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ORIGINAL PAPER

A Social Exchange Perspective of Employee–Organization Relationships and Employee Unethical Pro-organizational Behavior: The Moderating Role of Individual Moral Identity

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Abstract
Prior research on employee–organization relationships (EORs) has exclusively focused on the positive consequences of high-inducement EORs (i.e., mutual- and over-investment EORs). Drawing from social exchange theory , we develop a model theorizing employee unethical pro-organizational behavior (UPB) as one potential negative outcome of high-inducement EORs, as mediated by high-quality social exchange relationship between the employee and the employer. Empirical findings from two field studies provided convergent support to the mediation relationship between mutual-investment EORs and employee UPB via perceived social exchange. Moreover, the results in Study 2 further revealed that the relationship was less significant among employees with higher levels of moral identity, because the positive relationship between perceived social exchange and employee UPB was weakened by high moral identity. The theoretical and managerial implications were discussed.

Keywords Employee–organization relationships · Unethical pro-organizational behavior · Social exchange · Moral identity

Introduction

Within the increasingly hyper-competitive economic environment that is full of uncertainty and complexity, organizations have to rely on various forms of employment relationships, which refer to "the formal and informal, the economic, social, and psychological connection between an employee and his or her employer" (Tsui and Wang 2002, p. 78), to gain competitive advantages in today's business world. The employee–organization relationships (EORs) paradigm has provided an effective framework, from the employer's perspective, in examining appropriate trade-offs between a firm's human resource management practices applied to employees and its expected employee contributions to the organization (Tsui et al. 1997). Past research suggests that, among the four different types of EOR approaches, which are based on inducement–contribution configurations, mutual-investment (high inducement and high contribution) and over-investment (high inducement and low contribution) EORs (hereafter high-inducement EORs) are associated with a variety of positive organizational and employee outcomes, such as organizations' low turnover rates (Shaw et al. 2009), employees' high levels of trust in and commitment to the organization (Hom et al. 2009; Zhang et al. 2008), and high job performance (Hom et al. 2009; Tsui et al. 1997), compared with quasi-investment (low inducement and low contribution) and under-investment (low inducement and high contribution) EORs.

Social exchange theory is one dominant theoretical perspective for understanding the influences of EORs (Jia et al. 2014). Prior research has revealed that organizations that

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employ high-inducement EORs are more likely than organizations that employ low-inducement EORs (i.e., under- and quasi-investment EORs) to develop long-term-oriented, socio-emotionally based, social exchange relationships with their employees (Hom et al. 2009; Song et al. 2009). In turn, these organizations can motivate employees to go beyond their in-role requirements and obligations and to engage in more discretionary pro-organizational and proactive behaviors (Tsui et al. 1997; Wang et al. 2003; Jia et al. 2014). Despite the positive outcomes resulting from employees' high quality of social exchange relationships, researchers (Umphress et al. 2010; Umphress and Bingham 2011) have recently suggested that the positive reciprocity beliefs maintained by employees may cause unethical pro-organizational behavior (UPB)—unethical behaviors conducted to potentially benefit the organization but harm the interests of external stakeholders (i.e., customers and business partners, clients, communities, and broader society). Thus, it is unknown whether high-inducement EORs will contribute to employee UPB via the social exchange relationships developed between employees and their organizations.

In this research, we seek to examine employee UPB as one potential negative outcome of high-inducement EORs for several reasons. First, UPB is a newly identified form of unethical behavior that is increasingly prevalent in organizations. Thus, examining the determinants of and the processes leading to UPB has practical implications for firm managers who are seeking to avoid such unethical behavior. Second, given that extant research on UPB has exclusively focused on individual factors (e.g., Machiavellianism and psychological entitlement) and leadership behaviors (e.g., ethical leadership) as the driving forces of UPB (Miao et al. 2013; Castille et al. 2016; Lee et al. 2017), examining the contextual influences of EORs is theoretically valuable for developing a full understanding of the driving forces of UPB from a multilevel perspective in the organizational context. Third, unlike other forms of unethical behaviors such as cheating, fraud, and deception, which may cause actual harm to the organization or to members inside the organization, UPB is actually motivated by employees' pro-organizational motive (Umphress et al. 2010), which likely results from employees' social exchange relationships with their organization that employs high-inducement EORs.

