#### **ORIGINAL PAPER**



## Effects of Organizational Embeddedness on Unethical Pro-organizational Behavior: Roles of Perceived Status and Ethical Leadership

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#### **Abstract**

This study examines why individuals who are deeply embedded in the organization may engage in unethical pro-organizational behavior (UPB). Drawing from social identity theory and self-affirmation theory, we propose that deeply embedded employees may engage in UPB as a way of promoting or maintaining their status in the organization. We further propose that this positive relationship between organizational embeddedness and UPB, mediated through status perceptions, is stronger for employees working under managers who display low levels of ethical leadership. Using data gathered in a two-wave survey from 224 working adults, the results of the study lend support for the hypothesized relationships and remained significant even after controlling for affective commitment. The study advances our understanding of both contextual and individual factors motivating employees to engage in UPB and the boundary conditions under which UPB can be reduced.

**Keywords** Unethical pro-organizational behavior · Organizational embeddedness · Status perceptions · Ethical leadership

Organizational embeddedness represents a constellation of influences that keep people in their current organizations (Mitchell et al. 2001). When employees have numerous formal or informal ties to their organization, perceive high levels of compatibility with their organization, and/or recognize psychological, social, or material costs of leaving their organization, these individuals are highly embedded in their workplace (Halbesleben and Wheeler 2008; Lee et al. 2014). Employees who are embedded in the organization have been normally conceived as desirable workers, who

deliver good performance, help the organization function smoothly, and are willing to stay (Halbesleben and Wheeler 2008; Lee et al. 2014; Mitchell et al. 2001).

Recent evidence, however, has shown that high levels of organizational embeddedness are associated with negative outcomes, including ethical misconduct and counterproductive workplace behavior (e.g., Collins and Mossholder 2017; Ghosh 2017). One form of such behavior is unethical pro-organizational behavior (UPB hereafter), defined as "actions intended to promote the effective functioning of the organization and violate core societal values, mores, laws, or standards of proper conduct" (Umphress and Bingham 2011, p. 622). UPB is a discretionary pro-organizational behavior (i.e., beneficial to advancing the organization's interest in the short term), different from work-related mistakes, errors, or unconscious oversight (Umphress et al. 2010), as exemplified by selling an unsafe product to increase the branch's revenue or lying to customers to protect the organization. Recent evidence further suggests that UPB may also be self-interested because individuals' personal goals are often aligned with those of their organizations (Effelsberg et al. 2014; Lee et al. 2019), benefitting both the individuals and the organization (Thau et al. 2015; Vadera et al. 2013). For instance, Fehr et al. (2019) found that UPB is viewed as a positive indicator of employee performance by supervisors

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and has argued that employees may strategically conduct unethical behavior when it is most likely to benefit them. Adopting such notion of UPB as self-interested, pro-organizational behavior at the expense of moral standards, the present study seeks to understand what factors may influence employees' engagement in UPB. The proposed model of the study is displayed in Fig. 1.

Our review of the literature reveals two explanations for this research question: (a) deeply embedded employees feel "stuck" and trapped by their situation (Allen et al. 2016; Collins and Mossholder 2017; Ghosh 2017; Marasi et al. 2016), and (b) these individuals fail to question the ethicality of their actions as a result of adopting the organization's perspective and goals (Dukerich et al. 1998; Effelsberg et al. 2014). For example, Umphress et al. (2010) found that individuals tend to engage in UPB if they have strong organizational identification and positive reciprocity beliefs. When employees strongly identify with their organization, they tend to perceive the organization's interest as selfinterest (Ashforth and Mael 1989) and thus, the success of the organization becomes more vital to ones' self-interest than society's moral values or the potential harmful consequences resulting from ethical misconduct. This suggests that positive reciprocal processes between employees and the organizations can motivate employees to focus more on the organization's interests and potential gains, which may give them a moral license for engaging in ethical misconduct (Klotz and Bolino 2013; Wang et al. 2019). These findings are also consistent with research carried out in a broader context of social exchanges showing that generally positively conceived social exchange relationships between employees and organizations can also entail employees' involvement in unethical behaviors (Chen et al. 2016; Cropanzano and Mitchell 2005; Hom et al. 2009; Song et al. 2009; Wang et al. 2019). However, the specific mechanisms underlying the relationship between organizational embeddedness and UPB have largely remained unexamined to date.

This paper examines individuals' status concern as a key variable that links their organizational embeddedness to UPB. Our focus on status and theoretical arguments are guided by social identity theory and self-affirmation theory. The primary tenet of social identity theory is that people strive for a group membership that grants them high status

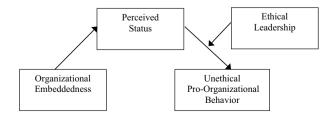


Fig. 1 The proposed model of the study



as an important part of their perceived self-worth (Hogg and Terry 2000; Tajfel and Turner 1986). Similarly, selfaffirmation theory (Sherman and Cohen 2006; Steele 1988) asserts that the overall goal of the self-system is to protect an image of its self-integrity (i.e., the sense that one is a good and appropriate person on the whole). To sustain their sense of themselves as good, successful, and being able to control important outcomes, people want to be in a social environment that affords them psychological and material benefits (Sherman and Cohen 2006; Steele 1988; Tesser 2000). For highly embedded individuals, their organization is likely a comfortable environment that provides them with connections, influences, and higher status. This suggests that high levels of embeddedness will motivate individuals to engage in goal directed behavior to enhance or maintain their existing status in the organization (Anderson et al. 2015; Tesser 2000). Such behavior may even include unethical behavior that benefits the organization at the cost of violating social norms and moral standards (Umphress and Bingham 2011) because behaving in ways consistent with the organization's interest is often rewarded with being viewed as a valued group member (Ashforth and Mael 1989).

