The Thin Line Within: Exploring the Interplay of Organizational Citizenship Behavior, Social Exchange, and Unethical Pro-Organizational Behavior

Babar Masood Raja

Air University, Islamabad, Pakistan

ARTICLE DETAILS

ABSTRACT

The existing body of research on “organizational citizenship behavior” (OCB) predominantly emphasizes its positive outcomes. However, individuals who actively engage in organization-oriented OCB to support the organization’s effectiveness may occasionally exhibit “unethical pro-organizational behavior” (UPB) based on strong organizational identification and positive social exchanges. Drawing upon “Social Identity Theory” (SIT) and “Social Exchange Theory” (SET), this study presents a mediated model to deepen our understanding of UPB as a potential negative consequence of OCB, mediated by social exchange (SE). Survey data was collected from 303 managerial-level workforces employed in the Banking Sector of Pakistan. The empirical analysis provides robust evidence supporting the direct link between OCB and UPB, as well as the mediating role of SE between OCB and UPB. Both theoretical as well as managerial implications are comprehensively deliberated in the end.

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Corresponding author’s email address: write2bm@gmail.com

1. Introduction

Pro-organizational behavior encompasses ethical extra-role behaviors, exemplified by OCB, and unethical extra-role behaviors, exemplified by UPB. It is important to acknowledge that both OCB and UPB can coexist within individuals. Extensive research has established that a strong organizational identification and positive social exchange (SE) contribute to the manifestation of OCB (Moorman et al., 1998; Van Dick et al., 2006) as well as UPB (Umphress et al., 2010; Wang et al., 2019). While both OCB and UPB are categorized as pro-organizational behaviors, their outcomes have distinct consequences. OCB enhances organizational performance, whereas UPB may impede organizational performance in the long term. The simultaneous presence of positive and
contradictory influences within both behaviors, driven by pro-organizational motives, necessitates a comprehensive analysis of these constructs (Mishra et al., 2022).

OCBs can be categorized based on their orientation, whether directed towards individuals or organizations (Williams & Anderson, 1991). Organization-oriented OCBs are characterized by socioemotional attachment, a sense of belongingness, strong bonds, and a feeling of being part of the organization (Jiang & Law, 2013). In this review, our primary focus is on organization-oriented OCB (OCB-O). To simplify the presentation, we will use the term OCB to refer specifically to organization-oriented OCB, which is motivated by pro-organizational concerns. Examples include defending the organization during critical situations and feeling a sense of pride in representing the organization publicly (Cheng et al., 2022).

Factors such as association with the organization, emotional attachment, internalization of organizational success, external competition, interdependence, and positive social exchange (SE) can contribute to a desire to prioritize the organization's interests at the expense of ethical values, resulting in UPB (Alniacik et al., 2021; Umphress et al., 2010). In pursuit of collective organizational goals, UPB may be perceived as a reciprocal behavior that disregards morality and relies on cognitive minimization (Mishra et al., 2022; Umphress and Bingham, 2011). There is a need for research to compare and understand the explanatory power of multiple theoretical frameworks such as SIT and SET in explaining UPB (Mo et al., 2022).

Despite the growing interest among scholars in OCB research (Das & Mohanty, 2021), there is a need for an integrated framework that addresses the downstream consequences of OCB, specifically its relationship with unethical and counterproductive behavior (Bolino et al., 2018; Mishra et al., 2022). Additionally, researchers are keen to explore how individuals who demonstrate good citizenship behavior can also engage in UPB (Mishra et al., 2022) and to identify the antecedents of UPB (Inam et al., 2021; Veetikazhi et al., 2022). Although previous studies have examined how positive social exchange (SE) can lead to unethical behavior (Wang et al., 2019), a conceptual model illustrating the relationship between OCB, SE, and UPB is yet to be developed.

This study is unique in its empirical analysis of the relationship between OCB and employees' inclination to engage in UPB, mediated by SE. By integrating SIT and SET, a research model is proposed to deepen our understanding of UPB as a potential negative outcome of OCB, mediated by SE.

This study makes significant enrichments to the current body of literature in multiple ways. Firstly, it explores the causes and pathways leading to UPB, providing valuable insights for management to effectively address such issues within the organization. Secondly, it enhances our understanding of the simultaneous positive and contradictory influence of OCB and UPB, both motivated by pro-organizational factors, on organizational performance. Thirdly, it contributes to the literature by highlighting the motivational mechanism of social exchange (SE) and its employment of reciprocity norms in engendering UPB. Lastly, this study enables a more nuanced, stable, and refined comprehension of the undesired effects associated with OCB.

