

# Does narcissism encourage unethical pro-organizational behavior in the service sector? A case study in Pakistan

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This study examines the role of narcissism as an antecedent of unethical pro-organizational behavior and the extent to which this may lead to feelings of guilt and shame. It also investigates the role of organizational change as a moderating variable between narcissism and unethical pro-organizational behavior. It presents the analysis of data from a three-wave survey of 287 employees in the telecommunication sector of Pakistan. The results show that narcissism positively influences unethical pro-organizational behavior, and that high rates of perceived organizational change increases this effect. It also shows that, in these circumstances, narcissists are less likely to experience emotions of guilt and shame. The study contributes to the literature on unethical pro-organizational behavior through its use of trait activation theory and its focus on the consequences of unethical pro-organizational behavior in terms of its emotional impact. It also offers some practical advice about how to reduce the risks of unethical pro-organizational behavior and dealing with the role that organizational change has to play in this.

## 1 | INTRODUCTION

With the growth of capitalism globally, the emergence of new organizations has increased competition in all areas, from broad industries to specialized niches. To compete in this global market, organizations are continually changing to respond to a constantly shifting external environment (Hansson, Vingård, Arnetz, & Anderzén, 2008; Knippenberg, Martin, & Tyler, 2006; Noblet, Rodwell, & McWilliams, 2006). Changes are normally made to improve the competitive performance of an organization; however, the desire for stability and predictability is an integral part of human nature (Hogan, 2017; Sutton & Kahn, 1987) and change may bring about unintended consequences.

Narcissism, as a personality construct, is characterized by perceptions of high self-worth (Raskin, Novacek, & Hogan, 1991), and has been thoroughly studied in the organizational behavior and psychology literature. Some

psychologists are of the view that individuals with high narcissistic behavior have elevated levels of aggression, a tendency toward self-promotion, and less empathy and pro-social behavior than is the norm. Other studies claim narcissistic personalities are more likely to be ambitious and highly driven (Andreassen, Ursin, Eriksen, & Pallesen, 2012), and more willing to take a leadership role (Judge, Piccolo, & Kosalka, 2009). Other studies have highlighted negative aspects to narcissistic personalities, such as antisocial behavior (Meier & Semmer, 2013; Penney & Spector, 2002), exaggerating leadership skills and engaging in unethical behavior (Judge, LePine, & Rich, 2006).

The literature reveals that in a highly competitive environment, unethical practices flourish, especially in organizations where the violation of ethical codes goes unnoticed (Kleiman, 1996); however, studies have also shown that competitive advantage may be damaged by such behavior (Hosain, 2019).

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Actions that are unethical, morally and socially, but may prove beneficial for the organization are referred to as unethical pro-organizational behaviors. Unethical pro-organizational behavior is defined by Umphress and Bingham (2011) as “actions that are intended to promote the effective functioning of the organization or its members, that violate core societal values, mores, laws, or standards of proper conduct.” An example of such actions can be seen in the Enron scandal of 2001, in which various stakeholders were accused, and eventually convicted, of embezzlement, misrepresentation, and the fabrication of fraudulent financial records. The Chairman of Enron's Finance Committee at the time explained that these actions were undertaken for the benefit of the organization and its stakeholders. A further example is the Volkswagen emissions scandal of 2015. In this case, Volkswagen installed software that allowed a car to emit levels of pollutants 40 times higher than the US regulatory limits under normal driving conditions, but to meet those same requirements under test conditions (Jung & Sharon, 2019). Although Volkswagen made great play of low emissions in its marketing campaigns at the time, the scandal eventually resulted in imprisonment, termination of employment and fines for Volkswagen employees (Fehr et al., 2019).

Although such cases are rare, the repercussions of these incidents cannot be overlooked. The literature on ethics tends to split into studies of organizational citizenship behavior—voluntary, positive behavior of employees which benefits the organization of which they are a part—and counterproductive work behavior—behavior that violates morals and ethics and harms the organization. This neglects the gray area of unethical pro-organizational behavior—behavior that violates ethics but is beneficial to the organization. As illustrated by the cases of Enron and Volkswagen, such behavior may maximize benefits for an organization in the short-term but degrades the organization in the long-term.