Integrating social exchange theory (Shore et al. 2006) with moral identity theory (Aquino and Reed 2002), we develop a conceptual model as depicted in Fig. 1. We suggest that although high-inducement EORs may have positive, indirect relationships with employee UPB as mediated by their social exchange relationships with the organizations, individual moral identity plays a vital role affecting this indirect relationship. We argue that employees with high moral identity tend to withhold their impulses of engaging in unethical conducts to benefit their organizations even when they maintain high-quality social exchange relationships with the organizations. This model seeks to make three contributions to the existing literature. First, we advance the current understanding of employee outcomes of EORs by revealing the dark side of high-inducement EORs. Specifically, we identify UPB as one possible negative individual outcome of over-investment and mutual-investment EORs, challenging the conventional view that high-inducement EORs are associated with positive employee outcomes. Second, we contribute to the UPB literature by enriching the current knowledge of its antecedents and determining mechanisms. Specifically, we demonstrate a social exchange explanation for the generation of UPB, complementing the organizational identification and moral disengagement explanations that have been widely demonstrated in prior studies (Effelsberg et al. 2014; Chen et al. 2016). Finally, the moderating effect of moral identity as found in our research not only underscores the importance of individual differences in understanding the influences of an organization's HR practices (Zhang et al. 2014), but also suggests an interactionist view of UPB by emphasizing the joint effects of person and context.

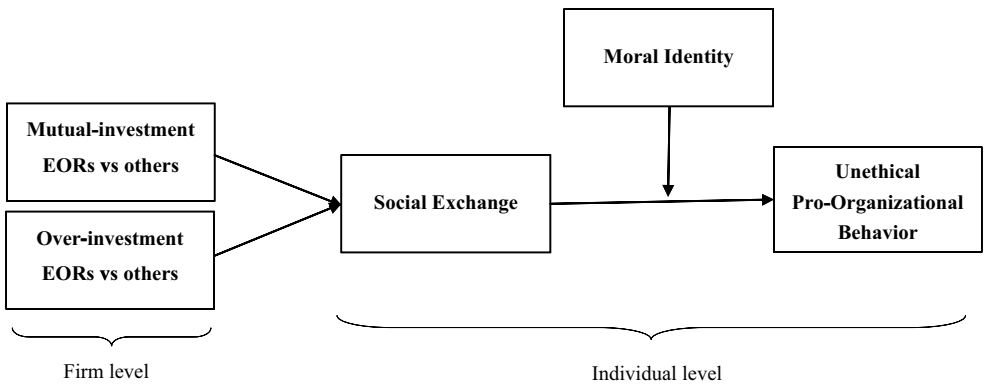

Fig. 1 Theoretical model

Theoretical Background and Hypotheses

The Relationship Between High-Inducement EORs and Social Exchange

Social exchange theory posits two different exchange relationships between employees and their employers: economic exchange and social exchange (Blau 1964). Compared to employees maintaining economic exchange relationships with their employers, employees maintaining social exchange relationships with their employers tend to engender stronger feelings of reciprocity, gratitude, and trust, because social exchange is characterized as "favors that create diffuse future obligations and entails unspecified obligations" (Blau 1964, p. 93). Moreover, due to the long-term-oriented reciprocity rule, employees embedded in social exchange relationships are not calculative in short-term costs and benefits. The resources that support their long-term relationships with their employers are socio-emotional and thus "do not have an exact price in terms of a single quantitative medium of exchange" (Blau 1964, p. 94). To synthesize, social exchange differs from economic exchange in four particular aspects: trust, investment, duration, and financial/socio-emotional. Specifically, social exchange relationship entails a high level of trust, provides extensive investment to employees, focuses on a long-term relationship, and emphasizes on the socio-emotional aspects of the relationship (Hom et al. 2009; Shore et al. 2006; Wu et al. 2006).

