#### **ORIGINAL PAPER**



# Feeling Guilty and Entitled: Paradoxical Consequences of Unethical Pro-organizational Behavior

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#### Abstract

Given the paradoxical nature of unethical pro-organizational behavior (UPB), that it simultaneously involves sincere extraordinary efforts to help the organization but violates ethical norms, we examined its paradoxical psychological and behavioral outcomes in the workplace. We hypothesized that UPB generates simultaneous but conflicting feelings: On one hand, guilt (for having behaved unethically) and on the other, psychological entitlement (for having done something positive for the organization). In turn, these conflicting psychological states differentially affect two conflicting behaviors. *Feelings of guilt* motivate customer service behavior but reduce self-serving cheating, whereas *psychological entitlement* does the opposite. We further hypothesized that moral identity centrality moderates the paradoxical effects of UPB. Data from three studies using experimental and field methodologies demonstrated support for all hypotheses. We discuss the theoretical and managerial implications of these findings.

 $\textbf{Keywords} \ \ \text{Customer service behavior} \cdot \text{Guilt} \cdot \text{Moral identity centrality} \cdot \text{Psychological entitlement} \cdot \text{Self-serving cheating} \cdot \text{Unethical pro-organizational behavior}$ 

In a competitive business environment, employees may resort to ethical misconduct in an attempt to help their companies gain greater competitive advantage. This type of behavior is defined as unethical pro-organizational behavior, namely "actions intended to promote the effective functioning of the organization or its members, yet which violate core societal mores, laws, values or standards of proper conduct" (Umphress & Bingham, 2011, p. 622). For example, inspired by the corporate motto of faster, higher, and farther (Ewing, 2017), Volkswagen employees across organizational levels collaborated in developing a gas cheating device that violates government regulations and pollutes the environment (Ewing, 2017). Likewise, Boeing employees concealed safety problems with the 737 Max plane out of cost concerns, which led to air crashes costing hundreds of lives

(DeFazio, 2019). In all, management research has documented the widespread existence of UPB in the workplace (e.g., Thau et al., 2015; Umphress et al., 2010).

Due to its prevalent existence and serious consequences, UPB research has witnessed a great surge of activity in recent years by management and ethics scholars (Mishra et al., 2021). It has identified a variety of antecedents such as organizational identification (e.g., Chen et al., 2016), social exclusion (e.g., Thau et al., 2015), rivalry competition (Kilduff et al., 2016), and ethical climate (Jiang et al., 2016) that has furthered understanding of the phenomenon. Extant UPB literature, however, can benefit considerably from further research in two areas in particular.

First, the two-faced nature of UPB and its implications for organizational behavior have yet to be systematically explored. In "doing bad things for good reasons" UPB is defined as acting out of an organization-benefiting intention but violating societal moral principles and norms (Umphress & Bingham, 2011, p. 1). As such, UPB should engender paradoxical psychological states that may lead to paradoxical behaviors. However, extant research has largely missed this essential point by focusing solely on the negative facet of UPB. The present research shows that UPB produces paradoxical psychological states of guilt and entitlement,

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which respectively lead to customer service behavior and self-serving cheating. In so doing, it adds to an emergent literature that investigates the mixed effects of UPB on organizational behavior (Tang et al., 2021).

Second, although existing research has established UPB as a real concern and research on its antecedents has revealed much about how it unfolds, a more complete—and useful—understanding of the phenomenon calls for research on (1) its consequences for employees, organizations, and other stakeholders, (2) the processes by which such consequences are affected and (3) the boundary conditions on those processes. Such research would generate knowledge about the full cycle of UPB and guide intervention programs to reduce or prevent its occurrence in the workplace.

The present study examines how—and under what conditions—the two faces of UPB motivate conflicting psychological states that shape workplace behaviors. In doing so, it crafts a theory-based exploration of (a) the paradoxical impacts created by acts of UPB, (b) the processes by which these effects play out, and (c) the conditions under which they emerge in stronger or weaker fashion. It therefore goes beyond simply filling an empirical gap in the literature regarding the consequences of UPB. Rather, each of these theoretical contributions broadens our conceptual understanding of UPB and its impact in organizations, and lays the foundation for new ways of thinking about the phenomenon of UPB and its overall role in organizations. Specifically, we first conducted an experiment (Study 1) to examine how UPB induces psychological states in which actors experience both guilt and psychological entitlement. We then surveyed sales employees in retail stores and retail pharmacies (Study 2 and Study 3) to further examine and demonstrate how guilt increases customer service behavior but decreases selfserving cheating, whereas psychological entitlement does the opposite. Furthermore, the two field studies established moral identity centrality as the individual difference that moderates this paradoxical effect, lessening the psychological conflicts generated by UPB by strengthening the reparatory effects of UPB (via guilt) and weakening the pernicious effects of UPB (via psychological entitlement).

Our hypotheses are based on a deeper conceptual analysis of the construct of UPB (Umphress & Bingham, 2011) than it appears in existing work, drawing on perspectives of human agency in moral self-regulation as explicated in the social cognitive theory of morality (Bandura, 1991; Higgins, 1996). This theory postulates that moral self-regulatory system consists of emotions, cognitions, and actions and highlights the influence of individual characteristics on the self-regulation processes. We thus employ the social cognitive theory of morality as the overarching theoretical framework to showcase how the paradoxical nature of UPB simultaneously induces conflicting psychological states that lead to conflicting behaviors. In doing so, this research

seeks to contribute to our understanding of UPB in several ways. First, the original theoretical model of UPB proposes antecedents and psychological consequences but provides no propositions regarding the potentially more important behavioral outcomes. By studying UPB's behavioral consequences and the psychological mechanisms that lead to them, we expand the scope of research aimed at a more comprehensive understanding the UPB phenomenon. Furthermore, we contribute to an emerging literature that focuses on the paradoxical nature of the UPB construct (Tang et al., 2021) to reveal the complex relationships between employees' self-regulatory efforts to maintain their moral self-image and to resolve conflicting concerns regarding the well-being of various stakeholders. That is, we seek to map out the complicated landscape as perceived and experienced by UPB actors, who are torn between benefiting and protecting the interests of the organization on the one hand and those of external stakeholders and the self on the other. Lastly, whereas research has found moral identity centrality to be a potent force in motivating ethical behavior and inhibiting unethical behavior (Aquino & Reed, 2002), the current research demonstrates how it amplifies UPB's positive effects but reduces its negative effects. In doing so, it contributes to research on the role of moral character in maintaining ethical integrity in ethically ambivalent situations (Cohen & Morse, 2014; Moore & Gino, 2013; Tang et al., 2021).

By focusing on the behavioral consequences of UPB and explicating mediating and moderating psychological mechanisms, our theoretical model (depicted in Fig. 1) offers insights about both the process by which (mediation) *and* the conditions under which (moderation) these psychological mechanisms play out. In doing so, we seek to broaden and deepen our understanding of UPB and its consequences in organizations.

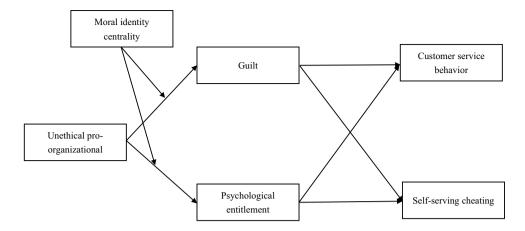
# **Theory and Hypotheses**

# **Paradoxical Nature of UPB**

Moral judgment and action generally involve complex processes (Jones, 1991; Treviño, 1986). The ethicality of UPB is even more complicated due to its paradoxical nature. The very title of the original work of UPB, "When employees do bad things for good reasons" (Umphress & Bingham, 2011, p. 1) suggests UPB is simultaneously right *and* wrong (i.e., prosocial *and* unethical) as far as the UPB actor is concerned. Similarly, Bolino and Grant (2016, p. 1) used the title, "The bright side of being prosocial at work, and the dark side, too" to suggest the double-edged effects of prosocial motives and behaviors at the workplace.