Research suggests that UPB ultimately costs the company in various forms, such as fines, litigations, and bad reputations (Fehr et al. 2019; Umphress and Bingham 2011). Given the negative ramifications for organizations and external stakeholders, the current study offers important contributions to the existing literature in multiple ways. First, the study advances our knowledge about motivating factors of UPB, both organizational and individual variables, by examining employee perceptions of organizational embeddedness and their status. We also add to the growing body of the literature on the negative consequences of positive social exchanges, manifested as UPB in the study. As such, this paper diverges from the previous studies that only considered the positive impacts of organizational embeddedness on individuals and organizations (Halbesleben and Wheeler 2008; Lee et al. 2014; Mitchell et al. 2001), expanding the previous work on the dark side of embeddedness (e.g., Ghosh 2017; Ng and Feldman 2010, 2012). Second, we consider status perceptions as a psychological process, which explains why people with more links and strings to the organization may be involved in unethical conduct. In doing so, we respond to the calls for more research on status, given its under-studied status in the literature, as stated by Chen et al. (2012) that "despite its prevalence and importance in individual, organization, and market dynamics, and its long standing prominence in disciplinary domains such as social psychology, the notion of status has not achieved its deserved status and attention in management journal" (p. 299). Our focus on status in the study brings the light to an important role of individuals' status perceptions in understanding their motivations behind acts of UPB. Third,

we examine ethical leadership as an important inhibitor, which weakens the positive impact of status on UPB. Ethical leaders who display normatively appropriate conduct and emphasize moral acts to followers have been found to be effective in promoting prosocial, ethical behavior while deterring harmful, unethical behavior (Bedi et al. 2016; Ng and Feldman 2015). This study builds on and extends previous work on the role of effective leadership in reducing ethical misconduct. Fourth, this study provides evidence for the unique predictive validity of organizational embeddedness associated with UPB by controlling for the effects of affective commitment.

## **Theoretical Background and Hypotheses**

## **Organizational Embeddedness and Perceived Status**

Organizational embeddedness represents a variety of factors that affect an employee's intention to stay in an organization, such as formal and informal connections in the organization, perceptions of person-environment fit, and the sacrifices involved in quitting (Mitchell et al. 2001; Sekiguchi et al. 2008). Social exchange research provides general insights into the reciprocal processes developed between employees and their organizations through social exchanges where mutual trust, support, commitment, and loyalty are created, which also explains how organizational embeddedness is developed when both of the parties have reciprocally beneficial exchanges (Aselage and Eisenberger 2003; Coyle-Shapiro and Shore 2007; Wang et al. 2019). Operating on this social exchange mechanism, organizational embeddedness is related to favorable organizational outcomes, such as increased organizational citizenship behavior (OCB) and task performance, and reduced turnover and absenteeism (Lee et al. 2014; Mitchell et al. 2001). In the current study, we focus on organizational embeddedness as previous research (e.g., Jiang et al. 2012; Lee et al. 2014) has shown that on-the-job embeddedness (i.e., organizational embeddedness) has a stronger impact on employee work behavior than off-the-job embeddedness (i.e., community embeddedness). Employees who are highly embedded in the organization have been known to build strong organizational relationships through links, fit, and sacrifices (Hom et al. 2009).

Researchers, however, have begun to uncover the downsides of organizational embeddedness by paying attention to its double-edged nature, which represents both attachment and inertia ("being stuck") (Allen et al. 2016). Building on a wealth of social exchange literature, recent studies provide important implications to advance our knowledge about why employees engage in UPB at work (Umphress and Bingham 2011; Wang et al. 2019). That is, although the connections, fit, and sacrifices linking high status with a comfortable

environment may motivate highly embedded people to exert more effort that results in increased task performance (Sekiguchi et al. 2008) and to less likely consider leaving the organization (Hom et al. 2009; Mitchell et al. 2001), these embedded factors can also backfire within the positive exchange relationships between these employees and the organization. As highly embedded employees become more attached and more loyal to the organization, they may realize that they cannot afford to give up their consequential benefits and thus, these invested employees become stuck (Allen et al. 2016; Mitchell et al. 2001). As the embedded employees want to continue to have or develop a valuable relationship with the organization, they will become more willing to engage in UPB to benefit their organization while giving themselves the moral license (Klotz and Bolino 2013). This notion resonates with the findings that positive social exchange can sometimes evoke negative and unethical behavior. For instance, Bryant and Merritt (2019) have found that high levels of leader-member exchange (LMX) facilitate supervisor-focused UPB willingness, even when employees are high in moral identity, because of their desire to maintain their high quality relationship with their leader. As organizational embeddedness is considered a parallel route with a social exchange between employees and organizations (Hom et al. 2009; Tsui et al. 1997), examining the mechanisms by which embeddedness relates to UPB will help to understand the multifaceted nature of social exchange relationships occurring in the organization.

This study examines status perceptions as a linking pin between organizational embeddedness and UPB. Workplace status is defined as an individual's relative standing in an organization, characterized by respect (i.e., social worth derived from having key attributes and accomplishments), prominence (i.e., visibility), and prestige (i.e., reputation) he or she possesses in the eyes of other organizational members (Cheng et al. 2013; Djurdjevic et al. 2017; Griskevicius et al. 2010). Findings of social psychology research have suggested two bases of status—dominance and prestige (Cheng et al. 2013). Whereas dominance-based status (e.g., by force) is obtained through aggression and coercion, prestige-based status is attained through perceived competence, prosocial behaviors, and association with high-status others who enjoy high social regard (Chen et al. 2012; Magee and Galinsky 2008). Prestige-based status has received more attention from researchers because prestige-based status is more accepted in and relevant to most organizational settings. This study focuses on employees' subjective experiences of status (Djurdjevic et al. 2017; Galinsky et al. 2003) stemming from a variety of origins and bases in the organization, rather than status characteristics (e.g., age, gender, education) or the objective possession of status as we are primarily interested in explicating the psychological processes underlying the relationship between organizational embeddedness



and UPB. Therefore, we believe that self-reports of status perceptions are more appropriate than others-reports. Our approach is further justified by prior evidence for the high convergence between self-reports and others-reports of status (e.g., Anderson et al. 2006, 2015; Djurdjevic et al. 2017). These findings suggest that employees tend to form highly accurate perceptions of their own status because people have a strong concern about their status and there are valid cues indicating their status through their performance, formal and informal recognition, and others' remarks and behavior toward them (Djurdjevic et al. 2017).

High-status employees generally enjoy immense benefits, such as favorable performance appraisal, more resources and support, high compensation, increased job satisfaction, task performance, and interpersonal influences (Belliveau et al. 1996; Berger et al. 1980; Bunderson 2003). Those who are well-connected in the organization tend to enjoy career success, high status, and reputation (Sparrowe and Liden 2005). Social identity theory argues that people value a group membership that awards them high status because it is an important part of their sense of self-worth (Hogg and Terry 2000; Tajfel and Turner 1986). As such, organizational membership serves as a key source of self-validation for individuals (Hogg and Terry 2000). Self-affirmation theory further argues that people seek and prefer an environment which offers psychological and material benefits "to protect the perceived integrity and worth of the self" (Sherman and Cohen 2006, p. 187) and reinforce their positive feelings about themselves (Steele 1988). While standards of integrity may vary across different environments, they often include the importance of being a good group member and of maintaining close relationships (Sherman and Cohen 2006). This suggests that individuals' needs to maintain positive selfesteem will motivate them to promote their status in the organization.

The motivation to enhance status may be particularly salient among highly embedded employees. When employees have numerous formal or informal ties to their organization (e.g., tenure, length of association, and a number of links), they are likely to perceive their standing in the organization to be high. In particular, when these employees also recognize psychological, social, or material costs of leaving their organization (i.e., sacrifice), we expect that they will more perceive their status to be high because they are vested (i.e., the benefits of attaining high status take long to accrue). Such strong connections with people in the organization and consequential benefits associated with their organizational membership will motivate the individuals to enhance their status in the organization. The deeply embedded employees may even form a positive illusion or an inflated estimation of their current standing (Armor and Taylor 2002) because of their vested interests, significant organizational connections and ties, and relatively high costs of leaving their organization that may not lead to the same level of psychological, social, and/or monetary benefits elsewhere. Based on this logic, we propose the following:

**Hypothesis 1** Organizational embeddedness is positively related to perceptions of status in the organization.

# Perceived Status and Unethical Pro-Organizational Behavior

Individuals' status perceptions have a profound influence on their evaluations of one another that affect their attitudes and behavior toward the organization (Chen et al. 2012). Although status in an organization has been regarded as durable and persistent, recent evidence suggests that status is more dynamic and fluid (Chen et al. 2012), causing people to vigilantly monitor opportunities or threats to their status (Anderson et al. 2015). High-status employees will be particularly motivated to safeguard their status to prevent a negative status change (Chen et al. 2012) and to retain status gains (i.e., increased compensation and interpersonal influence), which are valuable and scarce resources in the organization (Belliveau et al. 1996; Bunderson 2003; Djurdjevic et al. 2017). As such, these employees will endeavor to reap status benefits by maintaining or enhancing their current status (Bendersky and Shah 2012). Prior research shows that high-status employees are more inclined to conduct unethical behavior, especially when there exists a greater degree of status differentiation in the organization (i.e., status conferring resources provided by the organization, such as pay, perquisite, social regard and prestige, are unequally distributed) (Galperin et al. 2011).

Furthermore, high-status employees may feel pressured to demonstrate their performance to justify their status and accompanying benefits because high status generates highperformance expectations from others (Berger et al. 1972, 1980). When facing external pressure to prove their added value to the organization, the status seekers may allocate valuable resources toward status-oriented goals at the cost of sacrificing their task goals and performance (Bendersky and Shah 2012; Schweitzer et al. 2004). This may not be limited to compromised individual performance. When employees focus on acquiring potential benefits associated with better status or proving their higher value, they may pay less attention to the ethicality of their actions or may not recognize the (un)ethicality of UPB. Such failure to consider the broader implications of their actions will increase the likelihood of behaving unethically. For instance, Graham et al. (2019) found that when employees narrowly focus on the benefits of their actions for their organization, they are more likely to consider UPB as ethically appropriate. In the majority of UPBs, both the individual actor and the organization are likely to have benefits in the short term (Thau et al. 2015;



Vadera et al. 2013) because organizations align employee personal goals and incentives with organizational interests to encourage employees to engage in behaviors that benefit the organization (Eisenhardt 1989).

As noted previously, people attach their social identity to an in-group membership, which leads them to attain or maintain high status (Tajfel and Turner 1986). Thus, individuals expect to be rewarded high status with being viewed as a valued group member as they behave in ways that benefit the organization (Ashforth and Mael 1989; Bendersky and Shah 2012). This suggests that engaging in acts of UPB aimed at helping the organization will simultaneously advance their own status/self-interests. Supporting this argument, Fehr et al. (2019) argued that employees may choose to engage in unethical behavior when doing so is thought to benefit them, as evidenced by their findings that UPB is associated with positive supervisory ratings of employee performance. Furthermore, a closely related literature on power (i.e., power is highly correlated with status and thus power and status are at times used interchangeably, Anderson and Berdahl 2002; DeCelles et al. 2012) has shown that elevated perceptions of power can release ethical inhibitions on unethical conduct, thereby eliciting self-interested, unethical work (DeCelles et al. 2012; Keltner et al. 2003; Vriend et al. 2016). Taken together, individuals who want to maintain high status may engage in behaviors that advance the interests of the organization even at the risk of violating standards of proper, moral conduct. Therefore, we predict the following:

**Hypothesis 2** Employees' perceptions of status in the organization are positively related to their engagement in UPB.

## **Mediating Effects of Perceived Status**

In this section, we turn to the mediating process which links organizational embeddedness to UPB. Highly embedded employees tend to internalize the organization's successes and failures as their own, similar to those who strongly identify with and are emotionally attached to the organization (Mael and Ashforth 1992). Dukerich et al. (1998) argued that these highly committed people can fail to question the ethicality of actions, and thus, engage in unethical behaviors. We argue that feelings of organizational embeddedness may trigger less concern for social norms and ethical standards and more concern about advancing their own interests. In particular, when individuals' interests are intertwined with those of the organization (Eisenhardt 1989), as the case with the embedded employees, they are less likely to attend to moral issues thus behaving in ways consistent with organizational expectations to benefit the organization even at the cost of engaging in corrupt behavior (Umphress et al. 2010). In this sense, organizational embeddedness represents a contextual factor which individuals are placed in and may suppress moral identity (Galperin et al. 2011).

The positive relationship between organizational embeddedness and UPB can be explained through the lens of perceived status. For highly embedded employees, the organization is incorporated into their self-concept and this may increase these employees' willingness to perform on behalf of the organization (Meeussen and van Dijk 2016). The highly embedded employees may also perceive such behavior as a way to enhance their status because the organization means so much to them believing that their futures are intertwined with those of their organizations. This reasoning is consistent with the social identity research showing that individuals engage in pro-organizational behavior to achieve and maintain a positive social identity (Ashforth and Mael 1989; Graham et al. 2019). Especially when people strongly identify with the organization, their needs for affirming and reinforcing their positive social identity often infiltrate their judgments about the ethicality of their actions because being a good group member and maintaining close relationships is a critical element of self-integrity (Sherman and Cohen 2006; Steele 1988). As a result, these individuals may end up doing bad things for the sake of benefiting their organization (Umphress and Bingham 2011), such as overstating earnings to protect the company's share price (Burns and Kedia 2006; Chng et al. 2012; Efendi et al. 2007). Furthermore, highly embedded employees may want to increase their status in the eyes of other organizational members (Meeussen and van Dijk 2016) by engaging in group-serving behavior, which is supposed to increase their status (Bendersky and Shah 2012; Thau et al. 2015). Based on this logic and evidence, we predict that status concerns will serve as an important reason for employees' involvement in UPB who are deeply embedded in the organization. Thus, we predict the following:

**Hypothesis 3** Perceived status mediates the relationship between organizational embeddedness and UPB.

## **Ethical Leadership as a Moderator**

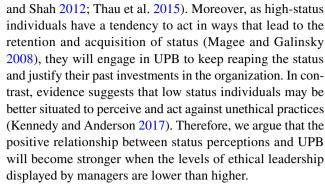
Ethical leaders demonstrate "normatively appropriate conduct through personal actions and interpersonal relationships, and the promotion of such conduct to followers through two-way communication, reinforcement and decision making" (Brown et al. 2005, p. 120). Meta-analytic evidence (Bedi et al. 2016; Ng and Feldman 2015) shows that ethical leadership discourages employees' involvement in counterproductive work behavior and ethical misconduct while encouraging prosocial behavior, such as task performance and OCB. These effects of ethical leadership are known to be transmitted via multiple mechanisms, such as social learning processes (e.g., role modeling, Brown et al. 2005), social exchange relationships (Miao et al. 2013), and



ethical and respectful climate (Mayer et al. 2010; Walsh et al. 2018), to name a few. More specifically, ethical leaders consciously instill in employees the moral ideals behind tasks and assignments (Thompson and Bunderson 2003), promote the achievement of socially responsible goals, and elaborate on how various ethical decisions benefit the organization and the society (Piccolo et al. 2010). In doing so, ethical leaders use a transactional process with rewards and punishments to ensure followers display ethical behavior (Brown and Treviño 2006; Ng and Feldman 2015). This is an effective way of influencing employee behavior because individuals in organizations pay close attention to a contingency between behaviors and consequences and use such social cues to guide their own behavior (e.g., Badrinarayanan et al. 2019). When employees receive clear behavioral guidance from ethical leaders and witness the consequences of following (or not following) commands, they are less likely to conduct UPB to avoid undesirable outcomes. This suggests that ethical leadership can serve as a deterrent to UPB.

As ethical leaders focus on communicating and encouraging ethical conduct and being a role model for ethical behavior (Treviño et al. 2003), this will morally transform their employees because they emulate their leaders' behaviors by directly interacting with their leaders and observing leaders' interactions with others (Bandura 1986). Employees also internalize their leaders' ethical principles as their own, which shapes their perceptions of moral self-image (i.e., moral identity) (Zhu 2008; Zhu et al. 2016). A person with a strong moral identity strives to make moral decisions consistent with his/her moral identity and behaves accordingly because moral identity functions as a self-regulatory mechanism (Aquino and Reed 2002). This leads us to argue that the positive relationship between status perceptions and employees' involvement in UPB will become weaker when ethical leadership is present because ethical leadership, as a source of ethical guidance, encourages employees to consider the ethical implications of their actions that shape employees' moral identity.

In the absence or lack of ethical leadership, however, employees have no (or less) ethical guidance or a deterrent of unethical misconduct. Without such influence of ethical leadership, employees' self-regulatory mechanism (i.e., moral identity) will be displaced, and this may make them view themselves primarily in terms of their organizational membership and to act in ways that advance the welfare of their organization even if doing so means violating laws and societal norms (Brickson 2000). In particular, high-status individuals may fear losing their status and the prospect of losing high status is threatening to self-worth (Chen et al. 2012; Sherman and Cohen 2006). Responding to perceived threats, they may consider conducting UPB as a way to restore and affirm their self-worth because engaging in group-serving behavior enhances status (Bendersky



For high-status employees who are highly embedded in the organization, their involvement in UPB will significantly increase when their managers fail to provide ethical guidance because (a) high-status individuals' self-interest and organizational interests are often deeply intertwined and UPB tends to benefit both the individual and organization (Thau et al. 2015), and (b) these individuals are prone to believe that they are acting ethically, even if they are not (Tenbrunsel and Messick 2004; Tenbrunsel and Smith-Crowe 2008) and to morally rationalize unethical decision making to justify their actions (De Cremer et al. 2009). In contrast, individuals with lower levels of organizational embeddedness feel weaker connections with the organization and see less overlap between self-interests and organizational interests. Thus, we propose the following:

**Hypothesis 4** Ethical leadership moderates the relationship between perceived status and UPB, such that the positive relationship between perceived status and UPB is stronger when ethical leadership is lower than higher.

**Hypothesis 5** The indirect effects of organizational embeddedness on UPB through perceived status is conditional on ethical leadership, such that the indirect effects become stronger when ethical leadership is lower than higher.

#### Method

## Sample and Procedure

We recruited our respondents from an online research company in South Korea which attempts to match researchers in need of samples with their volunteer panel members, similar to Amazon's MTurk. Typical members of this online panel that we recruited from are Korean natives mostly working in small and medium-sized local firms in South Korea. Using online panel data can be more beneficial than traditional convenience sampling data because of the variety of the organizations represented in the sample, which enhances the generalizability of the results of the study (Landers and Behrend 2015). An additional benefit associated with online



panel data is the ability to maintain complete anonymity of participants' identities, which is particularly important in a study dealing with a sensitive topic, such as UPB.

At Time 1, 280 individuals completed the survey questionnaire. Two weeks later, the original respondents from the first survey were contacted and invited to complete a second survey. According to Dormann and Griffin (2015), the 2-week lag is considered sufficient to generate a high effect size because our independent and dependent variables (embeddedness, status, and UPB) are relatively stable (i.e., daily changes in subjective feelings of embeddedness, status, and UPB should be low). At Time 2, 224 of the respondents completed the second questionnaire (response rate = 80%). Upon the completion of each survey, the survey participants received 3,500 Korean won (about three US dollars) for the survey.

Of the 224 respondents, 119 (53%) were male and 105 (47%) were female and their average age was 37.2 years. They were full-time employees with an organizational tenure of 8.6 years and a supervisory tenure of 5.6 years on average. The education level of the respondents was diverse: high school (8.9%), 2-year college (17%), college (62.5%), and graduate school (11.6%). The respondents were working in various types of occupations, including administration (65%), professional (11%), manufacturing (8%), research & development (8%), service (7%), and sales (2%).

#### Measures

We used a seven-point Likert scale ranging from 1 (strongly disagree) to 7 (strongly agree) throughout the survey. The questionnaires were originally worded in English so we translated them into Korean following a translation and backtranslation procedure (Brislin 1980) to ensure the accuracy of the translation. Organizational embeddedness and ethical leadership were measured at Time 1 and perceived status, UPB, and affective commitment were assessed at Time 2.

Organizational embeddedness. The seven-item global scale developed by Crossley et al. (2007) was used. Example items include "I feel attached to this organization," and "it would be difficult for me to leave this organization" (T1:  $\alpha = 0.89$ ).

*Perceived status*. The three-item scale by Marr and Thau (2014) was used. The items are: "I am highly regarded by my group members," "I am in a position of high status in my work group," and "I am respected by my group members" (T2:  $\alpha$  = 0.87).

Unethical pro-organizational behavior (UPB). The sixitem scale developed by Umphress et al. (2010) was used. A sample item includes "if it would help my organization, I would misrepresent the truth to make my organization look good" (T2:  $\alpha$ =0.90).

Ethical leadership. Ethical leadership of supervisors was assessed using the ten items from the Ethical Leadership Scale (ELS) developed by Brown et al. (2005). Past research has shown that the scale has wide cross-cultural applicability in both Eastern and Western cultures (Resick et al. 2011). Sample items included "sets an example of how to do things the right way in terms of ethics" and "discusses business ethics or values with employees" (T1:  $\alpha$  = 0.95).

Affective commitment. Affective commitment was assessed using Meyer, Allen, and Smith's (1993) measure. A sample item includes "I really feel as if this organization's problems are my own" (T2:  $\alpha$ =0.88).

Control variables. We controlled for affective commitment in all analyses, along with sex, age, education, and job type, to test the unique predictive power of organizational embeddedness associated with UPB. Our decision to include affective commitment as a control variable is guided by prior research that suggests conceptual similarities and a strong correlation between organizational embeddedness and organizational commitment (e.g., Crossley et al. 2007; Jiang et al. 2012). Research evidence has shown that organizational embeddedness predicts important organizational outcomes, such as job performance, OCB, and turnover above and beyond organizational commitment (Halbesleben and Wheeler 2008; Lee et al. 2014; Mitchell et al. 2001). However, it remains unknown with regard to UPB. By controlling for affective commitment, the study seeks to provide a robust test of the relationships hypothesized in the study and the incremental validity of organizational embeddedness compared to affective commitment.

#### **Data Analysis**

We conducted the mediation analysis procedure suggested by MacKinnon et al. (2004) to test Hypotheses 1 through 3. This procedure involves the computation of the biascorrected bootstrap confidence intervals for indirect effects. The sampling distributions for indirect effects are often not normally distributed, which means that the use of traditional normal theory statistical tests for mediators may result in incorrect inferences (MacKinnon et al. 2004). One solution is to use resampling methods that do not make a normality assumption, such as the bootstrap (MacKinnon et al. 2004; Preacher et al. 2007). Bootstrapping procedure is a widely used resampling method that involves drawing a large number of bootstrap samples with replacement from the original dataset and then estimating parameters in each bootstrap sample as in the original data (Efron 2000). The bias-corrected bootstrap, among various forms of bootstrapping, has been found to yield the most accurate confidence limits and greatest statistical power (MacKinnon et al. 2004; Preacher et al. 2007).



For Hypotheses 4 and 5, we conducted the moderated mediation analysis procedure using SPSS PROCESS macro developed by Hayes (2018). Specifically, using bootstrapping with 5000 resamples to place 95% confidence intervals (CI) around estimates of the indirect effects, we estimated the conditional indirect effects of organizational embeddedness on UPB through status perceptions at a range of values of ethical leadership.

Although we collected data in two different times, common method variance (Podsakoff et al. 2003) can still be a concern since they were originated from the same source. To test the potential impact of common method variance, we conducted Harman's single-factor test using the un-rotated principal component analysis (Podsakoff and Organ 1986). The results showed that the first five eigenvalues were greater than 1.40, the five-factor explained for 70% of the total variance, and one singlefactor accounted for 30% of the variance. In addition, we used the unmeasured latent factor technique (Eichhorn 2014). This technique involves constraining all the paths from the unmeasured latent factor, representing the common method variance, to all manifest variables to be equal and the variance of the unmeasured latent factor to be one. The common variance is estimated as the square of the common factor of each path (Eichhorn 2014). The test result showed that the unmeasured common factor variance is about 0.18, indicating that about 18% of the total variance is explained by the common method variance. Since the results of the two tests are well below the threshold of 0.5 (Podsakoff et al. 2003), common method bias was mitigated in our data.

#### **Results**

Table 1 presents the descriptive statistics, intercorrelations, and reliabilities of all study variables. A series of confirmative factor analyses (CFA) for all variables were conducted using R 3.6.1 (R Development Core Team 2018) to test the discriminant validity of the variables. The five-factor model (organizational embeddedness, status, ethical leadership, affective commitment, and UPB) showed good fit ( $\chi^2 = 180.42$ , df = 80, NFI = 0.93, CFI = 0.96, RMSEA = 0.075), and better fit than an alternative model that combined all items into one factor ( $\chi^2 = 1417.32$ , df = 90, NFI = 0.43, CFI = 0.44, RMSEA = 0.26). The results provide support for the construct validity of the variables examined in the study.

## **Hypotheses Tests**

Hypothesis 1 proposed that organizational embeddedness would be positively related to perceived status and this was supported ( $\beta = 0.23$ , SE = 0.08, p < 0.01) after controlling for affective commitment and sex, age, education, and job type. Hypothesis 2 predicted that perceived status would be positively related to UPB. This was supported ( $\beta = 0.74$ , SE = 0.18, p < 0.01). To test Hypothesis 3 that concerns the mediation effects of perceived status on the relationship between organizational embeddedness and UPB, we generated the 95% bias-corrected bootstrap confidence interval using 5,000 bootstrap samples and examined whether zero was included or not within the interval range for the indirect effects. As displayed in Table 2, the results showed that the indirect effects were significant ( $\beta = 0.04$ , SE = 0.03, p = 0.05) and the confidence interval (CI) did not include 0 (lower 95% CI = 0.01, upper 95% CI = 0.12). Statistically

 Table 1
 Descriptive statistics and intercorrelations

	M	SD	1	2	3	4	5	6	7	8	9
1. Age	37.23	8.47									
2. Sex	1.47	0.50	- 0.38**								
3. Education	2.77	0.77	-0.02	- 0.14*							
4. Job type	2.17	1.83	-0.05	0.04	0.13*						
5. Affective commitment	3.89	1.12	0.21**	-0.07	-0.03	-0.01	(0.88)				
6. Organizational embeddedness	3.93	0.98	0.17**	-0.08	-0.04	0.09	0.59**	(0.89)			
7. Perceived status	4.01	1.05	0.13	-0.13	0.08	0.13	0.43**	0.40**	(0.87)		
8. Ethical leadership	4.10	1.21	0.04	0.03	-0.07	0.10	0.34**	0.36**	0.26**	(0.95)	
9. Unethical pro-organizational behavior	3.54	1.00	0.09	- 0.16*	-0.05	-0.07	0.13	0.22**	0.24**	0.07	(0.90)

N=224; gender coded such that 1=male, 2=female; education coded such that 1= high school, 2=associate degree, 3=bachelor's degree, 4=master's degree; Job type coded such that 1=administrative, 2=production/technical, 3=sales, 4=research and development, 5=service, 6=professional; coefficients alpha for each scale are in parentheses

<sup>\*</sup>*p* < .05; \*\**p* < .01



Table 2 Analysis of the mediation model

	В	SE	t	p
$P_{MX}$	0.23	0.08	2.88	0.00
$P_{YM}$	0.19	0.07	2.76	0.00
Direct effects $(P_{YX})$	0.18	0.08	2.13	0.03
Indirect effects $(P_{YM} P_{MX})$	0.04	0.03	95% CI= 0.12	0.01-
Total effects $(P_{YX} + P_{YM} P_{MX})$	0.22	0.08	2.67	0.00

95% confidence interval was based on bias-corrected confidence intervals derived from 5000 bootstrapped samples

significant indirect effects indicate that the relationships between the independent variables and the outcome variables occur through the mediator. Thus, Hypothesis 3 was supported.

Hypothesis 4 proposed the moderating role of ethical leadership in the relationship between perceived status and UPB. As shown in Table 3, the results of regression analysis revealed that the joint effects of status and ethical leadership on UPB were significant ( $\beta = -0.14$ , SE = 0.4, p < 0.01, CI = -0.22, -0.05). To further probe the pattern of the interaction, the interaction was plotted. As displayed in Fig. 2, the pattern of the interaction was in the expected direction and the simple slope test showed significant results. When the level of ethical leadership is low (one SD below the mean), the simple slope was significant (simple slope = 0.35, t = 3.57, p = 0.00). However, under conditions of moderate and high levels of ethical leadership, the relationship between status and UPB was not significant (simple slope = 0.17, t = 1.73, p = 0.09; simple slope = -0.00, t =-0.02, p=0.99, respectively). The results suggest that the interaction plots vary across different levels of ethical leadership. This lends support for Hypothesis 4.

**Table 3** Model coefficients for the conditional process model

Predictor	Outcome								
	Perceived status			UPB					
	В	SE	p	В	SE	p			
Constant	1.91	0.55	0.00	1.00	0.88	0.25			
Age	0.00	0.00	0.99	-0.00	0.01	0.78			
Sex	- 0.18	0.14	0.18	- 0.26	0.14	0.07			
Edu	0.09	0.08	0.25	-0.08	0.08	0.35			
Job type	0.06	0.03	0.09	- 0.05	0.04	0.19			
Affective commitment	0.28	0.07	0.00	- 0.06	0.07	0.44			
Organizational embeddedness	0.23	0.08	0.00	0.17	0.08	0.04			
Perceived status				0.74	0.18	0.00			
Ethical leadership				0.53	0.18	0.00			
Perceived status × ethical leadership				- 0.14	0.04	0.00			
	$R^2 = 0.2$ ; $F(6, 217) = 11.52$ , p = 0.00			$R^2 = 0.15$ ; $F(9, 214) = 4.15$ , p = 0.00					



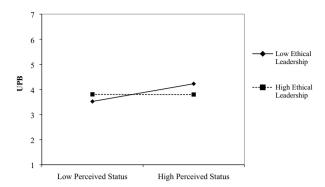


Fig. 2 Interactive effects of status perceptions and ethical leadership on UPB

Hypothesis 5 predicted the overall moderated mediation effects. Moderated mediation can occur either when there is a significant interaction effect in which mediation exists at some levels of the moderator but not at others, or when mediation effects are present at multiple levels of the moderator, but these effects are significantly stronger or weaker across levels (Preacher et al. 2007). We examined the conditional indirect effects of organizational embeddedness on UPB through status perceptions at three values of ethical leadership (one SD below the mean, the mean, and one SD above the mean). As shown in Table 4, the indirect effects of organizational embeddedness on UPB through status perceptions were significant both at the level of one SD below the mean (coefficient = 0.36, p = 0.00, 95% CI = 0.19, 0.53) and at the level of mean of ethical leadership (coefficient = 0.17, p = 0.02, 95% CI = 0.03, 0.31). However, the conditional indirect effects were not significant at the level of one SD above the mean of ethical leadership (coefficient = 0.03,



Table 4 Bootstrapping results for the test of conditional indirect effects

Value of ethical leadership	Conditional	SE	95% CI		
	indirect effect		Lower	Upper	
1 SD below the mean (2.8)	0.36**	0.09	0.19	0.53	
Mean (4.1)	0.17*	0.07	0.03	0.31	
1 SD above the mean (5.3)	0.03	0.09	-0.14	0.20	

Note: \*p < 0.05; Significance tests for the indirect effects were based on bias-corrected confidence intervals derived from 5000 bootstrapped samples. CI = confidence interval

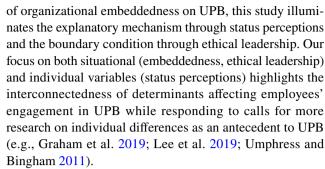
p = 0.71, 95% CI = -0.14, 0.20). To summarize, significant conditional indirect effects existed for low to moderate levels of ethical leadership but not for high levels of ethical leadership. Thus, Hypothesis 5 was supported.

### **Discussion**

The present study sought to understand self-interested, proorganizational behaviors of deeply embedded employees by examining the intervening mechanisms and the boundary conditions. Our theory and the results of our analysis suggest that organizational embeddedness is related to elevated perceptions of status and this, in turn, is positively associated with UPB. Furthermore, the positive relationship between status perceptions and UPB becomes stronger for low levels of ethical leadership. These results suggest that when employees with many connections and links perceive high levels of compatibility and a considerable amount of tangible and intangible sunk costs of leaving the organization, they are more willing to engage in UPB to maintain their high levels of status perceptions. However, this propensity becomes weaker when those employees work under the influence of ethical leaders. As such, the findings of the study show that ethical leadership can play a significant role in discouraging embedded employees, who are motivated by their concerns for status, from engaging in UPB. In the next section, we discuss the implications of the findings of the study in detail.

## **Theoretical Implications**

Our study makes several notable contributions to organizational embeddedness and UPB research. First, the study adds to previous research showing the negative outcomes of social exchanges between employees and organizations that have been generally thought to be positive. In particular, the findings of the study demonstrate a dark side of organizational embeddedness (Ghosh 2017; Ng and Feldman 2010, 2012), manifested as UPB. Beyond the main effects



Second, the concept of status perceptions helps explain the link between organizational embeddedness and UPB that complements the organizational identification and social exchange perspectives common in the literature (Chen et al. 2016; Effelsberg et al. 2014) with self-affirmation perspective. Our theory, grounded in social identity and self-affirmation perspectives, and the findings of the study, suggest that status may be a useful and important variable to be considered in studies of UPB and other unethical behaviors. While, at first glance, the effect size of status perception detected in the study may appear small (b = 0.04, 95% CI = 0.01 - 0.12), the analysis of the conditional indirect effects reveals that status perceptions may operate in a different magnitude, depending on the level of ethical leadership. Specifically, the conditional indirect effect was 0.36 at the level of 1 SD below the mean, compared to 0.03 at the level of 1 SD above mean. These results demonstrate the underlying motivations for highly embedded employees' willingness to engage in UPB. We believe that understanding the effects of status on UPB represents a significant theoretical advance because the existing theory has been limited in explaining psychological mechanisms that affect individuals' decision to conduct UPB (Fehr et al. 2019; Umphress and Bingham 2011). The psychological experience of status in the current study brings the light to an important role of status, which has historically received little empirical attention, despite its relevance to organizational behavior and management literatures (Anderson et al. 2015; Chen et al. 2012; Pearce 2001).

Third, the study demonstrates that ethical leadership plays a deterring impact on UPB. It is noteworthy that high levels of ethical leadership are needed to curb UPB among embedded employees: when the levels of ethical leadership are low, employees with high-status perceptions are more inclined to engage in UPB. Our research shows that an absence (lack) of ethical leadership can significantly increase the likelihood for embedded employees to conduct UPB. This mirrors previous research on the negative relationship between ethical leadership and employees' involvement in undesirable behavior (Bedi et al. 2016; Moore et al. 2019; Ng and Feldman 2015). Our study highlights that the strong presence and high visibility of ethical leadership to employees are necessary to have an expected impact on deterring UPB, and that displaying moderate levels of ethical leadership behavior



may not be as effective as we might think. As such, the study contributes to the scholarly efforts to illuminate the role of effective leadership in reducing ethical misconduct at work (e.g., Effelsberg et al. 2014; Mayer et al. 2010; Walsh et al. 2018).

Fourth, UPB is a form of unethical behavior often deemed to be beneficial due to the nature of "pro-organizational" element of the construct. Thus, in certain situations where organization-serving motives are promoted and valued, UPB may be more easily triggered than other forms of unethical behavior, such as fraud and embezzlement, which are conspired by entirely self-serving motives. This indicates that multiple, complex motivations may operate as a driving force behind UPB (Kennedy and Anderson 2017). For instance, Lee et al. (2019) showed that entitled employees engage in UPB to satisfy their own needs for status and argued that the notion of UPB as "comparatively selfless" and "somewhat virtuous" (p. 122) might be misleading. We concur with them and thus encourage future researchers to examine distinct factors shaping individuals' decisions to engage in UPB as opposed to other forms of unethical or counterproductive work behavior, which are entirely harmful to the organization and its members.

Lastly, our study provides a robust test of the incremental validity of organizational embeddedness associated with UPB by controlling for affective commitment. Notably, the data used in the study were collected in a non-western culture, South Korea. In collectivistic cultures like South Korea, people value belongingness, harmony, and cooperation (Triandis 1995), and work is generally considered a duty and a way to fulfill social obligations. Moreover, collectivists are less tolerant of deviations from group norms than individualists (Triandis and Bhawuk 1997). Morality is often defined in collectivistic culture in terms of the good of the in-group, which requires the maintenance of group harmony and cohesion. In other words, the actions that contribute to the group harmony and cohesion are perceived as moral behaviors in such culture (Cohen et al. 2006). Considering that UPB is intended to support and enhance the good of the organization (Umphress et al. 2010), collectivists would be more willing to engage in UPB than individualists. For this reason, South Korea's collectivistic culture might have amplified the relationship between organizational embeddedness and UPB. Cultural values were beyond the scope of this paper, however, so we were unable to examine this possibility, but this would be a valuable direction for future research to better understand the impact of cultural factors on UPB.

#### **Practical Implications**

The findings of the study suggest that one of the main reasons why perceived organizational embeddedness relates to UPB is status perceptions. Thus, HR practitioners and

managers should pay particular attention to employees who feel stuck in the organization as these employees may be more prone to engage in UPB to enhance their status. We suggest that HR practitioners and managers should take into account employees' differing levels of organizational embeddedness and status perceptions for effective retention and engagement strategies. Thus, it will be helpful to adopt more individualized HR approaches to support employees' status perceptions as individuals may need different forms of support and endorsement in terms of respect, prominence, and prestige. For example, flexible benefits plans and employee recognition programs can be designed to cater to individuals' different needs for their status and self-esteem.

This study also suggests that cultivating ethical leadership in the organization will help to prevent employees from engaging in UPB. Ethical leadership training programs can equip managers with important skills and knowledge regarding two-way communication, reinforcement, role modeling, and role ethicality, which have been found to be effective in instilling ethical values and principles among employees. Such programs should also emphasize the importance of being more sensitive to the social consequences of UPB, the interests of external stakeholders, and a broader normative framework of society for the organization's long-term success. This will hopefully help organizational members not entirely lose their broader perspectives as a citizen of society due to their strong identification with the organization and relationships within it (e.g., Kalshoven et al. 2016; Miao et al. 2013).

Equally important, organizations should create and maintain a strong ethical culture which provides guidelines about acceptable behavior for their members. To this end, we suggest that organizations carefully review their performance appraisal system and adopt a more holistic view of employee performance by embracing morality as a relevant dimension of performance, rather than separating morality from performance. This will also help organizations align their performance appraisal system with ethical culture that they aspire to create, making managers consider ethical behavior as an essential element of employee performance.

## **Limitations and Future Research Directions**

Our study is not without limitations. First, although this study utilized a two-wave survey collecting the predictor and outcome variables at different time points, our mediator was measured concomitantly with outcome variables. Thus, we cannot draw a firm inference about the causal relationships among the study variables. Future studies should measure a mediator and an outcome variable with a time interval. Second, the data used in the paper were gathered from the same source, in this case, employees. Therefore, the observed relationships might have been inflated by common-source bias.



However, we theorized that individuals' own evaluations of their status in the organization influence their involvement of UPB to continue to reap the status gains. Thus, our use of self-reports of status is theoretically justified in the study. Moreover, the results of the common method variance analysis suggest that such bias was mitigated in our data. Given the prior evidence showing the convergence of self-report and others-report of status (Anderson et al. 2006; Djurdjevic et al. 2017), it would be interesting to replicate the findings of the current study using multi-source data, such as supervisors and coworkers who may be a reliable source for measuring employees' UPB and status.

Third, we did not directly measure moral identity even though it was discussed as part of our theoretical arguments that lead to the hypothesis regarding the moderating role of ethical leadership. Given that moral identity has been shown to be one of the strongest antecedents of (un)ethical conduct (e.g., Aquino and Reed 2002; Aquino et al. 2009; Reynolds and Ceranic 2007), future research should examine the role of moral identity in the ethical leadership-UPB relationship. In the current study, we focused on the moderated mediation model—conditional indirect effects of organizational embeddedness on UPB through status perceptions at different levels of ethical leadership. Thus, the mediating effects of moral identity lie outside the scope of our empirical testing. Moreover, as several researchers have found that the possibility of ethical leaders' invoking unethical behavior is a result of followers' strong identification with the organization (e.g., Kalshoven et al. 2016; Miao et al. 2013), we call for more research to examine various factors and boundary conditions that may influence the ethical leadership-UPB link. Finally, the degree to which organizational resources are unequally distributed (status differentiation) may influence employees' perceptions of their status. Thus, it would be interesting to examine how the dispersion of status may independently and jointly affect status perceptions. For example, when there is a wide gap in status differentiation, employees may be more motivated to enhance or maintain their high status, thereby more willing to commit UPB. This is a fruitful area for future research.

## **Conclusion**

The present study examines a psychological mechanism between organizational embeddedness and UPB through status perceptions and the boundary conditions under which the mediated relationship operates. Our results show that highly embedded employees are more likely to engage in UPB, motivated by their internal needs to enhance or maintain their relative standing in the organization. Furthermore, the positive association between status and UPB is stronger for employees working under low levels of ethical leadership.

These findings remain significant even after controlling for affective commitment. As such, the study provides important implications for organizations and managers seeking to prevent and minimize UPB while retaining their valued employees.

## **Compliance with Ethical Standards**

Conflict of interest We have no potential conflicts of interest.

**Research Involving Human and Animal Rights** The current research involved human participants, but no animals involved.

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