In this research, we propose that mutual- and over-investment EORs will be associated with higher levels of social exchange than underinvestment and quasi-spot EORs. Specifically, both mutual- (e.g., Southwest Airline employees; Hom et al. 2009) and over-investment employers (e.g., Chinese state-owned enterprises; Hom et al. 2009) provide extensive inducements to employees, such as competitive pay levels and benefits packages, and developmental rewards (e.g., training, career development, and empowerment). The more valuable inducements employees receive from their organizations, the more likely they will develop deeper and greater obligations to their employers over time (Rousseau 2005), contributing to high-quality social exchange relationships (Tsui et al. 1997; Wang et al. 2003; Hom et al. 2009). Moreover, the generous inducements offered by employers in the context of mutual- and over-investment EORs deliver a signal to employees that the employers value and seek for trust and long-term orientations in the employment relationships (Song et al. 2009; Zhang et al. 2008), thereby enhancing employees' confidence in developing long-term-oriented social exchange relationships with their organizations.

Extant empirical studies have provided strong support for our theorization. For example, Hom et al. (2009) demonstrated that mutual- and over-investment EORs can increase employees' perceptions of social exchange. Song et al. (2009) found that mutual-investment EOR is positively related to social exchange, whereas quasi-spot contract EOR is positively related to economic exchange. Takeuchi et al. (2007) demonstrated that high-performance work systems—similar to mutual-investment EOR—facilitated the formation of a high level of social exchange relationship within the organization. Taking these theoretical rationales and empirical evidence together, we suggest that mutual- and over-investment EORs will be associated with higher levels of employees' perceptions of social exchange than underinvestment or quasi-spot contract EORs.

Hypothesis 1a Mutual-investment EOR will be associated with higher levels of employee perceived social exchange than underinvestment or quasi-spot contract EORs.

Hypothesis 1b Over-investment EOR will be associated with higher levels of employee perceived social exchange than underinvestment or quasi-spot contract EORs.

Implications for Employee UPB

Although UPB in its nature is a form of unethical behavior as it violates hypernorms or globally held standards judged in terms of justice, law, or widely held social norms (Umphress and Bingham 2011), it brings potential gains to organizations, such as boosting the organization's sales. Typical examples of UPB include a salesperson who exaggerates the effects of the products to achieve the company's sales goal, an employee who withholds negative information regarding the company or the company's product from the public to protect the company's reputation and good image, and an accountant who manipulates reported earnings to accomplish a desired firm performance (Tian and Peterson 2016). Hence, the performance of UPB creates a dilemma where the interests of external stakeholders are harmed, whereas the interests of organizations may benefit. Following these conceptual attributes, Umphress and Bingham (2011) identified two major determinants of UPB: positive social exchange and organizational identification. Drawing on this theoretical framework, prior empirical studies have revealed a variety of factors that may lead to employee UPB mostly through the organizational identification mechanism (Effelsberg et al. 2014; Kong 2016), leaving the social exchange mechanism under-examined.

Extending this stream of research, we speculate that positive social exchange relationships may create favorable conditions for UPB for two main reasons. First, employees in positive social exchange relationships may regard UPB as a reciprocal behavior that can sustain their long-term employment relationships with the organizations

(Cropanzano and Mitchell 2005). For this reason, employees may disengage themselves from the ethical restrictions and regulations, thereby increasing the likelihood of performing UPB. Indeed, research reveals that when employees are highly motivated to reciprocate their employers due to their strong identification with organizations, they are more prone to overlooking the interests of external stakeholders and engaging in UPB (Chen et al. 2016). Second, employees who maintain a strong sense of loyalty and make extraordinary contributions to the organization associated with their positive social exchange relationships (Hom et al. 2009; Song et al. 2009) may feel licensed to violate ethical codes or moral standards, especially when doing so can bring benefits to their organizations. In other words, employees who have engaged in positive social exchange relationships with their employers may view UPB as permissible because of the moral licensing effect—that is, when people have conducted good deeds, they are later more likely to perform behaviors that are immoral and/or unethical (Miller and Effron 2010; Yam et al. 2017). For instance, research has demonstrated that highly psychologically entitled individuals—those who have the belief that they should receive desirable treatment irrespective of whether it is deserved—may be more willing to engage in UPB (Lee et al. 2017).