Fig. 1 Theoretical model



Bolino and Grant (2016, p. 1) defined prosocial motives as "desires to benefit others or expend effort out of concern for others" and prosocial behaviors as "acts that promote/ protect the welfare of individuals, groups, or organizations." Because Umphress and Bingham's (2011) definition of UPB is largely consistent with the above definitions of prosocial motives and behaviors, it is reasonable to presume that in organizational contexts, prosocial motives and behaviors tend to manifest in pro-organizational motives and behaviors.

In what ways can UPB be seen as both right and wrong or representing both the bright and the dark sides of organizational behavior? We contend that the conceptual paradox of UPB exists in pro-organizational behavior itself. First, to actors of UPB, engaging in pro-organizational action is the right thing to do because it is part of the psychological contract that exists when employees join the organization (Morrison & Robinson, 1997; Rousseau, 1989). As part of entering an employment relationship, employees are expected to use organizational resources for the collective good of the organization (instead of, for example, misusing their position to advance individual self-interests). Second, fraught with conflicts of interest that pose ethical dilemmas to employees (Bazerman & Tenbrunsel, 2011), organizations make concerted efforts to foster a "duty orientation," defined as "volitional orientation to loyally serve and faithfully support other members of the group, to strive and sacrifice to accomplish the tasks and missions of the group and to honor its codes and principles" (Hannah et al., 2014, p. 220). Both psychological contracts and organizational management research therefore prescribe organization-benefitting (as opposed to self-benefiting) action as ethically laudable.

Under what conditions then are pro-organizational behaviors wrong? Umphress and Bingham (2011) offer a general condition, namely, when they "violate core societal mores, laws, values or standards of proper conduct," that supersede organizational norms. Societal hyper-norms are therefore the ethical constraints on pro-organizational behaviors.

Employees are crossing the ethical line if their organizationbenefiting behaviors harm external stakeholders or society at large, or violate generally accepted moral principles (e.g., lying and cheating) even without causing immediate or substantial harms.

In summary, motives and actions that aim to benefit one's own organization are generally considered to be ethical when employees choose to faithfully fulfill their duty to the organization instead of misusing organizational resources for self-interests. However, when faced with conflicts of interest involving external stakeholders, organization-benefiting motives and actions may misguide employees into engaging in unethical means and/or causing harm to others, constituting the paradox of doing bad things for good reasons.

# Psychological Reactions to UPB: A Moral Agency Perspective

Given its paradoxical properties, we contend that UPB simultaneously generates conflicting psychological states: feelings of guilt (for behaving unethically) and a sense of entitlement (for behaving in a pro-organizational fashion) because the actor may evaluate the same conduct differently depending on which aspect of UPB is the focus. According to the social cognitive theory of morality (Bandura, 1991, 1999), adult human beings generally are moral agents, equipped with the basic ability to exercise moral self-appraisal and self-regulation. Moral self-regulation involves applying individual (internal) and social (external) control systems that regulate moral conduct by rewarding and encouraging ethical acts and inhibiting and punishing unethical ones. The internal control system of the individual consists of internalized moral values and principles and associated moral cognitions and emotions as well as other amoral values, principles, cognitions, and emotions (Bandura, 1991). Individuals make moral judgements and decision by balancing various values and motives of the internal



system in conjunction with the external system of controls and sanctions.

The moral agency perspective thus provides insights into how individuals self-regulate moral cognitions, emotions, and behaviors in the context of other internal factors as well as the external factors. As moral agents, individuals feel morally good or bad depending on their appraisal of the ethicality of their conduct according to internalized and social moral standards. In general, positive and negative appraisal lead to corresponding moral emotions, which in turn lead to future behaviors that serve to maintain a positive moral identity while also meeting other self-needs. Prior research has demonstrated that moral misconduct invariably relates to various degrees of negative self-conscious emotions such as guilt, shame, and self-blame (Greenbaum et al., 2020; Tangney et al., 2007), whereas prosocial conducts generally make people feel good about themselves as it generates a sense of accomplishment and social status (Klotz & Bolino, 2013). Although existing research attributes these opposing psychological reactions to behaviors that are clearly either ethical or unethical, UPB represents a complex phenomenon in which a single unethical act could engender conflicting psychological states that drive conflicting behaviors. The moral agency perspective thus can help explore dynamics of how a morally paradoxical behavior may trigger a chain of paradoxical reactions in the actor, which we start to explicate below.

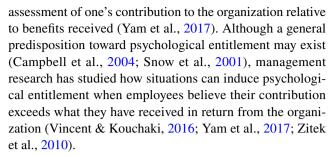
#### **UPB** and Guilt

Feelings of guilt typically arise when individuals blame themselves for committing unethical behaviors (Greenbaum et al., 2020). UPB may trigger guilt for two reasons. First, when it involves lying, deception or fraud, UPB violates a person's internal moral standards of integrity. Second, even though it brings benefits to the organization, it may also cause harm to UPB targets (e.g., customers) and/or violate organizational or societal ethical codes and principles. For both reasons, UPB would arouse guilt in actors because it undermines individuals' desired moral self-image. Unethical workplace behaviors in general have been found to trigger feelings of guilt (Greenbaum et al., 2020) and UPB in particular has also been found to be related to guilt (Tang et al., 2020). We therefore hypothesize:

**Hypothesis 1** UPB is positively related to guilt.

# **UPB and Psychological Entitlement**

In the context of organizations, psychological entitlement refers to the expectation of compensation "as a result of an individual participating in an employment relationship" (Naumann et al., 2002, p. 150), which hinges on a positive



Despite the unethicality of UPB, employees may engage in positive appraisal of their actions by focusing on their sincere pro-organization intent and the actual benefits to the organization (Tang et al., 2021). Pro-organizational intent can used as means of post hoc justification of UPB, turning negative self-appraisal into a positive, as actual benefits to the operation of the organization (e.g., meeting a deadline, making a sales target, or increasing profitability) are bases for positive self-appraisal. Ironically (or paradoxically), the positivity of self-assessment may increase with the negative consequences of UPB. To the extent UPB carries substantial risks (and thus, possible costs) to the actor, who faces the potential prospect of a customer complaint, a damaging self-image, or suffering from psychological distress (Mazar et al., 2008; Umphress & Bingham, 2011), self-appraisal of contribution becomes even more positive.

With positive assessments by employees of their UPB motives and consequences come positive cognitive and affective responses to the action. Indeed, Tang et al. (2020) found that employees who commit more UPB feel a higher level of pride. We contend that positive cognitive and emotional assessments of UPB may increase UPB actors' expectation that they deserve greater rewards because they believe the organization should reciprocate their greater contribution. In summary, when employees believe their UPB is intended to and/or has brought benefits to the organization, they feel they deserve to "be treated as special or unique" (Snow et al., 2001, p. 104) and expect greater rewards from the organization, translating to a higher level of psychological entitlement.

**Hypothesis 2** UPB is positively related to psychological entitlement.

# The Mediating Role of Guilt and Psychological Entitlement

The above hypotheses focus on impact of UPB on guilt and psychological entitlement. We now turn to the behavioral consequences of UPB and the mediating mechanisms by which they emerge. We chose customer service and self-serving cheating behaviors as the outcome variables that are potentially affected by the complex dynamics involving the conflicts of interest between the



self, the organization, and the external stakeholder. Specifically, customer service is highly pertinent because to sales employees, customers represent salient external stakeholders who would be UPB victims as well as recipients of reparatory behaviors. Indeed, half of the six UPB measurement items name customers as the target of UPB and two others can be directly applied to customers (Umphress et al., 2010). Self-serving cheating is pertinent because it not only contrasts with the pro-organization focus of UPB but is also greatly affected by UPB-induced psychological states.

In regulating one's self-conscious moral emotions (Greenbaum et al., 2020; Tangney et al., 2007), negative emotions create tensions between the actual and the desired moral selves and motivates subsequent reparatory behaviors or constrains further misconduct in the future. In contrast, positive assessment of one's contribution and entitlement leads to greater expectation of rewards and triggers self-protective or self-serving behaviors at the expense of the organization (e.g., Vincent & Kouchaki, 2016; Yam et al., 2017; Zitek et al., 2010).