The study will proceed with a comprehensive literature review, followed by the presentation of underlying theories, hypotheses, and the research framework. The methodology section will cover details on the population, sampling, data collection techniques, and measurements. Statistical tests will be conducted to analyze the results, which will be followed by a discussion of both theoretical as
well as managerial implications. The study will conclude by addressing the limitations and suggesting future research directions.

2. Literature and Hypothesis Development

2.1. Relationship between OCB and UPB

Pro-organizational behaviors are multidimensional social phenomena that depend on interdependence, organizational relationships, and a desire to maintain one's value within the organization (Cheng et al., 2022). These intentional actions, which go beyond job descriptions and cannot be coerced, contribute to organizational effectiveness (Brief & Motowidlo, 1986; Chang et al., 2022). Employees' strong attachment to the organization leads to valuable outcomes through increased engagement in both expected and additional job-related behaviors (Ahmad et al., 2022; Avanzi et al., 2014). Prior research has shown that identification with the organization and positive social exchange play a role in promoting both OCB (Moorman et al., 1998; Van Dick et al., 2006) and UPB (Chen et al., 2016; Umphress & Bingham, 2011; Umphress et al., 20210; Wang et al., 2019).

OCB and UPB are workplace behaviors that support the interests of the organization. They coexist as two parallel streams on a continuum. Notably, both behaviors place greater emphasis on intention rather than the actual outcome (Cropanzano et al., 2017). Organization-oriented OCB states “behaviors contributing towards maintenance and enhancement of the social and psychological context that support task performance” (Organ, 1997, p. 91) and “benefit the organization in general” (Williams & Anderson, 1991, pp. 601–602). Thus psychological and social contexts influence OCB (Walumbwa et al., 2020). UPB refers to “actions that are intended to help the organization in some way” (Umphress et al., 2010, p. 770). Definitions of the constructs in itself broadly illustrate strong psychological and social bondage with the organization for optimum efficacy (Ras & Dyar, 2012). Theorization of both OCB and UPB reveals two intersecting points. Firstly, they are intentional behaviors that fall outside formal job descriptions and reward systems, driven by individual choices influenced by various factors (Cheng et al., 2022; Liu et al., 2021; Umphress & Bingham, 2011). Secondly, both behaviors aim to benefit the organization, often with an element of self-interest (Takeuchi et al., 2015; Castille et al., 2018). However, the defining characteristic distinguishing the two is the unethical nature inherent in UPB, which is absent in OCB (Mishra et al., 2022).

OCB is a widely recognized pro-organizational behavior that has been associated with increased productivity (Pokskakoff et al., 2018). Research indicates that organizations not only encourage such behaviors but also consider them desirable as they improve organizational functioning and minimize conflicts (Bolino et al., 2013; Bolino & Klotz 2015; Shah et al., 2020; Ocampo et al., 2018). When OCB is implicitly encouraged and informally rewarded and becomes part of organizational norms or job requirements, employees may prioritize demonstrating these behaviors even at the expense of ethical values, potentially leading to deviant workplace behaviors (Bolino & Klotz, 2015). Existing literature suggests that when extra-role behavior is deeply ingrained and promoted by the organization, employees may inadvertently blur the boundaries between citizenship behavior and engage in UPB to support organizational effectiveness, sometimes overlooking moral and ethical considerations (Liu et al., 2019).

UPB aims to enhance organizational efficacy but involves actions that violate societal norms (Gigol, 2021). Common instances of UPB include activities like document falsification or destruction, carried out to safeguard the organization’s interests (Shaw & Liao, 2021). While UPB may offer short-term benefits to organizations, it often goes deliberately unnoticed (Chen & Liang, 2017).
Furthermore, UPB can yield organizational contributions beyond what is attainable through ethical means (Schuh et al., 2021). Besides, it may propagate a "good employee" image resulting in fruitful outcomes as workplace contributions are mostly positioned at short-term gains (Cheng et al., 2022). A strong sense of bondage, belongingness, identification, and group/organizational membership provides a fertile ground for an employee to engage in pro-organizational behaviors setting aside ethical standards (Dou et al., 2019).

SIT is commonly used to understand employees' formal, informal, and extra-role behaviors. SIT focuses on the psychological connection between employees and their organizations, emphasizing relational values over calculative values (Tavares et al., 2016). Employees with higher identification with the organization tend to internalize organizational successes and failures as their own (Tavares et al., 2016; Umphress et al., 2010; Umphress & Bingham, 2011; Zuber, 2015). They are motivated by shared values and exhibit organizational behaviors to meet both internal and external expectations (Graham et al., 2020; Newman et al., 2016; Tajfel & Turner, 1986; Ye, 2012). These employees feel a sense of belonging to the organization and are emotionally affected by organizational critique and praise (Bryant, 2020; Kong, 2016).

Existing research suggests that employees who strongly identify with their organization tend to exhibit organizational-oriented citizenship behaviors, placing a higher emphasis on organizational interests rather than individual goals (Alniacik et al., 2021). This sense of identification fosters motivation to pursue collective objectives for the greater benefit of the organization through extra-role behaviors. Studies provide empirical evidence linking identification with the organization to behaviors like organizational-oriented OCB, reflecting a strong sense of pride, belongingness, and dedication (Jiang & Law, 2013; Irshad & Bashir, 2020). Highly identified individuals take pride in their organization and through their sense of belongingness, are more likely to engage in pro-organizational behaviors for organizational benefits even at the expense of morality (Naseer et al., 2020).

Past studies illustrate that OCB may lead to unethical behavior, organizational deviance, prosocial rule-breaking, and counter-productive behavior (Bolino et al., 2018; Bolino & Klotz 2015; Koopman et al., 2020; Liu et al., 2019; Nguyen C. M., 2021; Qian et al., 2022; Yam et al. 2017). Concurrently, internalization with organization, as well as external competitions, can push individuals to participate in UPB (Alniacik et al., 2021; Chen et al., 2016; Conroy et al., 2017; Lee et al., 2019; Umphress et al., 2010).

Both organization-oriented OCB and UPB exhibit a pro-organizational nature, potentially leading to a crossover between them in practical work environments. Employees may perceive a causal association between OCB and UPB within their working conditions (Mishra et al., 2022; Veetikazhi et al., 2022). The complex nature of organization-oriented OCB and UPB blurs the distinction, with UPB being viewed as a form of OCB (Mishra et al., 2022). Moreover, it is speculated that employees' strong identification, belongingness, and attachment to the organization may facilitate the display of UPB as a means to support the organization's competitive advantage and foster long-term association (Chen et al., 2022; Mo et al., 2022). Nexus to above, we hypothesize the following:

**H1:** OCB is positively associated with UPB.
2.2. Mediating Role of Social Exchange (SE) between OCB and UPB

In today’s multifaceted and uncertain economic landscape, organizations rely on various connections with their employees, encompassing economic, social, ceremonial, unceremonious, and psychological aspects, to gain and sustain a competitive advantage. These connections and investments play a crucial role in navigating the complexities of the modern business environment and fostering a productive and competitive organizational culture (Ocampo et al., 2018). To achieve this advantage, organizations recognize the importance of investing in human capital that is not only skilled, knowledgeable, and satisfied but also demonstrates positive organizational behaviors (Tefera & Hunsaker, 2020).

Scholars have recognized the significant impact of positive social exchange (SE) relationships on the emergence of extra-role behaviors within organizations (Ma et al., 2022; Ocampo et al., 2018; Tourigny et al., 2019; Umphress et al., 2010). The identification that individuals develop with their organization establishes the social context in which they behave. Organizational identification shapes employees' behavioral strategies, leading to the display of extra-role behaviors with the anticipation of future rewards (Tavares et al., 2016). A strong emotional attachment and interdependence within the organizational context can foster pro-organizational productive behaviors, resulting in higher levels of job performance and engagement in extra-role behaviors (Cropanzano et al., 2017; Umphress & Bingham, 2011). Employees form a socio-emotional attachment to their organization to maintain their association, and this attachment, along with non-negotiable elements like trustworthiness, serves as the foundation for the exchange of social support between employees and the organization (Shore et al., 2009). However, in their pursuit of reciprocating organizational efforts and enhancing organizational support, employees may, at times, cross ethico-moral boundaries and engage in UPB (Wang et al., 2021).

Social exchange (SE) plays a crucial role in understanding employees' behavior, specifically their inclination towards pro-organizational behaviors guided by reciprocity norms. SE occurs through interdependence, creating a reciprocal obligation that cannot be predicted in advance (Blau, 1964). Organizations recognize employees' productivity and task performance by offering incentives and remunerations, which elicit enthusiasm and gratitude, fostering their commitment to the organization (Anand et al., 2018; Shore et al., 2009). Enacting pro-organizational behaviors driven by social identity and SE not only affects organizational outcomes but also enhances employees' performance appraisal, leading to rewards, career advancement, interesting assignments, and organizational support (Bolino et al., 2013; Organ, 2018; Tayal et al., 2022).