In summary, we suggest that high social exchange relationships between employees and their employers are likely to motivate employees to perform UPB because of their moral disengagement and the moral licensing effect. Partly in support our theorization, Umphress et al. (2010) demonstrated that positive reciprocity beliefs would enhance employees' willingness to perform UPB triggered by their high levels of organizational identification. Drawing on the reciprocation effect resulting from the positive social exchange relationships between the leader–subordinate dyads, Miao et al. (2013) revealed that low to moderate levels of ethical leadership sparingly increased employee UPB. Similarly, highly committed employees were found to engage in UPB when they were seeking to reciprocate favorable treatment (Matherne and Litchfield 2012). Therefore, we expect a positive relationship between employee perception of social exchange and employee UPB. Furthermore, integrating this relationship with the positive relationships between high-inducement EORs and employee perception of social exchange, we propose that high-inducement EORs may have positive and indirect relationships with employee UPB via perceived social exchange. Accordingly, we propose the following hypotheses:

Hypothesis 2 Employee perceived social exchange is positively related to employee UPB.

Hypothesis 3a Mutual-investment EOR has a positive, indirect relationship with employee UPB via perceived social exchange.

Hypothesis 3b Over-investment EOR has a positive, indirect relationship with employee UPB via perceived social exchange.

The Moderating Role of Moral Identity

Although high social exchange relationship is likely to solicit employee UPB in general, we argue that individual differences may play a vital role in this relationship. In other words, we suggest that not every employee who maintains high social exchange relationship with the organization will violate the moral standards or ethical codes to participate in UPB. In this research, we focus on individual moral identity, which refers to the extent to which one's self-concept incorporates the importance of being a moral person (Aquino and Reed 2002), as an individual difference variable. We expect it to moderate the link between perceived social exchange and UPB. We argue that high moral identity tends to weaken the positive relationship between perceived social exchange and employee UPB.

According to Aquino and Reed (2002), moral identity involves a set of morally relevant personality traits—such as being caring, honest, kind, compassionate, and friendly—that are valued by individuals. Individuals with high levels of moral identity put more emphasis on moral reasoning and moral actions, so they are more likely to have higher levels of moral awareness of the moral implications of a situation (DeCelles et al. 2012). As a result, individuals with high moral identity are less likely to disengage themselves from moral regulations in the context where unethical behaviors are easily solicited (Hertz and Krettenauer 2016; Detert et al. 2008). Indeed, Aquino et al. (2007) demonstrated that moral disengagement was less effective in explaining individuals' support for war-related activities among those with higher levels of moral identity. In addition to affecting the moral disengagement effect, moral identity can also affect the moral licensing effect underpinning the positive association between one's perceived social exchange relationship with the employer and his/her UPB. Specifically, people who have high moral identity not only care about the benefits and well-being of their in-group members, but are also concerned with the interests of a larger set of out-group members (Aquino et al. 2007). Thus, compared to employees with low moral identity, employees with high moral identity are less likely to reciprocate their employers by performing UPB that would sacrifice external stakeholders' interests. Partly in support of this argument, Matherne and Litchfield (2012)

found that moral identity weakened the positive relationship between affective commitment and UPB.

Drawing on the above theoretical arguments and empirical findings, we suggest that moral identity serves as a vital individual difference attribute regulating the positive relationship between perceived social exchange and UPB, and subsequently the indirect relationships between high-inducement EORs and employee UPB via perceived social exchange. Therefore, we propose the following hypotheses:

Hypothesis 4 Moral identity moderates the relationship between employee perception of social exchange and employee UPB such that the relationship will be less positive among employees with high rather than low levels of moral identity.

Hypothesis 5a Moral identity moderates the indirect relationship between mutual-investment EOR and employee UPB via perceived social exchange such that the relationship will be less positive among employees with high rather than low levels of moral identity.

Hypothesis 5b Moral identity moderates the indirect relationship between over-investment EOR and employee UPB via perceived social exchange such that the relationship will be less positive among employees with high rather than low levels of moral identity.

Overview of Studies

We conducted two studies to test our research hypotheses. In Study 1, we surveyed a sample of 256 employees along with their 73 direct supervisors from 26 different companies in China to test the main and mediation relationships between EORs, perceived social exchange, and employee UPB. In Study 2, we employed a sample of 312 employees from 34 different companies to replicate the results of Study 1 and to further test the moderating role of moral identity. We seek to strengthen the generalizability of our empirical findings by utilizing the multiple-study design.