Previous studies have established that coworkers' behavior (Thau, Derfler-Rozin, Pitesa, Mitchell, & Pillutla, 2015), leaders' behavior (Effelsberg, Solga, & Gurt, 2013; Miao, Newman, Yu, & Xu, 2013; Graham, Ziegert, & Capitano, 2013), Machiavellianism (Castille, Buckner, & Thoroughgood, 2016) as well as individual predispositions, such as organizational identification (Chen, Chen, & Sheldon, 2016; Umphress, Bingham, & Mitchell, 2010), can play a role in determining unethical pro-organizational behavior. Most of this however has explored situational and attitudinal factors and research on the role of individual traits remains scarce. Similarly, with the notable exception of Liu, Lu, Zhang, and Cai (2019) and Tang, Yam, and Koopman (2020) the consequences for individuals, in terms of the emotional impact of unethical pro-organizational behavior, has not been investigated.

To address these gaps, this study explores the role of narcissism in unethical pro-organizational behavior. More specifically, it explores the role of the emotions of guilt and shame and looks at the impact of organization change.

## 2 | THEORETICAL FRAMEWORK AND HYPOTHESIS DEVELOPMENT

### 2.1 | Unethical pro-organizational behavior

Unethical acts have been investigated in the literature for some time, however, often without an explicit consideration of whether such acts are done to help an organization (Froelich & Kottke, 1991). More recently, research has begun to consider whether unethical acts have been done for the benefit of the organization, or for the benefit of an individual. Different beneficial unethical behaviors have been identified in the form of constructive deviance (Warren, 2003), organizational misbehavior (Vardi & Wiener, 1996), necessary evils (Molinsky & Margolis, 2005), and pro-social rule-breaking behavior (Morrison, 2006). Tsiavia (2016) examined the similarities and differences between such constructs and what is termed unethical pro-organizational behavior.

Unethical pro-organizational behavior, first proposed by Umphress et al. (2010), refers to actions taken by employees to benefit the organization, which are not morally or socially acceptable to the broader community. Unethical pro-organizational behavior has two aspects. The first is that it is behavior for the benefit of the organization that is not explicitly requested by supervisors nor mentioned in a job description. The second is that the action violates the social norms, values, and morals that are embedded in the broader culture and standards of behavior. It may include acts of commission such as

falsifying numbers to boost stock values, or exaggerating the benefits of pharmaceutical drugs, or, acts of omission such as withholding information regarding harmful effects of a product, or not disclosing defects to a customer.

Three boundary conditions must be satisfied to classify a behavior as unethical pro-organizational behavior (Tsiavia, 2016). The first is that if the behavior is unethical and beneficial to an organization, but it is not done with intent, it cannot be considered as unethical pro-organizational behavior. For example, an employee failed to fully inform a customer about the harmful effects of a product because he was not aware of them, it cannot be considered unethical pro-organizational behavior. Second, if the unethical behavior is committed with the aim of helping the organization, but this goal was not achieved, it does not constitute unethical pro-organizational behavior as it does not help the organization. Third, unethical behavior committed with the intent to benefit the employees themselves, rather than the organization, does not constitute unethical pro-organizational behavior.

*Narcissists have an overwhelming sense of self-importance; they will not perceive themselves as deserving any negative reactions associated with their behavior.*

## 2.2 | Narcissism, guilt, and shame

Narcissism is a personality trait in which a person is preoccupied with fantasies of self-grandeur and the need for admiration that arises in early childhood and manifests in different stages of life. Such people have a high sense of entitlement, a tendency to exploit, and a marked sense of arrogance. However, the behavior of people with this trait ranges from functioning normally in society, to exhibiting an enthusiasm for exploiting others and a highly distorted sense of self-worth (Greenhalgh & Gilkey, 1997). They are more likely to attribute success to their own efforts, compared to those who are low in narcissism (Rhodewalt & Morf, 1995). Their relationships with others tend to be unstable because of their disdain and lack of concern (Morf & Rhodewalt, 2001). Narcissists also tend to aggrandize

themselves across several domains. They may consider themselves physically attractive (Bleske-Rechek, Remiker, & Baker, 2008; Gabriel, Critelli, & Ee, 1994), creative (Goncalo, Flynn, & Kim, 2010), intellectual (Farwell & Wohlwend-Lloyd, 1998; Gabriel et al., 1994; Paulhus, Harms, Bruce, & Lysy, 2003; Paulhus & Williams, 2002), as well as a natural leader (Grijalva, Harms, Newman, Gaddis, & Fraley, 2014; Judge et al., 2006). Emotions such as guilt and shame are also influenced by the trait of narcissism.

One way to define guilt is through its link to feelings of regret. Consequently, guilt is an emotion that arises through its association with some adverse or harmful event (Eisenberg, 2000; Ferguson & Stegge, 1998). Narcissists have an overwhelming sense of self-importance; they will not perceive themselves as deserving any negative reactions associated with their behavior. Thus, unsurprisingly, narcissists are less likely to experience feelings of guilt (Giammarco & Vernon, 2015; Poless, Torstveit, Lugo, Andreassen, & Sütterlin, 2018; Wright, O'Leary, & Balkin, 1989). With their innate sense of entitlement, they assume that they deserve all the good things that happen to them, and that if bad things happen to others it is not their fault (Raskin & Terry, 1988). Consistent with this view, they will justify any unethical behavior as necessary for the good of the organization.

*Narcissistic personalities have been found to be more willing to undertake risky investments, but often these investments deliver lower levels of profitability for shareholders.*

Shame is a reactive emotion which occurs in response to the exposure of one's moral or ethical transgressions (Cohen, Wolf, Panter, & Insko, 2011). Narcissistic individuals have a high assessment of their self-worth (Hewitt, 2009). Consequently, they are less likely to be subject to feelings of shame or to have a negative evaluation of themselves (Poless et al., 2018). Thus, narcissistic individuals are desensitized to others' criticism, and, in the case of public exposure of their ethical transgressions, are less likely to feel ashamed (Poless et al., 2018).

For this, we formulate the following hypotheses:

**H1a:** *Narcissism is negatively related to guilt.*

**H1b:** *Narcissism is negatively related to shame.*

### 2.3 | Narcissism and unethical pro-organizational behavior

Narcissism has been found to be correlated with a variety of dishonest and unethical behaviors, such as plagiarism and academic cheating (Nathanson, Paulhus, & Williams, 2006), and failing to return goods that have been shipped in error, or returning lost money to its rightful owner (Brown, Sautter, Littvay, Sautter, & Bearnese, 2010). The literature on narcissistic leaders in organizations has shown that they are frequently associated with high-profile strategic decisions, such as mergers and acquisitions, but that there may be inconsistencies in their ability to deliver value by these actions (Chatterjee & Hambrick, 2007). Similarly, narcissistic personalities have been found to be more willing to undertake risky investments, but often these investments deliver lower levels of profitability for shareholders (Ham, Seybert, & Wang, 2017).

The extant literature suggests that narcissistic leaders are more likely to resort to unethical activities to achieve their goals (Amernic & Craig, 2010; Duchon & Drake, 2008). The explanation for this lies with their need to reinforce their self-image and sustain their inflated ego (Campbell, Goodie, & Foster, 2004), for example, by artificially inflating their compensation package (O'Reilly, Doerr, Caldwell, & Chatman, 2014). Over time, such behavior bolsters their belief in their own capabilities, and encourages them to try to manipulate the perceptions of others to support that belief (Chatterjee & Hambrick, 2011).

Narcissism contributes significantly to unethical behavior. A narcissist's faith in their ability to improve organizational performance is driven by their own unrealistic beliefs (Rijsenbilt & Commandeur, 2012). Hence, if a situation arises that might be unethical, but has the potential to boost the performance of the organization, and hence their view of their own abilities, narcissists are more likely to exploit it. Trait activation theory (Tett & Guterman, 2000), postulates that specific situational stimuli will elicit specific behavioral traits. This suggests that there is a direct link between personality traits and the propensity to act in a particular way. Using these ideas, we hypothesize that:

**H2:** *Narcissism is positively related to unethical pro-organizational behavior.*

### 2.4 | Unethical pro-organizational behavior, guilt, and shame

As we have seen, the emotions of guilt and shame are closely linked (Treviño, Weaver, & Reynolds, 2006). Guilt is what makes people feel accountable for an action they committed that breaches accepted standards of conduct. It is a response to a past negative event and is likely to encourage people to change their behavior to rectify the harm that was caused (Eisenberg, 2000; Tangney, 1991). Shame refers to the deprecation of one's self image and concern about the possibility of others' contempt. Likewise, it is assumed that shame will encourage people to change their attitudes and behaviors. However, behavioral change as a result of feelings of shame has been shown to occur less often (Eisenberg, 2000; Tangney, 1991).

*Even though the specific details of a change may be the same for everybody, the frequency of change is perceived differently from person to person.*

The two emotions, guilt and shame, may result from unethical pro-organizational behavior, suggesting that if people perceive their actions to have violated their values or beliefs, this may cause feelings of guilt and shame. Hence, we propose the following hypotheses:

**H3a:** *Unethical pro-organizational behavior is positively related to guilt.*

**H3b:** *Unethical pro-organizational behavior is positively related to shame.*

**H4a:** *Unethical pro-organizational behavior mediates the relationship between narcissism and guilt.*

**H4b:** *Unethical pro-organizational behavior mediates the relationship between narcissism and shame.*



## 2.5 | The moderating role of organizational change (OC)

The literature on change management divides OC into three main categories: change is characterized by the frequency of occurrence, by the scale of the change, and by how it occurs (Senior, 2006). In this study, the focus will be on the frequency of change. Research has shown that the more frequent the change, the less likely an organization is to be effective (Rieley & Clarkson, 2001) as, to be effective, routines need to be established and repeated (Luecke, 2003). Continually changing routines robs the process of change of its effectiveness.

The frequency of change in our study will refer to an employee's perception of how frequently change occurs. When change occurs infrequently, it is seen as an isolated, discrete event. In contrast, when change is continuous it gives a sense of turbulence and lack of stability (Glick, Huber, Miller, Doty, & Sutcliffe, 1990). Some of the negative effects for employees are a lack of clarity about their career and roles (Ashford, 1988), fear or anxiety for the future (Terry, Carey, & Callan, 2001), failures of communication (Lewis, 2000), and the need to learn new roles and develop new skills (Rubenstein, Lammers, Yano, Tabbarah, & Robbins, 1996). Even though the specific details of a change may be the same for everybody, the frequency of change is perceived differently from person to person. Some studies have argued that the higher the perceived rate of change; the greater the chances of a negative outcome (Bernierth, Walker, & Harris, 2011; Dahl, 2011; Huy, 2002).

OC may alter employees' attitudes and psychology because of the uncertainty, anxiety, and frustration that accompanies change (Doby & Caplan, 1995). Even the expectation of change can give rise to anxiety among employees about the potential loss of their position or resources (Hui & Lee, 2000) and concerns over the possible nature of future roles (Bordia, Hobman, Jones, Gallois, & Callan, 2003). This uncertainty motivates people to use coping strategies to reduce their anxiety (Cicourel, Berger & Bradac, 1984), which may encourage them to indulge in unethical behaviors.

Again, according to the ideas in trait activation theory (Tett & Guterman, 2000), a narcissist will try to exploit any situational advantage—ethically or unethically—to improve their perception of themselves and their ability to improve organizational performance. Thus, in times of high rates of OC, narcissists will attempt to manipulate the perceptions of others, to create a more positive view of their own abilities (O'Neill & O'Reilly, 2010).

Accordingly, the following hypothesis is proposed:

**H4:** *OC moderates the relationship between narcissism and unethical pro-organizational behavior such that*

*the positive association between the two will strengthen in times of OC.*

*For narcissists, furthering an organization's interests is simply a route to satisfying their own need for affirmation.*

## 3 | RESEARCH MODEL

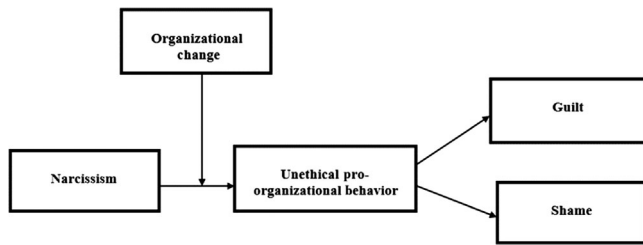
To summarize, narcissists are arrogant, self-centered individuals who have a high sense of entitlement and a constant need for recognition and approval. They will exploit any situation to appear more competent, and are prepared to burnish their reputation at the expense of others. For narcissists, furthering an organization's interests is simply a route to satisfying their own need for affirmation. When an alignment of interests occurs, narcissists are willing to dedicate themselves to furthering organizational goals; however, to do so, they are also willing to act unethically. In times of OC, due to uncertainty regarding roles, resources, and future opportunities, such behavior may become worse. Narcissists thrive in such an environment as it provides ample opportunities for self-aggrandizement. Their inflated self-image and preoccupation with their perceived status prevents them from feeling regret for any adverse outcomes that result from their conduct; consequently, they are unlikely to feel guilt. Their desire for admiration overrides their moral compass, and their high self-esteem makes them insensitive to others' criticism; so, similarly, they are unlikely to experience feelings of shame.

This view of the relationships among narcissism, unethical pro-organizational behavior, OC, and the emotions of guilt and shame is shown in our final research model (**Exhibit 1**).

## 4 | RESEARCH METHODOLOGY

### 4.1 | Sample and procedure

The research is based on data from 287 employees from companies in the telecommunication sector in Pakistan. The rationale for selecting this sector was because of the



**EXHIBIT 1** Research model

intense competition in the sector, and because such firms are constantly evolving and transforming to meet the demands of new technologies, a process that often entails changes in organizational structure. The human resources departments of the organizations concerned were used to gain access to the respondents. The respondents were briefed about the purpose of the study, and were given assurances concerning the confidentiality of the data.