# The Mediating Role of Guilt

Prior research has demonstrated that reparative behaviors motivated by guilt include acts such as apologizing, reducing deviant or unethical behaviors, correcting one's actions, or engaging in prosocial behaviors (Eisenberg, 1986; Tangney, 1991; Tangney et al., 1996; Umphress & Bingham, 2011; for a review, see Tangney et al., 2007). It is worth noting guilt may motivate behavior to compensate for the damage done to victims but also any behavior to maintain a more positive moral self-image (Zhong & Liljensquist, 2006). Accordingly, we contended that UPB-induced guilt will affect not only customer-serving but also self-serving behavior. To the extent that sales employees are cognizant that their UPB brings negative consequences to customers, the resultant self-blaming feelings are more likely to improve customer service to compensate for the harms that UPB has caused. Similarly, to the extent that sales employees have self-blaming feelings for committing UPB (despite their intention to help the organization), they will restrain from unethical selfserving behavior to avoid further damaging their moral self-image. We therefore hypothesize:

**Hypothesis 3a** Guilt mediates the indirect positive relationship between UPB and employee customer service behavior.

**Hypothesis 3b** Guilt mediates the indirect negative relationship between UPB and employee self-serving cheating.

#### The Mediating Role of Psychological Entitlement

When a sense of entitlement is salient, individuals tend to be self-oriented, viewing themselves as more deserving but undercompensated in an exchange relationship, leading to self-serving behaviors. Research has documented an array of negative behaviors and outcomes of psychological entitlement (Vincent & Kouchaki, 2016; Yam et al., 2017) such as self-benefiting behavior in social and romantic relationships (Campbell et al., 2004), demanding undeserved compensation (Bishop & Lane, 2002; Campbell et al., 2004), experiencing higher levels of job dissatisfaction and turnover intention (Harvey & Martinko, 2009), job tension and anxiety (Hochwarter et al., 2010), and work withdrawal (O'Leary-Kelly et al., 2017). Based on theory and research on psychological entitlement, we therefore propose that employees who derive psychological entitlement from their UPB will be more likely to be oriented toward self-benefiting as opposed to other-benefitting actions.

**Hypothesis 4a** Psychological entitlement mediates the indirect negative relationship between UPB and customer service behavior.

**Hypothesis 4b** Psychological entitlement mediates the indirect positive relationship between UPB and self-serving cheating.

# The Moderating Effect of Moral Identity Centrality

The social cognitive theory of morality suggests that self-regulatory processes are influenced by individual characteristics. As Bandura (1991) stated, social cognitive and regulatory processes result from the confluence of what is in the environmental display and the personality. More pertinent to UPB literature, Tang et al. (2021) has demonstrated that moral traits influence third parties' paradoxical appraisal of UPB. We contend that moral identity centrality is a personality trait that is particularly pertinent because it provides a moral compass steadying self-regulating processes in morally ambivalent situations (Moore & Gino, 2013).

Moral identity centrality involves commitment to universal virtuous attributes like being compassionate, caring, fair, and honest. Individuals differ in how *central* moral identity is to their overall self-concept (Aquino & Reed, 2002), how important it is for one to create and maintain high standards of a moral self, and the extent to which moral virtues (e.g., caring, compassionate, fair, friendly, generous, helpful, hardworking, honest, and kind) are a fundamental component of the personal sense of self. Note that the morally ambivalent construct of UPB may provide opportunities for individuals to engage various cognitive techniques to disengage moral



reasoning in ways that serve and promote self-serving or ingroup-serving behaviors. When UPB is committed, actors experience conflicting well-being concerns for the self, the organization, and external stakeholders such as customers. Individuals with more steadfast moral values and standards would experience stronger moral emotions and cognitions that in turn lead to more ethical behaviors and fewer unethical behaviors. Below we present reasons for the moderating effect of moral identity centrality.

The more central moral identity centrality is to a person's sense of self, the more consistently the person will uphold those moral attributes in their daily lives. Research shows that moral identity centrality can influence the degree to which individuals act on their convictions to persevere through ethical challenges and engage in moral actions (see Shao et al., 2008 for a review). Because moral identity centrality is a stable trait, people with low moral identity centrality are more likely to use their more flexible moral self-representation as a means of enhancing their own self-interests. Conversely, people with high moral identity centrality will be more likely to adhere to ethical standards. Further, in responding to ethical lapses, they are more likely to experience guilt and less likely to have a sense of entitlement (both of which would boost their customer service behavior but reduce self-serving cheating). For example, prior research has found that both victims and third-party observers of wrongdoing who have high moral identity centrality are less likely to retaliate against perpetrators in response to the unjust treatment (Mitchell et al., 2015; Skarlicki et al., 2008). We therefore hypothesize:

**Hypothesis 5a** Moral identity centrality moderates the indirect positive relationship between UPB and customer service behavior (via guilt) such that the relationship is stronger when moral identity centrality is high.

**Hypothesis 5b** Moral identity centrality moderates the indirect negative relationship between UPB and self-serving cheating (via guilt) such that the relationship is stronger when moral identity centrality is high.

**Hypothesis 6a** Moral identity centrality moderates the indirect negative relationship between UPB and customer service behavior (via psychological entitlement) such that the relationship is stronger when moral identity centrality is low.

**Hypothesis 6b** Moral identity centrality moderates the indirect positive relationship between UPB and self-serving cheating (via psychological entitlement) such that the relationship is stronger when moral identity centrality is low.



We conducted three studies to examine our hypotheses. All were based in China and all materials were presented in Chinese. English materials were translated into Chinese by using translation-back translation procedures (Brislin, 1986). Study 1 was an incident-recall experiment testing the psychological consequences of UPB, with the specific aim of providing causal evidence about the conflicting reactions to UPB due to the paradoxical nature of the UPB construct. Study 2 was a 3-wave, multisource field study with working adults from one large Chinese retail-chain company, aimed at constructively replicating our findings of the first study in the field and, in turn, at testing the full model. The third and final study was also a 3-wave, multisource field study with working adults from one large Chinese pharmacy retail company to replicate and extend the findings of Study 2 in a different organizational context.

# Study 1

# Method

# **Participants and Design**

We recruited working adults via Sojump, an online Chinese survey and study response firm that has been demonstrated to yield reliable data (e.g., Keller et al., 2017), to participate in our study in exchange for payment. We received 214 participants (Female = 54.6%;  $M_{age} = 31.59$  years;  $M_{tenure} = 8.38$  years). We tested our model by randomly assigning participants to recall and write about (1) a past incident in which they engaged in unethical pro-organizational behavior (UPB), or (2) a past incident in which they engaged in unethical pro-self-behavior (UPSB), or (3) a work activity they engaged in on the previous workday. After the writing task, participants completed measures of ethicality, guilt, and psychological entitlement.

It is noteworthy that the recall experiment had two control conditions, namely, a UPSB condition and a work activity condition (presumably with no unethical behavior committed). We designed two control conditions to more robustly test our expectation that the dual psychological experiences of guilt and psychological entitlement occur only with UPB. Specifically, we expected UPB to generate feelings of both guilt *and* psychological entitlement (due to its paradoxical nature of being both right *and* wrong), UPSB to generate significant feelings of guilt without much psychological entitlement, and regular work activities to generate feelings of psychological entitlement without much simultaneous guilt.



# Manipulation

Participants were randomly assigned to *UPB-recall condition* (N=75), *UPSB-recall condition* (N=71), or *Work Activity condition* (N=68). Participants received one of the following three types of instructions:

#### **UPB-Recall Condition**

At one time or another while working as an employee, we sometimes do something that is not ethical but intended to help or protect our companies. In the space provided below, please type several sentences that describe any such actions that you did during the last two weeks.

#### **UPSB-Recall Condition**

At one time or another while working as an employee, we sometimes do something that is not ethical and intended to promote or protect our own interest. In the space provided below, please type several sentences that describe any such actions that you did during the last two weeks.

# **Work Activity Recall Condition**

In the space provided below, please type several sentences that describe a work activity you performed the previous day.

An example of a response from participants in the *UPB-recall condition* was: "My company's products are not good, and the back repair rate is high. However, I exaggerated the quality of the products to customers." An example of a response from participants in the *UPSB-recall condition* was: "I cheated to cover up my own mistake." An example of a response from participants in the *Work Activity recall condition* was: "I attended a meeting. My coworkers and I analyzed our sales performance...".