Study 1

Method

Participants and Procedures

The data used in the present study were part of a large research project on employment relations. The data collection was carried out throughout the whole November in 2015. The companies were located in different provinces in China. These organizations represent a variety of industries, including bank, public service, manufacturing, real estate, and high technology. Data were collected from two different sources (employees and their immediate supervisors). At first, we invited the middle-level managers to evaluate the EORs employed in their organizations. Then, we randomly invited three to six employees who were supervised by the surveyed managers to rate their social exchange perceptions and UPB. Anonymity was guaranteed, and thus, both the managers and employees voluntarily participated in the survey. The final data included 73 middle-level managers and 256 employees from 26 organizations, with an average of 9.85 participants in each company. Of the 256 employees, the average age was 31.18 years (SD = 7.07), and 54.3% of the participants were male. The average tenure with current work was 6.01 years (SD = 6.71). Of the 73 managers, the mean age was 36.97 years (SD = 6.64), and 75.3% of them were male. The average tenure with their current organization was 8.56 years (SD = 7.82).

Measures

EOR following Jia et al. (2014), we measured different forms of EOR with the multi-dimensional scale that consists of two offered inducement dimensions (developmental rewards and material rewards) and two expected contribution dimensions (in-role work requirements and extra-role work requirements). The offered inducement dimensions were measured by 14 items: ten items for developmental rewards and four items for material rewards. Specifically, managers were asked to evaluate the extent to which their firms provide each of the 14 inducements to employees. A sample item was "Train employees on knowledge and skills for their jobs and career development" (0 = not existing, to 7 = provided a lot). The expected contribution dimensions were measured by 13 items: nine items for in-role work requirements and four items for extra-role work requirements. Managers were asked to evaluate the extent to which their organizations emphasize each of the 13 expected contributions from the employees. A sample item was "Complete performance goals in quality and quantity" (0 = not existing, to 7 = emphasized very much). The alpha coefficients for the four sub-dimensions were 0.94 (developmental rewards), 0.90 (material rewards), 0.90 (in-role work requirements), and 0.89 (extra-role work requirements).

Social Exchange Employees were asked to evaluate their perceptions of social exchange with a scale developed by Shore et al. (2006). This scale has widely been validated in prior studies (Gakovic and Tetrick 2003; Rupp and Cropanzano 2002; Wu et al. 2006). Sample items included "My organization has made a significant investment in me," "My relationship with my organization is based on mutual trust," and "I try to look out for the

best interest of the organization because I can rely on my organization to take care of me" (1 = not at all and 6 = to a very large degree). Cronbach's alpha was 0.93.

UPB Employee UPB was assessed using six items adapted from Umphress et al. (2010). In accordance with prior research (Effelsberg et al. 2014), we dropped one item—"If my organization needed me to, I would give a good recommendation on the behalf of an incompetent employee in the hope that the person will become another organization's problem instead of my own"—from the original six-item scale according to the results of factor analysis and internal consistency scores. The remaining five items showed good reliability in this study (Cronbach's alpha was .86). Sample items included "If it would help my organization, I would exaggerate the truth about my company's products or services to customers and clients" and "If needed, I would conceal information from the public that could be damaging to my organization" (1 = strongly disagree and 7 = strongly agree).

Control Variables We controlled for employees' demographic variables of gender, tenure, and education, which were found to be related to individual unethical behaviors (Kong 2016; Lee et al. 2017; Razzaque and Hwee 2002). Because prior research has demonstrated the significant effect of organizational identification on UPB (Effelsberg et al. 2014; Chen et al. 2016), we controlled for employee perceived organizational identification, which was measured by a six-item scale developed by Mael and Ashforth (1992). Sample items included "When someone criticizes (name of company), it feels like a personal insult," "When I talk about this company, I usually say 'we' rather than 'they'" (1 = strongly disagree and 5 = strongly agree; Cronbach's alpha was .78). To account for participants' tendency to respond in a socially desirable way when answering sensitive self-report items in this study (Umphress et al. 2010), we controlled for social desirability using Strahan and Gerbasi's (1972) scale (Cronbach's alpha was .80). At the organizational level, we controlled for organization size, ownership (dummy variable), and industry (dummy variable) to partial out some unmeasured firm-level influences (Hom et al. 2009).

Defining the Four EOR Approaches

In accordance with prior studies (Song et al. 2009; Wang et al. 2003; Zhang et al. 2008), we adopted a cluster analysis to identify the four EOR approaches at the firm level (Jia et al. 2014; Tsui et al. 1997). We calculated agreement for inducement and contribution dimensions using James et al.'s (1993) R_{wg} for firms. R_{wg} were .93 for in-role requirements, .93 for extra-role requirements, .95 for developmental rewards, and .93 for materialistic rewards. Moreover, ICC(1) indices were .37, .41, .25, and .44 and ICC(2) indices were .62, .66, .48, and .69 for the four EOR dimension scores, respectively. These results justified the aggregation of the four EOR dimensions at the firm level. The analysis identified a four-cluster solution to be most interpretable and meaningful, which was consistent with the typology of employment relationships in Tsui et al. (1997). Of the 26 organizations included in our sample, eight employed mutual-investment EOR, five employed over-investment EOR, four employed quasi-spot contract EOR, and the remaining nine employed underinvestment EOR. Finally, we checked whether the two dimensions of inducements and the two dimensions of contributions were different across the four clusters of EOR. The multivariate analysis of variance (MANOVA) indicated that there was a significant overall difference between clusters (Hotelling's $T = 8.46$, $F_T = 12.45$; Wilks's $\lambda = 0.04$, $F_\lambda = 10.60$; $p < .001$). Additionally, the analysis of variance (ANOVA) also revealed that the mean scores on the four employment approach dimensions were significantly different across the four clusters ($p < .001$). Table 1 presents the mean scores (both raw and standardized scores) on each contribution and inducement dimension for each of the four clusters.

Following prior research (Hom et al. 2009), we created a mutual-investment EOR dummy variable (coding this EOR as 1 and the other EORs as 0) and an over-investment EOR

Table 1 Four clusters of employment relationship approaches (Study 1; $N = 26$)

		Mutual-investment	Over-investment	Quasi-spot	Underinvestment	F value
Number of firms	26	8	5	4	9	
Expected contributions						
In-role requirements	5.99	6.22 (0.40)	5.15 (− 1.47)	5.82 (− 0.30)	6.34 (0.61)	13.16***
Extra-role requirements	5.87	6.17 (0.43)	4.76 (− 1.61)	5.93 (0.09)	6.18 (0.45)	13.13***
Provided inducements						
Developmental rewards	5.43	5.93 (0.81)	4.96 (− 0.76)	5.2 (− 0.37)	5.35 (− 0.13)	3.93*
Materialistic rewards	4.28	5.51 (0.95)	4.32 (0.03)	1.89 (− 1.85)	4.23 (− 0.04)	38.60***

Standardized scores are in parentheses. *$p < .05$; **$p < .01$; ***$p < .001$

dummy variable (coding this EOR as 1 and other EORs as 0) to contrast them with quasi-spot contracts and underinvestment EORs. Because quasi-spot contracts and underinvestment EORs produce similar inferior outcomes (Koh and Yer 2000; Tsui et al. 1997), they were combined as one variable to reflect the low-inducement EORs.

Results

Confirmatory Factor Analyses

We performed confirmatory factor analysis (CFA) to evaluate the discriminant validity between the two individual-level latent variables (i.e., social exchange and UPB). Results indicated that the hypothesized two-factor model fit the data well ($\chi^2 = 188.95$, $df = 64$, CFI = 0.93, TLI = 0.91, RMSEA = 0.07), which was superior to an alternative model that combined social exchange and UPB into one factor ($\chi^2 = 674.36$, $df = 65$, CFI = 0.71, TLI = 0.66, RMSEA = 0.19). Thus, the results confirmed discriminant validity of our study variables.