A three-wave research design was used to avoid methods bias (Podsakoff, Mackenzie, Lee, & Podsakoff, 2003). The questionnaires had a tracking ID and there was a gap of 15 days between each wave. In the first wave, 400 questionnaires were distributed which contained questions about the independent variable and moderator variable—narcissism and OC. After a gap of 2 weeks, the same respondents were contacted and asked questions on the mediator variable—unethical pro-organizational behavior. Finally, after another gap of 2 weeks, the respondents were asked to answer questions relating to the dependent variables—guilt and shame.

*The bootstrapping technique at a 95% confidence interval shows that narcissism has conditional direct effects on unethical pro-organizational behavior.*

From the 400 questionnaires that were distributed, 287 were completed and returned, making an overall response rate of 72%. The majority of the sample consisted of men (59%) with an average age of 37.2 years ( $SD = 11.21$ ).

## 4.2 | Measures

Levels of narcissism were measured with the Narcissistic Personality Inventory (NPI) index (Ames, Rose, &

Anderson, 2006). The index is based on DSM IV criteria for narcissistic personality disorder, but has been used to assess nonclinical narcissism in the general public. This study used a shorter version of the NPI measures containing the most common characteristics of narcissism: authority, superiority, exhibitionism, selfishness, and a feeling of entitlement. The respondents were asked to rate each item using a seven-point Likert scale ranging from 1 = strongly disagree to 7 = strongly agree. The frequency of OC was measured using a 3-point scale by Rafferty and Griffin (2006). For unethical pro-organizational behavior, a six-point scale from Umphress et al. (2010) was used. Lastly, guilt and shame proneness were measured by the Guilt and Shame Proneness scale (Cohen et al., 2011).

## 5 | RESULTS

**Exhibit 2** presents some descriptive statistics for the data, Cronbach's alpha, and bivariate correlations among the variables.

Narcissism is positively correlated with OC ( $r = 0.672$ ,  $p < .001$ ), unethical pro-organizational behavior ( $r = 0.503$ ,  $p < .001$ ), and is negatively correlated with guilt ( $r = -0.485$ ,  $p < .001$ ) and shame ( $r = -0.322$ ,  $p < .001$ ). OC is positively correlated with unethical pro-organizational behavior ( $r = 0.499$ ,  $p < .001$ ), and negatively correlated with guilt ( $r = -0.154$ ,  $p < .001$ ) and shame ( $r = -0.092$ ,  $p < .001$ ). Unethical pro-organizational behavior is found to be negatively correlated with guilt ( $r = -0.547$ ,  $p < .001$ ) and shame ( $r = -0.619$ ,  $p < .001$ ). Guilt is found to be positively correlated with shame ( $r = 0.688$ ,  $p < .001$ ). Correlations among all the variables have been reported, which shows the direction and strength of the association between the variables. Multicollinearity exists if the correlation value is 0.7 and above (Tabachnick & Fidell, 1996). In this study, all the correlations among variables are within the threshold limit, hence making them appropriate for further analysis.

### 5.1 | Models, measurements, and comparisons

Since this study is concerned with the dark side of human potential, which people may be reluctant to disclose, the anonymity of the respondents was guaranteed. To ensure that different constructs are unidimensional and to account for common method bias, confirmatory factor analysis, along with other fit indices, has been used to determine the model fitness

**EXHIBIT 2** Descriptive statistics

Variable	Mean	SD	1	2	3	4	5
Narcissism (T1)	4.75	1.00	(.85)				
Organizational change (T1)	4.88	1.62	.67***	(.64)			
Unethical pro-organizational behavior (T2)	4.57	1.29	.50***	.49***	(.73)		
Guilt (T3)	4.02	1.47	-.48***	-.154***	-.54**	(.74)	
Shame (T3)	3.79	1.36	-.32***	-.09***	-.61***	.68***	(.65)

Notes:  $n = 287$ . Cronbach's alpha is shown in parentheses.

Probabilities \* $p < .05$ , \*\* $p < .01$ , \*\*\* $p < .001$ .

Model	$\chi^2$ (df)	CFI	IFI	TLI	RMSEA	SRMR	$\chi^2$ diff	df diff
Model 1	1,379 (359)	0.839	0.841	0.829	0.094	0.143	636	6***
Model 2	1,882 (362)	0.783	0.784	0.734	0.179	0.085	1139	9***
Model 3	2,699 (369)	0.613	0.615	0.591	0.157	0.125	1956	16***

Notes:  $n = 287$ . Model 1: Guilt and shame combined into a single factor. Model 2: Narcissism and organizational change combined into a single factor. Model 3: All variables combined into a single factor.

Abbreviations: CFI, comparative fit index; df diff, difference in degrees of freedom; df, degrees of freedom; IFI, incremental fit index; RMSEA, root mean square error of approximation; SRMR, standardized root mean square residuals; TLI, Tucker–Lewis index;  $\chi^2$ , Chi-squared;  $\chi^2$  diff, difference in chi-squared.

\*\*\* $p < .01$ .

**EXHIBIT 3** Model comparisons**EXHIBIT 4** Narcissism's relationship to guilt and shame

Variable	$\beta$	SE	$t$	$p$	$R^2$	LLCI
Dependent variable: guilt						
Narcissism	−0.714	0.076	−9.373	.000	0.236	−0.8663
Dependent variable: shame						
Narcissism	−0.452	0.076	−5.952	.000	0.251	−0.602

Abbreviations:  $\beta$ , beta value; LLCI, lower limit confidence interval;  $t$ , tabulated value.

**EXHIBIT 5** Mediated regression analysis

	Relationship	Effect	SE	$t$	$p$	LLCI	ULCI
1	Narcissism on UPB	0.6490	0.0661	9.812	.0000	0.5188	0.7792
2	UPB on shame	−0.6369	0.0568	−11.22	.0000	−0.7486	−0.5251
3	UPB on guilt	−0.4611	0.0626	−7.368	.0000	−0.5843	−0.3380
4	Total effects of narcissism on guilt	−0.7135	0.0761	−9.373	.0000	−0.8634	−0.5637
5	Direct effects of narcissism on guilt	−0.4143	0.0808	−5.125	.0000	−0.5733	−0.2552
6	Total effects of narcissism on shame	−0.4523	0.0760	−5.951	.0000	−0.6019	−0.3027
7	Direct effects of narcissism on shame	−0.0390	0.0733	−0.5324	.5949	−0.1833	0.1053
	Bootstrap results for indirect effects			Effect	BootSE	BootLLCI	BootULCI
1	Indirect effects of narcissism on guilt			−0.2993	.0292	−0.3589	−0.2432
2	Indirect effects of narcissism on shame			−0.4133	.0511	−0.5264	−0.3248

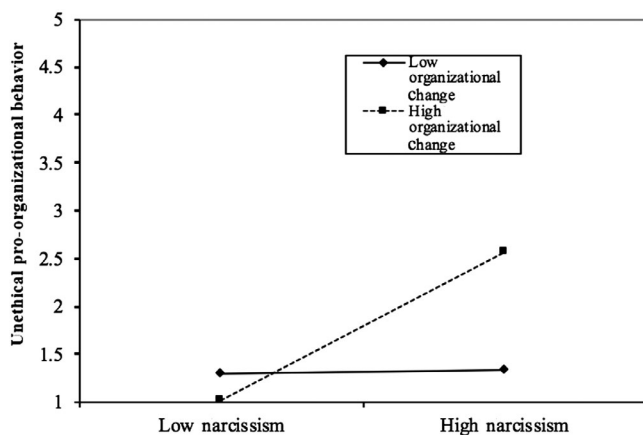
Abbreviations: LLCI, lower limit confidence interval;  $t$ , tabulated value; ULCI, upper limit confidence interval; UPB, unethical pro-organizational behavior.

**EXHIBIT 6** Hierarchical moderated regression analysis

Dependent variable	UPB					
	<i>R</i>	<i>R</i> <sup>2</sup>	$\beta$	<i>SE</i>	<i>t</i>	<i>p</i>
Step1	0.548	0.30				
Constant			1.554	0.312	4.979	.000
N			0.394	0.087	4.549	.000
OC			0.236	0.054	4.396	.000
Step 2	0.657	0.432				
N $\times$ OC			0.382	0.047	8.01	.000
Conditional effects of X at values of moderator (OC) (slope test results)						
Moderator	OC					
OC			Effect	Boot SE	LLCI	ULCI
OC $-1$ SD ( $-0.72$ )			$-0.16$	0.10	$-0.37$	0.03
OC mean (0.00)			0.45***	0.07	0.30	0.61
OC $+1$ SD (0.72)			0.23***	0.11	0.86	1.32

Abbreviations: LLCI, lower limit confidence interval; N, narcissism; OC, organizational change; *t*, tabulated value; ULCI, upper limit confidence interval; UPB, unethical pro-organizational behavior.

\*\*\* $p < .001$ .

**EXHIBIT 7** Interaction of narcissism, unethical pro-organizational behavior, and organizational change

(Hair, 2006). These are reported in **Exhibit 3**. A value less than 0.08 in the root mean square error of approximation, and the standardized root mean square residual, shows a well-fitting model (Browne & Cudeck, 1992; Hu & Bentler, 1998). A value of 2.5 and less of chi-square/degrees of freedom also indicates a good fit (Arbuckle, 2006). Likewise, values of more than 0.09 in the comparative fit index, incremental fit index,

and Tucker–Lewis index represent a good fit to the model (Bentler, 1990).

## 5.2 | Hypotheses testing

Hypotheses 1a and 1b, which state that there is a direct relationship between narcissism and guilt and shame, have been tested using linear regression. Mediation hypothesis (H2a and H2b) and moderation hypothesis (H3) have been tested through a bootstrapping technique using the PROCESS macro in SPSS 21 (Preacher & Hayes, 2004).

Hypothesis 1, which states that narcissism is negatively related to guilt (1a) and shame (1b), is shown to be significant. Hypotheses 1a and 1b are therefore accepted (**Exhibit 4**).

In support of Hypotheses 4a and 4b, **Exhibit 5** shows that narcissism is significantly related to guilt and shame through unethical pro-organizational behavior, as the confidence interval around the indirect effects did not contain zero ( $-0.3589$  and  $-0.2432$ ;  $-0.5177$  and  $-0.3215$ ). It shows that unethical pro-organizational behavior mediates the relationship between narcissism and guilt and shame.

**Exhibit 6** shows that the interaction between narcissism (N) and OC is significant and positive ( $\beta = 0.382$ ,



$p < .05$ ). Also, the bootstrapping technique at a 95% confidence interval shows that narcissism has conditional direct effects on unethical pro-organizational behavior. Consistent with H3, **Exhibit 7** shows that the positive link between narcissism and unethical pro-organizational behavior is stronger and positive at high levels, as compared to low levels, of OC. Thus, H3 is accepted.

## 6 | NARCISSISM, UNETHICAL PRO-ORGANIZATIONAL BEHAVIOR, AND THEIR CONSEQUENCES

The goals of this work were threefold. First, to examine the role of narcissism as an antecedent of unethical pro-organizational behavior, second to investigate the role of OC as a moderating variable between narcissism and unethical pro-organizational behavior, and finally to look at the extent to which unethical pro-organizational behavior leads to feelings of guilt and shame. There are very few studies of these phenomena in the literature and none that examine the links between the three. Considering the magnitude of potential repercussions, and their capacity to damage an organization, we feel that it is important to conduct a study that investigates these effects. In our study, narcissism was investigated as an antecedent of unethical pro-organizational behavior, with OC as a moderating variable. In addition, guilt and shame were viewed as emotional consequences of unethical pro-organizational behavior. All the relationships proposed in our hypotheses proved to be significant; however, before we go on to look at the implications of our findings, we should first consider some of their limitations.

### 6.1 | Limitations and future research directions

This study offered some new insights regarding the antecedents and outcomes of unethical pro-organizational behavior in times of OC; however, these results must be viewed within the practical and methodological constraints of the study.

First, the data were collected from three telecommunication organizations from Islamabad, Pakistan; although the findings could be generalized for the entire telecommunication sector in Pakistan, further studies would be needed to expand the dataset to other industries that are subject to frequent OC.

Second, all the data were self-reported, which may introduce the possibility of common method bias. Although the use of a time lag survey might help to control this, future researchers may opt for peer- or supervisor-reported data.

*Each industry has its own norms and culture, which may differ from others because of the nature of the work, market demands, and the dynamics of the industry.*

Third, all the variables have been analyzed based on an employee's understanding of the constructs in our model. For example, OC has been measured via employees' perceptions about how frequently change takes place. In the same way, unethical pro-organizational behavior is determined through employees' perceptions of willingness to engage in such behavior, rather than on concrete examples.

Fourth, there is limited literature available on the antecedents and consequences of unethical pro-organizational behavior. This study explored only one personality type: narcissism. Machiavellianism has also been shown to be an antecedent of unethical pro-organizational behavior (Castille et al., 2016). Future studies may explore other personality types and dispositional factors that encourage such behavior.

### 6.2 | Theoretical contributions

This research contributes to the literature on unethical pro-organizational behavior by examining the relationship between narcissism and unethical pro-organizational behavior.

The study expands the nomological network of unethical pro-organizational behavior (Miao et al., 2013). It goes beyond the attitudinal predictors of unethical pro-organizational behavior by exploring the dispositional elements as a potential predictor (Kish-Gephart, Harrison, & Treviño, 2010; O'Boyle, Forsyth, Banks, & McDaniel, 2012). By drawing on trait activation theory (Tett & Guterman, 2000), the findings link the novel construct of unethical pro-organizational behavior, to the

personality trait of narcissism. In addition, because, with the exception of the work of Tang et al. (2020) and Liu et al. (2019), the literature on the consequences of unethical pro-organizational behavior in terms of its emotional impact is weak, the current study represents a significant contribution to this facet of research into unethical pro-organizational behavior.

### 6.3 | Contributions to practice

Each industry has its own norms and culture, which may differ from others because of the nature of the work, market demands, and the dynamics of the industry. Although our study may be of relevance to other industries where OC is frequent, it focused specifically on the service sector. This sector is particularly important in Pakistan where, in 2019, its contribution to Pakistan's overall GDP was 61.2%, higher than any other sector. The service sector is inherently dynamic, and technological changes are constantly being introduced to meet market demands, to stay abreast of the competition, and to try to catch up with international standards (Tam & Wong, 2001). Our study presents various managerial implications.

First, the findings suggest that narcissistic personality traits increase the likelihood of engagement in unethical pro-organizational behavior. Although positive outcomes for an organization have been reported as a result of a narcissistic personality, it has also been shown that it has the potential to create a domino effect, where the repercussions of unethical acts accumulate to produce a “toxic environment” (Yu, Wang, Zheng, & Shi, 2020). Because of the potential costs of unethical pro-organizational behavior, management must seek to create a culture that inhibits such behavior. For example, during recruitment, candidates might be evaluated according to their personality type. Later, management should be wary of individuals who show narcissistic tendencies, and monitor them from time to time. An ethical climate must be encouraged, along with the enforcement of strong corporate governance. A no tolerance policy regarding unethical behaviors must be implemented to give a signal that such behavior will not be accepted. Management should reprimand such behavior publicly to discourage employees from engaging in it.

On the other hand, narcissists can also be very effective in leadership roles, which shows that in the right circumstances they will work with others, motivate them, and be of value to their organization. Management must therefore be proactive and take steps to channel the efforts of narcissistic individuals in a way that benefits the business. However, it must also be remembered that the long-term costs of unethical pro-organizational

behavior are so large that they may overshadow any short-term benefits, and may have negative consequences that cannot be undone (Umphress et al., 2010). Overlooking unethical actions, or turning a blind eye toward them, may signal that management is complicit in such actions. Organizational cultures driven by ethics, which discourage the fostering of unethical norms in any way, have been shown to have favorable results (Newman, Round, Bhattacharya, & Roy, 2017). Performance management systems that favor long-term performance, with ethics at their core, should be adopted if scenarios such as those at Enron and Volkswagen are to be avoided.

Secondly, it has been found that unethical pro-organizational behavior intensifies during periods of OC. Management must communicate during the change process to increase transparency and involvement at all levels. Communication strategies must be tailored to the end-user group, and impact assessment carried out from time to time to fine-tune the process. Change management practitioners should consider alignment of goals at individual, group and organizational levels while implementing OC strategies. OC is most successful when it caters to the goals and interventions of as many stakeholders as possible (Stouten, Rousseau, & Cremer, 2018). OC often violates the psychological contracts of employees regarding what they feel the organization owes to them, and what they owe to the organization (Bellou, 2007). In such cases, an organization may increase acceptance, enthusiasm, and support for change by making efforts to keep the psychological contract intact (Rousseau, Hansen, & Tomprou, 2018).

To conclude, considering the damage that can result from unethical pro-organizational behavior, we believe that its consequences should be investigated from various perspectives. The current study has shown that OC strengthens the relationship between narcissism and unethical pro-organizational behavior, and that narcissistic employees have little compunction in behaving in this way. Future studies could explore whether different leadership styles and cultural settings have the potential to counter or worsen these outcomes. However, when it comes to the reality of such situations, the big question is whether narcissistic employees will actually engage in unethical behavior, violating various social, cultural, and legal norms to support their own inflated belief in their abilities. Further studies must tap into the actual behavior of individuals, rather than their willingness to engage in immoral and unethical acts.

### DATA AVAILABILITY STATEMENT

The data that support the findings of this study are available from the corresponding author upon reasonable request.

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