Content analysis of the recalled events indicated that, in the *UPB-recall condition*, 13 participants did not compete the recall task and 16 participants reported the unethical behavior was aimed at benefitting the self as opposed to the organization. Following Meade and Craig's (2012) suggestion, we dropped these 29 careless responses and thereby reduced the sample of the UPB-recall condition to 46. In the UPSB-recall condition, 28 participants did not compete the task thereby reducing the sample of the UPSB-recall condition to 43. In the Work Activity recall condition, 17 participants did not compete the task thereby reducing the sample of Work Activity recall condition to 51. Thus, based on our power analysis (i.e., a sample of 45 per condition could test an estimated effect size of 0.60 at the level of  $\alpha = 0.05$  and power = 0.80), each condition still contained a sufficient number of participants. We found no difference between retained case group (N=140) and dropped case group (N=74) in terms of age ( $M_{\text{retained case group}}$ =31.39 vs.  $M_{\text{dropped case group}}$ =31.96, t(212)=-0.73, ns), gender ( $M_{\text{retained case group}}$ =0.56 vs.  $M_{\text{dropped case group}}$ =0.53, t(212)=0.42, ns), and tenure ( $M_{\text{retained case group}}$ =8.14 vs.  $M_{\text{dropped case group}}$ =8.84, t(212)=-0.86, ns).

# **Measures**

#### **Manipulation Check Item**

We asked all participants to report the extent to which the behavior they had recalled was ethical (1="strongly disagree" to 7="strongly agree").

#### Guilt

We measured guilt with a two-item scale from Ilies et al. (2013), which was adapted from the guilt subscale of the Positive and Negative Affect Schedule-Expanded Form (PANAS-X) developed by Watson and Clark (1994). Participants were asked to rate the extent to which the emotional adjectives (i.e., "Guilty" and "Blameworthy") described the feeling they currently felt (1 = "very slightly/not at all" to 5 = "extremely";  $\alpha$  = 0.81).

# **Psychological Entitlement**

We measured psychological entitlement with a 4-item scale used by Yam et al. (2017). A sample item is "I honestly feel I'm just more deserving than others" (1 = "strongly disagree" to 7 = "strongly agree";  $\alpha = 0.83$ ).

#### Results

#### **Manipulation Check**

An independent sample t test revealed that participants assigned to the *UPB-recall condition* indicated that their recalled behaviors were less ethical (M=2.89, SD=1.43) than the behaviors of participants in the *Work Activity recall condition* [(M=6.27, SD=1.04), t(95)=-13.39, p<0.001, Cohen's d=2.70]. Additionally, participants assigned to the *UPSB-recall condition* indicated that their recalled behaviors were also less ethical (M=2.44, SD=1.50) than the behaviors of participants in the *Work Activity recall condition* [(M=6.27, SD=1.04), t(92)=-14.56, p<0.001, Cohen's d=2.97], suggesting that the manipulation was effective.

To examine our Hypotheses 1, 2, we first conducted a multivariate analysis of variance (MANOVA). Specifically, we examined the mean difference in guilt and psychological entitlement across the three experimental conditions. Results of the MANOVA indicated that all multivariate statistics for



the main effect were significant [e.g., Hotelling's T=0.37,  $F(4, 270) = 12.50, p < 0.01, \eta^2 = 0.16$ , and further analyses were also performed using t-tests and univariate test analyses to investigate specific differences. As shown in Fig. 2, we found that participants in the *UPB-recall condition* reported higher level of guilt (M = 2.91, SD = 1.05) than those in the Work Activity recall condition [(M=1.89, SD=0.95),t(95) = 5.03, p < 0.001, Cohen's d = 1.02, providing evidence supporting Hypothesis 1. In addition, as expected, participants in the UPSB-recall condition also reported a higher level of guilt (M = 3.03, SD = 1.15) than those in the Work Activity recall condition [(M=1.89, SD=0.95),t(92) = 5.29, p < 0.001, Cohen's d = 1.08]. Interestingly, there was no significant difference in the level of guilt between the UPSB-recall condition (M = 3.03, SD = 1.15) and the *UPB-recall condition* [(M=2.91, SD=1.05), t(87)=-0.52,ns, Cohen's d = 0.11]. This finding was expected because unethical behaviors should produce feelings of guilt regardless of their prosocial or pro-self-intentions.

With regards to psychological entitlement, participants in the *UPB-recall condition* reported higher levels (M=4.33, SD=1.29) than those in the *UPSB-recall condition* [(M=3.29, SD=1.43), t(87)=3.58, p<0.01, Cohen's <math>d=0.76] and those in the *Work Activity recall condition* [(M=3.78, SD=0.94), t(95)=2.40, p<0.01, Cohen's <math>d=0.49], providing support for Hypothesis 2. In addition, as expected, participants in the *Work Activity recall condition* were found to hold a higher level of psychological entitlement (M=3.78, SD=0.94) than those in the *UPSB-recall condition* [(M=3.29, SD=1.43), t(92)=1.99, p=0.05, Cohen's <math>d=0.40].

#### Discussion

In summary, Study 1 demonstrated that when employees committed UPB, they felt both guilty *and* entitled. In contrast, they felt guilt but *not* entitled when they committed UPSB, and they felt psychologically entitled but *not* guilt

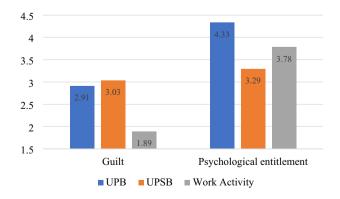


Fig. 2 Result of guilt and psychological entitlement (study 1)



when they engaged in regular work activities. However, Study 1 has two limitations. First, this study tests only a portion of our theoretical model. Second, our study design, given the experimental methodology, limits the generalizability of our findings. To this end, to test our full model we complement the experimental methodology with a time-lagged multisource field study.

# Study 2

# Method

# **Participants and Design**

We obtained the endorsement of a large retail-chain company from an eastern province of China to conduct the study. The company's HR Department identified retail stores and gave us permission to administer the paper-and-pencil surveys on site to the sales employees. Following Keem et al. (2018), we collected three waves of survey data, three weeks apart from each other. All participants had frequent interactions with clients, conducting business on behalf of their company in the course of their daily work. In the first survey (Wave 1), participants responded to questions assessing their frequency of engaging in various forms of unethical proorganizational behavior, level of moral identity centrality, and dispositional positive and negative affect. In the second survey (Wave 2), participants responded to questions assessing their level of guilt and psychological entitlement. In the last survey (Wave 3), participants responded to questions assessing their self-serving cheating behavior and supervisors rated subordinates' customer service behavior.

Nine hundred fifty-six salespersons of the company were contacted for voluntary participation in the study. In all, 662 employees completed the first wave of survey, for a response rate of 69.2%. Of these employees, 497 employees completed the second wave of survey, for a response rate of 52%. Finally, we received 414 usable dyadic data from 212 supervisors, representing an overall response rate of 43.3% (Female = 92%;  $M_{\rm age}$  = 35.59 years;  $M_{\rm tenure}$  = 2.26 years).

#### Measures

# **Unethical Pro-organizational Behavior**

We assessed unethical pro-organizational behavior with a 5-item measure developed by Umphress et al. (2010). (The original scale has 6 items but we dropped one item about "Giving a good recommendation on the behalf of an incompetent employee in the hope that the person will become another organization's problem," as such behavior does not represent unethical conduct toward customers). Participants

were asked to indicate how often they had engaged in each of these five statements about behaviors during the last few weeks. A sample item is "Since it helped my organization, I misrepresented the truth to make my organization look good" (1 = "never" to 7 = "always";  $\alpha$  = 0.80).

# Moral Identity Centrality

Moral identity is conceived to have two dimensions, namely, internalization (the degree to which moral attributes such as honesty and compassion are central to one's moral self) and symbolization (the degree to which one publicly displays moral actions) (Aquino & Reed, 2002). Although symbolization is supposed to be closely linked to moral actions, according to Jennings et al. (2015) review of empirical research it is moral identity centrality (i.e., internalization) that has been found to be a more consistent predictor of ethical and unethical behavior. We thus adopted the 5-item internationalization measure of moral identity centrality, following the example of Mitchell et al. (2015) and Taylor et al. (2019). Participants were asked to imagine a person who possesses nine moral attributes and to indicate, in five statements, the extent to which having these attributes is important to the participants' sense of self. A sample item is "I strongly desire to have these characteristics" (1 = "strongly disagree" to 7 = "strongly agree";  $\alpha = 0.95$ ).