Descriptive Statistics

Table 2 presents the means, standard deviations, correlations, and reliability coefficients of all the variables at the individual level, and Table 3 presents the descriptive statistics at the firm level

Hypothesis Testing

Given that the data were nested in nature (employees nested in organizations), we employed the hierarchical linear modeling (HLM) to test our research hypotheses. Table 4 presents the HLM regression results. It can be seen from Model 2 that the mutual-investment employment approach was positively related to social exchange ($\gamma = .61$, $p < .01$), thus supporting **Hypothesis 1a**. However, in contrast to our expectations, over-investment EOR was not significantly related to social exchange ($\gamma = .23$, $p > .05$). Thus, **Hypothesis 1b** was not supported. Results of Model 4 indicated that social exchange had a significant, positive relationship with UPB ($\gamma = .14$, $p < .05$). **Hypothesis 2**, which posits that employees who perceive strong social exchange relationship with their employers are more likely to engage in UPB, was supported.

Hypotheses 3a and **3b** predicted that social exchange would mediate the relationships between mutual- and over-investment EORs and employee UPB. As shown in Model 5, both mutual- ($\gamma = .51$, $p < .001$) and over-investment ($\gamma = .38$, $p < .05$) EORs were significantly related to UPB. Results in Model 4 suggested that social exchange was positively related to UPB ($\gamma = .14$, $p < .05$). However, when social exchange was included in the regression model (Model 6), the coefficient for mutual-investment EOR became less significant ($\gamma = .48$, $p < .01$), but the coefficient for over-investment EOR remained significant ($\gamma = .44$, $p < .05$). These results together suggest that social exchange mediates the relationship between mutual-investment EOR and employee UPB, supporting **Hypothesis 3a**. Contrary to our prediction, social exchange could not mediate the relationship between over-investment EOR and employee UPB; thus, **Hypothesis 3b** was not supported.

Study 1 Discussion

The results in Study 1 supported our prediction that perceived high quality of social exchange relationship is a significant driver of employee UPB in the workplace. Through its mediating role, mutual-investment EOR has an indirect, positive relationship with employee UPB. Contrary to our expectation, the mediating role of social exchange in the relationship between over-investment EOR and employee UPB was not significant, because of the insignificant relationship between over-investment

Table 2 Correlations and descriptive statistics at the individual level (Study 1; $n = 256$)

Individual level	*M*	SD	1	2	3	4	5	6	7	8
1. UPB	2.94	1.17	(.86)							
2. Social exchange	3.02	1.04	.29**	(.93)						
3. Organizational identification	3.75	0.61	.29**	.47**	(.78)					
4. Gender	0.54	0.49	0.09	0.02	0.12					
5. Age	31.18	7.07	0.09	0.09	0.11	− 0.11				
6. Education	2.59	0.83	0.05	− 0.07	− .14*	0.12	− .30**			
7. Company tenure	6.01	6.71	0.09	0.09	0.10	− 0.12	.73**	− .32**		
8. Social desirability	3.26	0.39	.16*	.18**	0.07	− .16*	0.06	0.05	0.03	(.80)

Values in parentheses represent internal consistency reliabilities (Cronbach's alpha coefficients)

*$p < .05$; **$p < .01$

Table 3 Correlations and descriptive statistics at the firm level (Study 1; $N = 26$)

Firm level	*M*	SD	1	2	3	4	5	6	7	8	9	10	11	12
1. Firm size	885.88	1919.59												
2. Industry 1	0.35	0.49	− 0.09											
3. Industry 2	0.23	0.43	− 0.12	− .40*										
4. Industry 3	0.15	0.37	− 0.10	− 0.31	− 0.23									
5. Industry 4	0.15	0.37	.50**	− 0.31	− 0.23	− 0.18								
6. Industry 5	0.12	0.33	− 0.15	− 0.26	− 0.20	− 0.15	− 0.15							
7. Mutual-investment	0.31	0.47	− 0.07	− 0.14	.43*	− 0.05	− 0.05	− 0.24						
8. Over-investment	0.19	0.40	− 0.13	0.06	− 0.04	− 0.21	0.06	0.13	− 0.33					
9. Underinvestment	0.35	0.49	0.24	0.32	− .40*	0.14	0.14	− 0.26	− .49*	− 0.36				
10. