.

3. Conclusion

The increases of numbers of unethical behaviors at the workplace is always caught the attention of business ethics researchers in understanding on how, why, and when employees could potentially involve in unethical behaviors. In the recent literature, a group of researchers found that a group of employees are willing to involve in unethical behavior at the workplace either partially or fully for the benefit of the organizations as they think the

potentially benefit of such actions would give benefit to the organization and the members of the organization. But, the involvement of employees in UPB would expose the organization towards few bad consequences such as fines and bad reputations. So, it is crucial to understand what factors are influencing employees to involve in UPB. So, this paper suggest that based on the triadic interaction of social cognitive theory, ethical climate will influence employees' intention to involve in UPB. When the organization promotes ethical working environment, the employees are more motivated to pursue ethical conducts as they are aware what are acceptable and not acceptable actions or conducts in the organization. On the other hand, in less ethical working environment, the employees are less likely able to identify the best ways to behave which result in higher intention to involve in unethical behavior such as unethical pro-organizational behavior. The second proposition of this paper suggests that moral disengagement mechanisms are the underlying mechanisms that influence employees' cognitive process especially in activating the self-regulatory processes of the employees when they are evaluating any ethical dilemma such unethical pro-organizational behavior. We argue that in ethical work environment, it is less likely the moral disengagement mechanisms of the employees will be activated, hence result in less intention for them to involve in unethical behavior such as unethical pro-organizational behavior. Hence, these propositions will give understanding on the interactions of ethical working environment, cognitive processes, and unethical pro-organizational behaviors among the employees.

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