Positive social exchange (SE) can have a negative aspect when it leads to unhealthy competition, and prioritizing organizational goals over social norms (Jachimowicz et al., 2018; Zhang et al., 2017). This perception of SE can result in the view of UPB as a reciprocal behavior, setting aside moral obligations to society and focusing on gaining a competitive advantage or maintaining the employment relationship (Umphress & Bingham, 2011). Employees deeply engaged in SE prioritize goal attainment aligned with organizational objectives to maximize rewards, considering UPB as a reasonable and dutiful act fulfilling their employment obligations (Dong et al., 2021; Wang et al., 2021). As a result, individuals committed to promoting organizational effectiveness through OCB may occasionally cross ethical boundaries to benefit the organization and engage in UPB (Mishra et al., 2022).
SET is a prominent framework for understanding the influence of OCB and UPB (Cropanzano et al., 2017; Tayal et al., 2022; Inam et al., 2021). Within organizations, employees engage in interdependent interactions that foster trust, loyalty, and socio-emotional employment relationships (Shore et al., 2006). Prior research indicates that OCBs contribute to the development of high-quality relationships, resulting in positive outcomes (Liaquat & Mehmood, 2017). The strong emotional attachment and SE between employees and employers benefit both parties through productive pro-organizational behaviors (Cook et al., 2013). Similarly, UPB has been conceptualized within SET, where employees perceive it as a way to demonstrate organizational bonding, achieve competitive advantages, and reciprocate supportive treatment for maximizing benefits (Umphress & Bingham, 2011; Wang et al., 2021; Zhang, 2020). Positive SE has been linked to a willingness to engage in UPB, as demonstrated by previous research (Umphress et al., 2010; Umphress & Bingham, 2011; Wang et al., 2019; Zhong et al., 2018).

Based on the preceding arguments, we posit a hypothesis that organization-oriented OCB is positively correlated with SE, which in turn contributes to the employee's inclination to engage in UPB. The employee may view UPB as a reciprocal act, prioritizing long-term employment relationships over ethical obligations. Moreover, by considering the positive connection between OCB and SE, we propose that OCB indirectly influences employee willingness to engage in UPB, mediated by SE. These assertions form the foundation for the following hypotheses:

H2a: OCB is positively associated with SE.
H2b: SE is positively associated with UPB.
H2c: SE mediates the relationship between OCB and UPB.

3. Research Framework

![Figure 1. Research Framework](image)

4. Methods

4.1. Population and Sampling

According to the State Bank of Pakistan’s annual report for the financial year 2022, a total of 32 banks are regulated by the State Bank of Pakistan as of June 30, 2022. These banks are further categorized into five broader categories: 14 Private sector commercial banks, 5 Public sector commercial banks, 6 Islamic banks, 4 specialized banks, and 3 foreign banks. A total of 15,503 branches of these banks are there. The current analysis focuses on the Private sector commercial banking sector of Pakistan. The Private sector commercial banks alone operate 11,125 branches, accounting for approximately 72% of the total banks in Pakistan.

Data was collected from the managerial level employees like branch managers, branch operation managers, customers’ services representatives (CSRs), and departmental managers like credit card departments, and trade departments; working in Big 5 banks of private sector commercial banks categories i-e “Habib Bank Limited (HBL), National Bank of Pakistan (NBP),
MCB Bank, Allied Banks Limited (ABL), United Bank Limited (UBL)” (KPMG, 2022) located at 5 metropolitan cities of Punjab province i-e Islamabad, Rawalpindi, Lahore, Faisalabad, and Multan. A total of 7378 branches of these banks are operating across Pakistan and 1156 branches are located in the targeted cities. The Big 5 banks serve the purpose of this research in many ways:

- Despite operating within a regulated framework under the supervision of the State Bank of Pakistan, these banks encounter significant challenges in distinguishing themselves in a highly competitive market. To gain a competitive edge, these banks actively promote their achievements through social media and their websites, demonstrating their willingness to go the extra mile. However, within this context, there is a potential for employees working in these banks to be influenced by their pro-organizational motives and engage in UPB (Ahmad et al., 2022).

- These banks have a wider network with a maximum number of branches across Pakistan (66% of the total branches of the private sector commercial banks category). The presence of these banks is there in almost every city of Pakistan so much so having multiple branches in large cities (Ahmad et al., 2022).

- Ahmad et al. (2022), Khan (2022), and Shamoon & Ahmad (2023) have sampled almost the same banks in their investigation representing the banking sector of Pakistan.

Details regarding employees working in the banking sector of Pakistan were found missing. As the complete list of employees in the Banking Sector of Pakistan is unknown (Ahmad et al, 2022; Batool et al., 2023; Irshad & Bashir, 2020; Khan, 2022), hence non-probability convenience sampling technique has been used for the current study (Sekaran & Bougie, 2010).

4.2. Data Collection

In Pakistan, English is the official language in the Banking sector (Ahmad et al., 2022). Data were collected from December 2022 to May 2023. Formal contact with management and concerned departments like the HR department, external liaison department, head branch banking north, customer service department, cluster heads, and regional offices; of the selected banks were made for data collection. “Cooperation and support of the management in the targeted banks in the challenging process of data collection remained praiseworthy”. Continuous liaison, practical guidance, and uninterrupted communication with focal persons of Big 5 banks of private sector commercial banks categories were ensured for the timely collection of data.

The collection of data for this very research has been done by using a structured questionnaire consisting of 21 items. A printed as well as online version of the survey questionnaire was adopted. Particular reliance has been made on the printed version of the questionnaire. Out of the 450 self-administered questionnaires distributed, 325 questionnaires were received back with an overall response rate of 72% in line with the previous response rate of the same sector which varies from 60-77% (Ahmad et al., 2022; Batool et al., 2023). 22 questionnaires were found incomplete and were ignored being less than 10% of the total questionnaire received (Hair et al., 2010). 303 questionnaires complete in all aspects are taken as the final sample size which is sufficient based on items to the respondents' ratio of 10:1 (Gorsuch, 1983; Memon et al., 2020).

4.3. Measurement

A pre-established scale has been used as advocated by the authors on the plea of already established reliability and validity (Hyman et al., 2006). In our survey, responses have been graded through a close-ended questionnaire on the 5-point Likert scale format, which has answers ranging
from 1 (strongly disagree) to 5 (strongly agree) and the same has been validated in previous studies. Details regarding the description/source(s) and the number of items are attached as under:

<table>
<thead>
<tr>
<th>Variable</th>
<th>Description/ Source(s)</th>
<th>Items</th>
</tr>
</thead>
<tbody>
<tr>
<td>UPB</td>
<td>“Behaviors that are intended to help the organization in some way. UPB includes two main definitional components. First, UPB includes acts of commission (e.g., “cooking” numbers to boost analyst projections and stock values) and omission (e.g., withholding information about the hazards of a pharmaceutical product) that are considered unethical by the larger society. Second, UPB is pro-organizational behavior neither specified in formal job descriptions nor ordered by superiors, yet is carried out to benefit or help the organization”. Umphress, E. E., Bingham, J. B., &amp; Mitchell, M. S. (2010). Unethical behavior in the name of the company: The moderating effect of organizational identification and positive reciprocity beliefs on unethical pro-organizational behavior. <em>Journal of Applied Psychology</em>, 95(4), 769-780. <a href="https://doi.org/10.1037/a0019214">https://doi.org/10.1037/a0019214</a></td>
<td>06</td>
</tr>
</tbody>
</table>

Figure 2. Constructs’ Description/ Source(s) and Items

5. Results and Data Analysis

PLS-SEM has been used for data analysis based on the rationale: (1) the ability to test multiple relationships simultaneously (Mahmood & Mubarik, 2020); (2) no restriction regarding sample size (Khan et al., 2019); (3) provides accurate estimation of mediation effect (Chin, 1998); (4) highly recognized within intellectual capital (Cleary & Quinn, 2016); and (5) yields better analysis and results (Hair et al., 2018).

5.1. Demography of Respondents

Table 1 illustrates demographic details encompassing gender, age, qualification, current employer, job experience with current employer, and overall job experience in the banking industry.

<table>
<thead>
<tr>
<th>Gender</th>
<th>Frequency</th>
<th>(%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>224</td>
<td>73.9</td>
</tr>
<tr>
<td>Female</td>
<td>79</td>
<td>26.1</td>
</tr>
<tr>
<td></td>
<td>303</td>
<td>100.0</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Age</th>
<th>Frequency</th>
<th>(%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>20-30</td>
<td>34</td>
<td>11.2</td>
</tr>
<tr>
<td>31-40</td>
<td>157</td>
<td>51.8</td>
</tr>
<tr>
<td>41-50</td>
<td>96</td>
<td>31.7</td>
</tr>
<tr>
<td>Above 50 years</td>
<td>16</td>
<td>5.3</td>
</tr>
<tr>
<td></td>
<td>303</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Qual
Graduation | 154 | 50.8  
Post Graduation | 149 | 49.2  

303 | 100.0

**Current Employer**

<table>
<thead>
<tr>
<th>Employer</th>
<th>Count</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>HBL</td>
<td>77</td>
<td>25.4</td>
</tr>
<tr>
<td>NBP</td>
<td>55</td>
<td>18.2</td>
</tr>
<tr>
<td>MCB</td>
<td>54</td>
<td>17.8</td>
</tr>
<tr>
<td>ABL</td>
<td>44</td>
<td>14.5</td>
</tr>
<tr>
<td>UBL</td>
<td>73</td>
<td>24.1</td>
</tr>
</tbody>
</table>

303 | 100.0

**Job Experience with Current Employer**

<table>
<thead>
<tr>
<th>Experience</th>
<th>Count</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>3-5 Years</td>
<td>117</td>
<td>38.6</td>
</tr>
<tr>
<td>5-10 Years</td>
<td>170</td>
<td>56.1</td>
</tr>
<tr>
<td>Above 10 Years</td>
<td>16</td>
<td>5.3</td>
</tr>
</tbody>
</table>

303 | 100.0

**Overall Job Experience**

<table>
<thead>
<tr>
<th>Experience</th>
<th>Count</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>5-10 Years</td>
<td>41</td>
<td>13.5</td>
</tr>
<tr>
<td>10-15 Years</td>
<td>117</td>
<td>38.6</td>
</tr>
<tr>
<td>15-20 Years</td>
<td>123</td>
<td>40.6</td>
</tr>
<tr>
<td>Above 20 Years</td>
<td>22</td>
<td>7.3</td>
</tr>
</tbody>
</table>

303 | 100.0

**Table 1. Demographic Profile of the Respondents**

### 5.2. Measurement Model

The measurement model deals with the evaluation of the outer model i.e. reliability and validity of the instruments used. It entails internal item reliability, internal consistency reliability, convergent, and discriminant validity.

**Figure 3. Measurement Model**

Internal item reliability is evaluated by the outer loading of each element within the respective construct. Items having factor loading with a threshold of more than 0.50 were retained.
(Hair et al., 2014). Figure 3 illustrates the same with retained items factor loading well above the threshold level.

Internal consistency was computed through composite reliability and Cronbach’s alpha with a threshold value higher than 0.70 and the model was found internally consistent and reliable. The twofold approach was adopted to ascertain the validity of the constructs. Convergent validity is calculated through Average Variance Extracted (AVE) with a value equal to or greater than 0.50 (Hair et al., 2014), and the value was found higher than the standard value as shown in Table 2.

<table>
<thead>
<tr>
<th>OCB</th>
<th>Composite Reliability</th>
<th>Composite Reliability</th>
<th>Average Variance Extracted</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.853</td>
<td>0.861</td>
<td>0.895</td>
<td>0.630</td>
</tr>
<tr>
<td>0.855</td>
<td>0.862</td>
<td>0.896</td>
<td>0.632</td>
</tr>
<tr>
<td>0.854</td>
<td>0.860</td>
<td>0.896</td>
<td>0.634</td>
</tr>
</tbody>
</table>

Table 2. Construct Validity and Reliability

Discriminant validity deals with statistical differences between the variables. It was checked by Fornell and Larcker (1981) method through a comparison of diagonal values obtained as the square root of AVE and has to be higher than the correlation value of the corresponding construct as shown in Table 3.

<table>
<thead>
<tr>
<th>OCB</th>
<th>SE</th>
<th>UPB</th>
</tr>
</thead>
<tbody>
<tr>
<td>OCB</td>
<td>0.794</td>
<td></td>
</tr>
<tr>
<td>SE</td>
<td>0.687</td>
<td>0.795</td>
</tr>
<tr>
<td>UPB</td>
<td>0.745</td>
<td>0.724</td>
</tr>
</tbody>
</table>

Table 3. Assessment of Discriminant Validity using Fornell-Larcker criterion

Heterotrait and Monotrait (HTMT) ratio is the new method to determine discriminant validity and the standard threshold value is 0.85 and 0.90 (Henseler et al., 2015). The results confirm the criteria for the discriminant validity of the constructs as illustrated in Table 4.

<table>
<thead>
<tr>
<th>SE &lt;-&gt; OCB</th>
<th>Heterotrait-monotrait ratio (HTMT)</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.788</td>
<td></td>
</tr>
<tr>
<td>UPB &lt;-&gt; OCB</td>
<td>0.865</td>
</tr>
<tr>
<td>0.839</td>
<td></td>
</tr>
</tbody>
</table>

Table 4. Assessment of Discriminant Validity using Heterotrait-monotrait (HTMT) Ratio

5.3. Structural Equation Model
Next step deals with the estimation of the structural model (i.e inner model). It involves statistical tests and hypothesized model estimation. Structural model was analyzed by reporting the coefficient of determination ($R^2$), $\beta$-values, $t$-values, and $p$-values (Hair et al., 2019). Findings of descriptive and correlation analysis revealed significant relations between every construct. Figure 4 illustrates the same.
First, the accuracy of the model was assessed through the coefficient of determination \( R^2 \) (Hair et al., 2011, 12). \( R^2 \) values of SE and UPB were 0.472 and 0.641 respectively, exceeding the recommended value of 0.10 (Falk & Miller, 1992). Second, \( \beta \)-values, \( t \)-values, and \( p \)-values were measured to calculate the hypothesized relationship. As far as hypothesis testing is concerned, \( T \) and \( p \) values are given due consideration. The hypothesis is said to be accepted if the \( T \)-value is equal to or greater than 1.96 whereas the \( p \)-value is equal to or less than 0.05. Results for hypothesis testing are shown in Table 5. All the hypotheses were supported. OCB significantly and positively relates to UPB (\( \beta \)-value = 0.470, \( p < 0.000 \), and \( t \)-value = 10.882), hence \( H_1 \) is supported. OCB significantly and positively relates to SE (\( \beta \)-value = 0.690, \( p < 0.000 \), and \( t \)-value = 18.915), hence \( H_{2a} \) is supported. SE significantly and positively relates to UPB (\( \beta \)-value = 0.402, \( p < 0.000 \), and \( t \)-value = 8.265), hence \( H_{2b} \) is supported. SE significantly mediates the relationship between OCB and UPB (\( \beta \)-value = 0.277, \( p < 0.000 \), and \( t \)-value = 7.828), hence \( H_{2c} \) is supported.

| Hypothesis | Original sample (O) | Sample mean (M) | Standard deviation (STDEV) | T statistics (|O/STDEV|) | P values |
|-------------|---------------------|-----------------|---------------------------|--------------------------|----------|
| OCB -> SE   | 0.687               | 0.690           | 0.036                     | 18.915                   | 0.000    |
| OCB -> UPB  | 0.470               | 0.470           | 0.043                     | 10.882                   | 0.000    |
| SE -> UPB   | 0.401               | 0.402           | 0.049                     | 8.265                    | 0.000    |
| OCB -> SE   | 0.276               | 0.277           | 0.035                     | 7.828                    | 0.000    |

Table 5. Structural Model (Direct & Indirect Path)

6. Discussion

According to Organ’s definition of OCB (1997, p. 263), the psychological and social contexts play a crucial role in facilitating organizational effectiveness and surpassing expected behaviors. Organizational identification serves as a significant predictor of both ethical and unethical behaviors within the organization (Conroy et al., 2016). When employees strongly identify with the
organization, they may be inclined to engage in UPB to support the organization's competitive advantage or maintain a long-term association (Chen et al., 2022; Mo et al., 2022). Factors such as internalization with the organization and external competition further contribute to individuals' participation in UPB (Alniacik et al., 2021; Chen et al., 2016; Conroy et al., 2017; Lee et al., 2019; Umphress et al., 2010). By fostering a strong sense of organizational identification, a positive social exchange (SE) context is established, motivating employees to contribute to the organization through UPB, while simultaneously anticipating future reciprocation in the form of benefits (Umphress et al., 2010; Wang et al., 2019).

Drawing on the theoretical frameworks of SIT and SET, this study has explored the relationship between organization-oriented OCB and UPB, with the mediation of SE. The complex nature of organization-oriented OCB and UPB often leads to the perception of UPB as a variant of OCB. In practical work environments, the overlapping pro-organizational motives behind these behaviors are influenced by working conditions. This perspective is supported by studies conducted by Mishra et al. (2022) and Veetikazhi et al. (2022). Empirical analysis reveals convergent support for the direct as well as mediation mechanism through the social exchange (SE) between OCB and UPB. The findings indicate significant direct and mediation effects, suggesting partial mediation (Aguinis et al., 2017; Holland et al., 2017). These results highlight the complex interplay between OCB and UPB, underscoring the role of social exchange in explaining the relationship between these behaviors.

6.1. Theoretical Implications

The findings of our analysis make significant contributions to the existing literature in several ways. Firstly, we expand the current understanding by uncovering the simultaneous presence of positive organization-oriented OCB and negative UPB behaviors, shedding light on the inconsistency between them (Mishra et al., 2022). Secondly, we address the fragmented research on the consequences of OCB by providing an integrated framework to explore the non-traditional negative outcomes associated with it (Bolino et al., 2018; Edros et al., 2020; Harvey et al., 2018; Wang, 2016). Thirdly, our study enriches the literature on the determinants of UPB by identifying organization-oriented OCB as a potential antecedent (Inam et al., 2021; Tsiavia, 2016; Veetikazhi et al., 2022). Additionally, our findings contribute to the motivational framework by illustrating the relationship between SE and UPB through reciprocity norms (Cheng & Lin, 2019; Mo et al., 2022; Wang et al., 2021). Lastly, we respond to the call for a comparative analysis of theoretical frameworks, particularly SIT and SET, in explaining the occurrence of UPB (Mo et al., 2022).

6.2. Managerial Implications

Our results have highlighted potential non-traditional negative aspects of OCB that lead to UPB. To guard against UPB, dysfunctional relationships between employees and managers/organizations are neither propagated nor promoted. The overwhelming advantages of positive social exchange, as well as a strong organizational attachment in the shape of increased job performance and display of ethical behaviors; dictate the promotion of these motives with due attentiveness to prevent leading them to unethical behaviors. Managerial practices should encompass mechanisms to impose sanctions on crossing boundaries to engage in UPB in an employee's attempt for being a “Good Citizen”. A “Code of Ethics” be developed prescribing the acceptable and unacceptable behaviors. Cardinals of such codes be based on accountability across the board as well as merit-based reward, and compensation system.
Enforcement of strict disciplinary actions against the transgressor would send a powerful signal for the desired behaviors. To circumvent UPB, creating an ethical culture within an organization is of paramount importance. Highlighting the necessity of ethical values formally through ethical training and informally by propagating ethical norms helps to achieve desired goals. Clear demarcation of the performance goal setting based on ethical standards and educating the employees through in-house training on ethical conduct go a long way in reducing the tendency to engage in UPB. An effort should be made to create a culture within the organization instituted on social responsibility. Organizational policies, practices, and decision-making should reflect and communicate clear ethical standards to regulate employees’ behavior.

6.3. Study Limitations and Future Research Directions

The current analysis provides important theoretical and managerial takeaways, however, a few limitations which need future attention include: First, the current study makes an attempt to elucidate employees’ behavior, more specifically extra-role behavior. Although the proposed framework yields significant results, there is room to include more ethico-moral constructs/variables for a more comprehensive explanation of the “How and Why” mechanism of human behavior. Second, Cross-sectional data were collected in the current empirical analysis which might limit the causal relationship, hence, a longitudinal design is suggested to develop a better understanding. Third, the current study focuses on a single service sector industry i.e. the Banking Sector of Pakistan, hence the external validity and generalizability of the findings in other service sectors be done with care. Future research be conducted beyond Banking Sector. Fourth, the empirical analysis focused on 5 metropolitan cities of Pakistan which may restrict the generalization of the conclusions to the whole country. Future research is recommended for other cities in Pakistan for a more precise measure of the theoretical constructs. Fifth, our study focused on only the big five banks in Pakistan. Future studies to include all banks in Pakistan be considered for more confirmation of the findings of the present analysis. Sixth, this study incorporated a survey questionnaire as the sole data collection Future analysis should attempt to go for a mixed method approach incorporating quantitative and qualitative means.

7. Conclusion

This study posits that OCB can serve as a potential antecedent, leading to a willingness to engage in subsequent unethical behavior, either directly or through the mediating role of social exchange (SE). By exploring the explanatory power of multiple theoretical frameworks, such as SIT and SET, this research contributes to a deeper understanding of the occurrence of UPB. The empirical analysis of the OCB-UPB relationship within the context of social exchange (SE) yields valuable insights for managers, practitioners, academics, and research scholars. These findings help policymakers refine their policies and shape future strategies to effectively navigate diverse and demanding organizational situations.

References