#### Guilt

We assessed guilt with a 3-item measure from Tangney et al. (1996). Participants were asked to rate the extent to which they experienced these emotions (i.e., "Guilty", "Repentant", and "Blameworthy"), when thinking about something they have done in the past few weeks that is not ethical but intended to help or protect their company (1="very slightly/ not at all" to 5="extremely";  $\alpha$ =0.88).

# **Psychological Entitlement**

We used the same measure as in Study 1. Participants were asked to rate the extent to which they experienced these statements when thinking about something they have done in the past few weeks that is not ethical but intended to help or protect their company (1 = "strongly disagree") to 7 = "strongly agree";  $\alpha = 0.91$ ).

# **Self-serving Cheating**

We assessed self-serving cheating with a 7-item measure of Mitchell et al. (2018) and asked respondents how frequently they engaged in cheating behavior. A sample item is "Misrepresenting work activity to make it look as

though I have been productive" (1 = "never" and 7 = "very frequently";  $\alpha = 0.97$ ).

#### **Customer Service Behavior**

We assessed customer service behavior with a 7-item measure developed by Chuang and Liao (2010). We invited supervisors to rate their agreement with seven statements about subordinates' customer service behavior. A sample item is "Ask good questions and listen attentively to find out what a customer wants" (1 = "strongly disagree" to 7 = "strongly agree";  $\alpha$  = 0.94).

#### **Control Variables**

Because guilt is situationally activated by UPB, we felt it necessary to control for the effects of individual differences in dispositional positive and negative affectivity (Brown et al., 2005). Therefore, we controlled for trait positive affect and negative affect with a 10-item short version of the Positive and Negative Affect Schedule (Watson & Clark, 1994). Participants were asked to rate the extent to which a set of emotional adjectives (i.e., inspired, alert, excited, enthusiastic, determined, afraid, upset, nervous, scared, and distressed) described the extent to which they generally feel that way (1 = "very slightly/not at all" to 5 = "extremely";  $\alpha = 0.86$  for positive affectivity and 0.91 for negative affectivity). Following the recommendation of Bernerth and Aguinis (2016), we repeated the analyses without the controls and results showed the same pattern and the level of significance.

# **Analytical Strategy**

In this study, all constructs were conceptualized and measured at the individual level. However, our data were nested (i.e., a single supervisor provided assessments for several subordinates). We, therefore, employed complex modeling via Mplus 7.20 to account and control for the data interdependence while testing our hypotheses (Muthén & Muthén, 1998–2013; Preacher et al., 2010). For moderated mediation, we followed Preacher et al. (2007) procedures and calculated the indirect effects at high (1 SD above mean) and low (1 SD below mean) levels of the moderator and assessed the difference in these effects. To account for non-normal sampling distributions of indirect relations, we applied Monte Carlo simulation to calculate bias-corrected confidence intervals for indirect effects by using 20,000 resamples via the R program (Preacher & Selig, 2012).



#### **Results**

#### **Confirmatory Factor Analyses (CFAs)**

We conducted confirmatory factor analysis with maximumlikelihood estimation to test the discriminant validity of the six factors: UPB, moral identity centrality, guilt, psychological entitlement, customer service behavior, and self-serving cheating. The baseline six-factor model provided a reasonable fit to the data ( $\chi^2 = 849.44$ , df = 419, RMSEA = 0.05, CFI = 0.96, SRMR = 0.04. This model achieved a better fit to the data compared to models that combined unethical pro-organizational behavior and guilt ( $\Delta \chi^2[5] = 528.70$ , p < 0.01, RMSEA = 0.07, CFI = 0.92, SRMR = 0.07), unethical pro-organizational behavior and psychological entitlement  $(\Delta \chi^2[5] = 577.66, p < 0.01, RMSEA = 0.08,$ CFI = 0.91, SRMR = 0.08), and guilt and psychological entitlement ( $\Delta \chi^2$  [5] = 629.79, p < 0.01, RMSEA = 0.08, CFI = 0.91, SRMR = 0.08), supporting the distinctiveness of our measures.

#### **Descriptive Statistics**

Table 1 presents the means, standard deviations, zero-order Pearson correlations, and reliability estimates for all variables in Study 2.

# **Hypotheses Testing**

As shown in Fig. 3, we found that engaging in UPB was positively related to guilt (B = 0.15, SE = 0.04, p < 0.01) and psychological entitlement (B = 0.15, SE = 0.05, p < 0.01). Thus, Hypotheses 1 and 2were supported again.

We next tested Hypothesis 3a, b regarding the mediating effect of guilt. As shown in Fig. 3, we found that guilt was positively related to customer service behavior (B = 0.21, SE = 0.05, p < 0.01) but negatively related to self-serving cheating (B = -0.29, SE = 0.06, p < 0.01). We further tested the proposed indirect relationships using 20,000 resamples via the R program. The indirect relationship between UPB and customer service behavior via guilt was positive and

Table 1 Means, standard deviations, correlations, and internal consistency estimates (study 2)

Variables	M	SD	1	2	3	4	5	6	7	8
1. Unethical pro-organizational behavior	2.93	1.54	(0.80)							
2. Moral identity centrality	5.50	0.88	0.08	(0.95)						
3. Guilt	2.13	1.01	0.26**	- 0.12*	(0.88)					
4. Psychological entitlement	2.25	1.44	0.19**	-0.08	0.32**	(0.91)				
5. Customer service behavior	5.99	1.05	0.07	0.03	0.14**	- 0.17**	(0.94)			
6. Self-serving cheating	1.78	1.31	-0.07	0.05	- 0.13**	0.20**	- 0.13*	(0.97)		
7. Positive affect	3.69	0.85	0.15**	0.27**	0.02	0.03	0.02	0.06	(0.86)	
8. Negative affect	2.60	1.01	0.17**	- 0.06	0.23**	0.20**	- 0.04	0.10*	0.03	(0.91)

Coefficient alphas are given in parentheses on the diagonal

N = 414

<sup>\*</sup>p < .05, \*\*p < .01, two-tailed tests

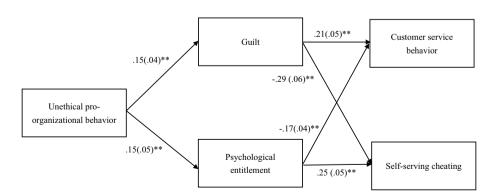


Fig. 3 Unstandardized parameter estimates of the path model (study 2). N=414. We report standard errors in parentheses. For the ease of readability, we did not present the coefficients of the paths from control variables (i.e., positive and negative affect) in the model. The

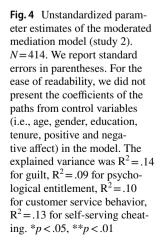
explained variance was  $R^2$ =.10 for guilt,  $R^2$ =.07 for psychological entitlement,  $R^2$ =.10 for customer service behavior,  $R^2$ =.13 for self-serving cheating. \*p<.05, \*\*p<.01

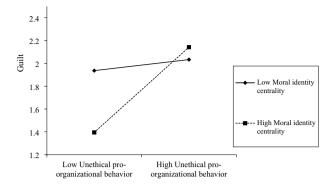


significant [indirect effect = 0.03, 95% CI (0.01,0.06)] and the indirect relationship between UPB and self-serving cheating via guilt was negative and significant [indirect effect = -0.04, 95% CI (-0.07, -0.01)]. Thus, Hypothesis 3a, b was supported.

Next, we tested Hypothesis 4a, b regarding the mediating effect of psychological entitlement. As shown in Fig. 3, we found that psychological entitlement was negatively related to customer service behavior (B=-0.17, SE=0.04, p<0.01) but positively related to self-serving cheating (B=0.25, SE=0.05, p<0.01). The indirect relationship between UPB and customer service behavior via psychological entitlement was negative and significant [indirect effect=-0.03, 95% CI (-0.06, -0.01)] and the indirect relationship between UPB and self-serving cheating via psychological entitlement was positive and significant [indirect effect=0.04, 95% CI (0.02, 0.08)]. Thus, Hypothesis 4a, b was supported.

Finally, we tested Hypotheses 5a, b and 6a, b, which predicted that moral identity centrality moderates the indirect relationships previously revealed. Hypothesis 5a predicted that moral identity centrality moderates the indirect effect of UPB on customer service behavior (via guilt). As shown in Fig. 4, we found that UPB and moral identity centrality significantly interacted in relation to guilt (B = 0.12, SE = 0.03, p < 0.01). We used Aiken and West's (1991) approach to investigate this interaction further. As illustrated in Fig. 5, the relationship between UPB and guilt was stronger under high moral identity centrality conditions (B = 0.24, SE = 0.05, p < 0.01) than under low moral identity centrality conditions (B = 0.03, SE = 0.04, ns). Following Preacher et al.'s (2010) recommendations, we found that the indirect effect of UPB on customer service behavior via guilt was stronger under high moral identity centrality conditions [indirect effect = 0.04, 95% CI (0.02, 0.08)] than under low moral identity centrality conditions [indirect effect = 0.01, 95% CI (-0.01, 0.03)], and the difference between these



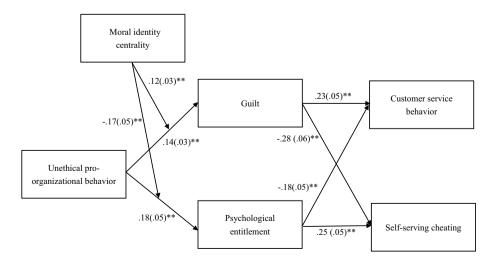


**Fig. 5** Interaction of unethical pro-organizational behavior and moral identity centrality on guilt (study 2)

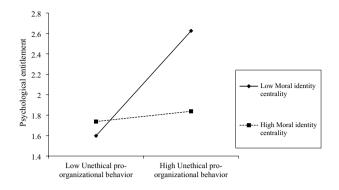
two effects was significant [difference index = 0.03, 95% CI (0.01, 0.07)]. Thus, Hypothesis 5a was supported.

Hypothesis 5b predicted that moral identity centrality moderates the indirect effect of UPB on self-serving cheating via guilt. We found that the indirect effect of UPB on self-serving cheating via guilt was stronger under high moral identity centrality conditions [indirect effect = -0.05, 95% CI (-0.09, -0.01)] than under low moral identity centrality conditions [indirect effect = -0.01, 95% CI (-0.03, 0.01)], and the difference between these two effects was significant [difference index = -0.04, 95% CI (-0.07, -0.01)]. Thus, Hypothesis 5b was supported.

Hypothesis 6a predicted that moral identity centrality moderates the indirect effect of UPB on customer service behavior (via psychological entitlement). As shown in Fig. 5, we found a significant interaction between UPB and moral identity centrality on psychological entitlement (B=-0.17, SE=0.05, p<0.01). As depicted in Fig. 6, the relationship between UPB and psychological entitlement was stronger under low moral identity centrality conditions (B=0.33, SE=0.06, p<0.01) than under high moral identity centrality conditions (B=0.03, SE=0.07, ns). Furthermore, we found







**Fig. 6** Interaction of unethical pro-organizational behavior and moral identity centrality on psychological entitlement (study 2)

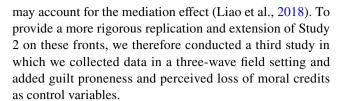
that the indirect effect of UPB on customer service behavior via psychological entitlement was stronger under low moral identity centrality conditions [ $indirect\ effect = -0.05, 95\%$  CI (-0.09, -0.01)] than under high moral identity centrality conditions [ $indirect\ effect = -0.01, 95\%$  CI (-0.03, 0.01)], and the difference these two effects was significant [ $difference\ index = 0.04, 95\%$  CI (0.01, 0.08)]. Thus, Hypothesis 6a was supported.

Finally, Hypothesis 6b predicted that moral identity centrality moderates the indirect effect of UPB on self-serving cheating via psychological entitlement. We found that the indirect effect of UPB on self-serving cheating via psychological entitlement was stronger under low moral identity centrality conditions [indirect effect = 0.07, 95% CI (0.03, 0.13)] than under high moral identity centrality conditions [indirect effect = 0.01, 95% CI (-0.01, 0.04)], and the difference between these two effects was significant [difference index = -0.06, 95% CI (-0.12, -0.02)]. Thus, Hypothesis 6b was supported.

#### Discussion

The results of this second study provide support for our full model. In addition to replicating the findings of Study 1 within a work organization, we found that the feeling of guilt induced by prior UPB encouraged customer service behavior and discouraged self-serving cheating, whereas the sense of psychological entitlement stemming from prior UPB discouraged customer service behavior but encouraged self-serving cheating. We also found that moral identity centrality strengthens the mediating effect of guilt and weakens the mediating effect of psychological entitlement.

Nevertheless, this second study has limitations that should be further addressed. It examined the effect of guilt as a state emotion resulting from unethical pro-organizational behavior, rather than as an individual trait difference in guilt proneness (Tang et al., 2020). Furthermore, it is possible that instead of guilt, perceived loss of moral credits



# Study 3

# Method

# **Participants and Design**

We obtained the endorsement of another retail company in the same province of China as the second study, which sells pharmacy products. The company's HR Department identified pharmacy stores and gave us permission to administer paper-and-pencil surveys on site to the sales employees. We also followed Keem et al. (2018)'s procedure and collected three waves of survey data, three weeks apart from each other. All participants were salespersons and therefore had frequent interactions with clients, conducting business on behalf of their company in the course of their daily work. In the first survey (Wave 1), participants responded to questions assessing their frequency of engaging in various forms of unethical pro-organizational behavior, level of moral identity centrality, guilt proneness, and dispositional positive and negative affect. In the second survey (Wave 2), participants responded to questions assessing their level of guilt, psychological entitlement, and perceived loss of moral credits. In the last survey (Wave 3), participants responded to questions assessing their cheating behavior and supervisors rated subordinates' customer service behavior.

We initially contacted 1300 salespersons of the company to request participation. In all, 963 employees completed the first wave of survey, for a response rate of 74.1%. Of these employees, 721 employees completed the second wave of survey, for a response rate of 55.5%. Finally, we received 674 usable dyadic data from 261 supervisors, representing an overall response rate of 51.8% (*Female* = 96%;  $M_{\text{age}} = 37.19 \text{ years}$ ;  $M_{\text{tenure}} = 2.68 \text{ years}$ ).

# Measures

Measures of unethical pro-organizational behavior, moral identity centrality, psychological entitlement, guilt, customer service behavior, self-serving cheating, and dispositional positive and negative affectivity were the same as used in Study 2. In addition, Study 3 included guilt proneness and perceived loss of moral credits as control variables.



#### **Guilt Proneness**

We assessed guilt proneness with a three-item measure used by Tang et al., (2020). Participants were asked to rate the likelihood that they would react in the way described. A sample item is "You lie to people but they never find out about it. What is the likelihood that you would feel terrible about the lies you told?" (1 = "very unlikely" to 7 = "very likely";  $\alpha = 0.74$ ).

# **Perceived Loss of Moral Credits**

We assessed perceived loss of moral credits with a five-item measure used by Liao et al. (2018). Participants were asked to rate the extent to which they experienced these statements when thinking about something they have done in the past few weeks that is not ethical but intended to help or protect their company. A sample item is "I lost moral credits for performing these immoral behaviors." (1 = "strongly disagree" to 7 = "strongly agree";  $\alpha = 0.91$ ).

# **Results**

# **Confirmatory Factor Analyses (CFAs)**

We applied the same procedures as in Study 2 to examine the discriminant validity of the study's key measures. The baseline six-factor model provided a reasonable fit to the data ( $\chi^2 = 2007.79$ , df = 419, RMSEA = 0.08, CFI = 0.92, SRMR = 0.04). This model achieved a better fit to the data compared to models that combined unethical pro-organizational behavior and guilt ( $\Delta \chi^2[5] = 1639.33$ , p < 0.01, RMSEA = 0.11, CFI = 0.85, SRMR = 0.08), unethical proorganizational behavior and psychological entitlement  $(\Delta \chi^2[5] = 1144.92, p < 0.01, RMSEA = 0.10, CFI = 0.87,$ SRMR = 0.08), and guilt and psychological entitlement  $(\Delta \chi^2[5] = 1302.34, p < 0.01, RMSEA = 0.10, CFI = 0.86,$ SRMR = 0.09), supporting the distinctiveness of our measures.

# **Descriptive Statistics**

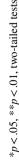
Table 2 presents the means, standard deviations, zero-order Pearson correlations, and reliability estimates for all variables in Study 3.

# **Hypotheses Testing**

We applied the same analytical procedures to examine our hypothesized model as in Study 2. As shown in Fig. 7, we found that engaging in UPB was positively related to guilt

Variables	M	QS		2	33	4	5	9	7	~	6	10
1. Unethical pro-organizational behavior	3.42 1.66	1.66	(0.82)									
2. Moral identity centrality	6.62	0.72	- 0.002	(0.94)								
3. Guilt	3.42	1.03	0.26**	0.13**	(0.93)							
4. Psychological entitlement	3.78	1.46	0.26**	0.05	0.13**	(0.86)						
5. Customer service behavior	5.80	1.47	90.0	0.02	0.26**	-0.12**	(0.97)					
6. Self-serving cheating	1.52	1.18	*60.0	- 0.17**	-0.20**	0.21**	- 0.34**	(0.96)				
7. Guilt proneness	4.43	1.77	- 0.31**	- 0.002	- 0.05	- 0.27**	0.05	- 0.18**	(0.74)			
8. Perceived loss of moral credits	5.70	1.34	0.16**	0.33**	0.28**	0.15**	0.07	- 0.19**	- 0.08*	(0.91)		
9. Positive affect	3.69	06.0	0.12**	0.21**	0.21**	0.10*	0.02	0.03	- 0.04	0.27**	(0.93)	
10. Negative affect	2.44	1.05	0.14**	-0.12**	0.05	0.22	0.001	0.17**	-0.15**	-0.04	- 0.08	(0.96)

Coefficient alphas are given in parentheses on the diagonal





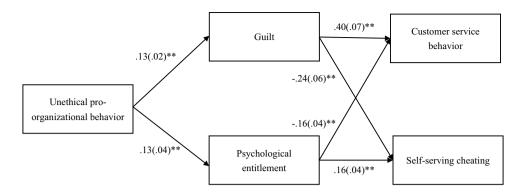


Fig. 7 Unstandardized parameter estimates of the path model (study 3). N=674. We report standard errors in parentheses. For the ease of readability, we did not present the coefficients of the paths from control variables (i.e., guilt proneness, perceived loss of moral cred-

its, positive and negative affect) in the model. The explained variance was  $R^2 = .14$  for guilt,  $R^2 = .15$  for psychological entitlement,  $R^2 = .10$  for customer service behavior,  $R^2 = .17$  for self-serving cheating. \*p < .05, \*\*p < .01

(B=0.13, SE=0.02, p<0.01) and psychological entitlement (B=0.13, SE=0.04, p<0.01). Thus, both Hypotheses 1 and 2were again supported.

Additionally, as shown in Fig. 7, we also found that guilt was positively related to customer service behavior (B=40, SE=0.07, p<0.01) and negatively related to self-serving cheating (B=-0.24, SE=0.06, p<0.01). We further found that the indirect relationship between UPB and customer service behavior via guilt was positive and significant [indirect effect=0.05, 95% CI (0.03, 0.08)] and the indirect relationship between UPB and self-serving cheating via guilt was negative and significant [indirect effect=-0.03, 95% CI (-0.05, -0.01)]. Thus, Hypothesis 3a, b was again supported.

Next, as shown in Fig. 7, we found that psychological entitlement was negatively related to customer service behavior (B = -0.16, SE = 0.04, p < 0.01) and positively related to self-serving cheating (B = 0.16, SE = 0.04,

p < 0.01). We further found that the indirect relationship between UPB and customer service behavior via psychological entitlement was negative and significant [indirect effect = -0.02, 95% CI (-0.04, -0.01)] and the indirect relationship between UPB and self-serving cheating via psychological entitlement was positive and significant [indirect effect = 0.02, 95% CI (0.01, 0.04)]. Thus, Hypothesis 4a, b was again supported.

We then tested Hypothesis 5a, b. As illustrated in Fig. 8, we found that UPB and moral identity centrality significantly interacted in relation to guilt (B = 0.11, SE = 0.03, p < 0.01). As illustrated in Fig. 9, the relationship between UPB and guilt was stronger under high moral identity centrality conditions (B = 0.20, SE = 0.03, p < 0.01) than under low moral identity centrality conditions (B = 0.05, SE = 0.03, ns). Moreover, we found that the indirect effect of UPB on customer service behavior via guilt was stronger under high moral identity centrality conditions [*indirect effect* = 0.08,

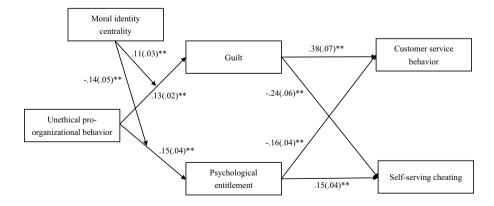
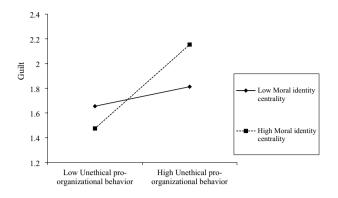


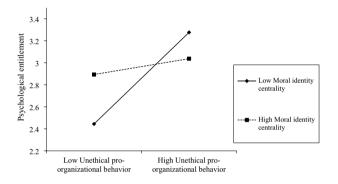
Fig. 8 Unstandardized parameter estimates of the moderated mediation model (study 3). N=674. We report standard errors in parentheses. For the ease of readability, we did not present the coefficients of the paths from control variables (i.e., guilt proneness, perceived

loss of moral credits, positive and negative affect) in the model. The explained variance was  $R^2$ =.16 for guilt,  $R^2$ =.16 for psychological entitlement,  $R^2$ =.10 for customer service behavior,  $R^2$ =.18 for self-serving cheating. \*p<.05, \*\*p<.01





**Fig. 9** Interaction of unethical pro-organizational behavior and moral identity centrality on guilt (study 3)



**Fig. 10** Interaction of unethical pro-organizational behavior and moral identity centrality on psychological entitlement (study 3)

95% CI (0.04, 0.12)] than under low moral identity centrality conditions [indirect effect = 0.02, 95% CI (- 0.01, 0.04)], and the difference between these two effects was significant [difference index = 0.06, 95% CI (0.03, 0.10)]. We also found that the indirect effect of UPB on self-serving cheating via guilt was stronger under high moral identity centrality conditions [indirect effect = - 0.05, 95% CI (- 0.08, - 0.02)] than under low moral identity centrality conditions [indirect effect = - 0.01, 95% CI (- 0.03, 0.003)], and the difference between these two effects was significant [difference index = - 0.04, 95% CI (- 0.07, - 0.01)]. Taken together, Hypotheses 5a, b were again supported.

Finally, we tested Hypotheses 6a, b. As illustrated in Fig. 8, we found a significant interaction between UPB and moral identity on psychological entitlement (B=-0.14, SE=0.05, p<0.01). As depicted in Fig. 10, the relationship between UPB and psychological entitlement was stronger under low moral identity centrality conditions (B=0.25, SE=0.05, p<0.01) than under high moral identity centrality conditions (B=0.04, SE=0.05, ns). In addition, we found that indirect effect of UPB on customer service behavior via psychological entitlement was stronger under low moral identity centrality conditions [*indirect effect=-0.04*, 95%

CI (-0.07, -0.02)] than under high moral identity centrality conditions [indirect effect = -0.01, 95% CI (-0.03, 0.01)], and the difference between these two effects was significant [difference index = 0.03, 95% CI (0.01, 0.07)]. Finally, we found that the indirect effect of UPB on self-serving cheating via psychological entitlement was stronger under low moral identity centrality conditions [indirect effect = 0.04, 95% CI (0.02, 0.06)] than under high moral identity centrality conditions [indirect effect = 0.01, 95% CI (-0.01, 0.02)], and the difference between these two effects was significant [difference index = -0.03, 95% CI (-0.06, -0.01)]. Taken together, Hypotheses 6a, b were again supported.

#### **Discussion**

After controlling for the effects of dispositional guilt proneness and perceived loss of moral credits, the results of this third and final study provide a more rigorous replication and extension of the test of our full model conducted in Study 2, within a different organization.

# **General Discussion**

In this research, we explored the psychological mechanisms by which UPB paradoxically affects subsequent workplace behaviors in contradictory ways and a boundary condition of when those effects are stronger or weaker. Results across three studies provided empirical evidence from lab and field settings that employees who engaged in UPB experience conflicting feelings of both guilt *and* psychological entitlement. Guilt encouraged customer service behavior and discouraged self-serving cheating, whereas psychological entitlement did the opposite. Finally, a strong moral identity centrality enhanced the mediating effect of guilt but weakened the mediating effect of psychological entitlement.

# **Theoretical Implications**

This research makes several theoretical contributions. As noted at the outset, previous research has focused on the question of what gives rise to UPB, but little is understood about the potentially even more important question regarding its consequences in the workplace. Our research is among the first to theorize about—and generate empirical evidence for—the *consequences* of UPB. As such, it enhances scholars' understanding of this pervasive yet complex phenomenon. It does so beyond simply filling an empirical gap in the literature. Rather, our work has provided a theory-based exploration of (a) the paradoxical impacts created by acts of UPB, (b) the processes by which these effects play out, and (c) the conditions under which they emerge in stronger or weaker fashion. Each of



these broadens our conceptual understanding of UPB and its impact in organizations, and lays the foundation for new ways of thinking about the phenomenon of UPB and its role in organizations.

In addition to directing research attention to UPB consequences, this research helps shed more light on the nature of UPB. It demonstrates the complexity of UPB lies in its paradoxical nature as pro-organizational and yet unethical, leading to employees being torn between conflicting and ambivalent cognitions and emotions. Although extant ethics research expects unethical behavior to activate negative emotions such as guilt, it does not predict a simultaneous self-sustaining state of entitlement, as was true of UPSB in Study 1. Similarly, extant research on psychological entitlement anticipates unrewarded contributions, but not unethical behavior, as antecedents. Taking into full account the paradoxical nature of UPB, our research predicted and found consistent evidence that employees committing UPB did not simply feel guilty for engaging in it but also felt entitled and deserving of rewards for doing so. It is possible that the paradoxical consequences we revealed in this research may not be restricted to UPB but applicable to other forms of prosocial constructs. This is why Bolino and Grant (2016) called for research on the dark side of prosocial constructs while recognizing their bright side. One way to highlight both good and bad sides of UPB (and other unethical prosocial constructs) is to conduct full-blown comparative studies between UPB and UPSB so as to systematically examine their similarities and differences in antecedents, mediating mechanisms and consequences.

Secondly, our study enriches our understanding of moral self-regulation by incorporating psychological entitlement. Given the high level of external pressure on employees and the bounded morality of humans (Bazerman & Tenbrunsel, 2011), moral self-regulation is fraught with ethical dilemmas between concerns for self well-being and well-being of the organization and its various stakeholders. In weighing such concerns in the context of employment relations, employees continually evaluate their relative contributions to and benefits from organization. Such assessment, according to the results of the present study, tend to be self-serving, leading to unethical pro-self-behavior. This finding has two research implications. One is that UPB may hurt the interests of not only external stakeholders but also the organization itself. The other is that UPB may not be inherently pro-organizational but mixed with self-interested motives.

Finally, we contribute to the behavioral ethics literature by demonstrating the moderating effect of moral identity centrality on enhancing ethical consistency in paradoxical or ambivalent situations. It suggests stronger ethical character may guide the self-regulating processes away from self-serving biases toward stronger adherence to internal and external moral standards.



# **Managerial Implications**

In addition to these theoretical contributions, the present research carries several practical implications as well. UPB represents a type of unethical conduct that is pervasive in today's competitive environment and yet is costly as it erodes trust in the organization and harms its long-term interests. In view of its negative impact on employees' psychological well-being and its potential long-term effects on the organization, management must not turn a blind eye to UPB, in spite of what might appear to be clear benefits (at least in the short run) to the organization itself. Rather, managers should take active measures to remove UPB inducements such as extreme performance demands (Ordóñez, & Welsh, 2015), instrumental ethical cultures (Jiang et al., 2016), and a bottom-line mentality (Greenbaum et al., 2012).

A second practical implication of our research lies in the importance of assessing moral acts and employee character across multiple arenas of organizational behavior, from the perspective of an overall behavioral pattern. Jumping to a conclusion about a person's moral integrity on the basis of a particular act in a particular area risks misjudgment of the individual and underestimation of the effect of organizational factors, as individuals move to and fro on an ethical continuum, striving to maintain a balanced moral equilibrium. Our work suggests this may be more likely than previously assumed, in that in the case of UPB, both the "to" and the "fro" challenges may well emerge from the same action.

Lastly, employees can be creative in utilizing moral compensation as means of reducing moral tension and maintaining a satisficing moral self-image. To reduce UPB, organizations must recognize the limits of moral self-regulation at the individual level and take steps to enhance a stronger ethical climate. For example, organizations need to be more explicit and unequivocal in laying down certain moral imperatives so as to reduce moral ambiguity and ensure compliance with accepted moral standards.

# **Limitations and Future Research Directions**

The current research has some limitations. To begin with, although we conducted three studies to examine our hypothesized model with both experimental and field survey designs, the research is limited from the perspective of the samples employed. Future research could include employees from professions other than sales and explore specific forms of UPB in other professions. Similarly, as our three studies were conducted in China, future research should assess these relationships in Western contexts to address generalizability of the findings. Interestingly, a recent meta-analysis demonstrates the effect size of moral identity on moral behavior is smaller in collectivistic cultures (r=0.14) than individualistic cultures (r=0.23) (Hertz & Krettenauer, 2016). Perhaps

the moderating effect of moral identity centrality demonstrated in the current research would be even stronger in Western samples.

Second, our results suggest it could be informative to explore the effects of UPB on subsequent behaviors. Having reliably established these baseline relationships across multiple studies in this research, future research could study the underlying processes at work here by employing a within-person design using tools like an experience sampling method (Tang et al., 2021). Additionally, such research could explore whether or how the timing and the magnitude of the conflicting effects may potentially cancel each other out.

Third, our research found moral identity centrality to be an important moderator that reduces the conflicting impact of UPB on the psychological states and moral behavior of employees. Future research could explore the impact of additional individual difference moderators such as moral attentiveness, group-level moderators such as group reflexivity, and organizational-level moderators such as organizational incentive systems and ethical culture.

Finally, although our research focused on the consequences of UPB, we did not distinguish the motives of UPB and explore whether different motives lead to different forms of psychological and behavioral consequences of UPB. Because organizational interests and self-interests sometimes align, an act of UPB may benefit the UPB actor as well. Although UPB is defined as primarily motivated by a desire to benefit the organization, it should not exclude exploring the effect of self-interested motives. Research also has indicated that while prosocial and self-interested motives are empirically independent, they can be positively related (Grant & Berry, 2011). Future research could explore whether and how differently motivated UPB gives rise to different psychological and behavioral reactions.

# **Conclusion**

Using both experimental and field survey methods, we studied the paradoxical nature of unethical pro-organizational behavior and found that UPB engenders in employees conflicting psychological states of guilt and entitlement. In turn, guilt motivates customer service behavior but reduces self-serving cheating, whereas psychological entitlement does the opposite. We further suggested—and detected—a moderating effect of moral identity centrality on these mediation processes. Our research thereby offers both theoretical and empirical contributions to this area of research.

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#### **Declarations**

**Conflict of interest** The authors declared that this research was conducted in accordance with ethical standards and that we do not have any commercial or associative interest that represents a conflict of interest in connection with the work submitted.

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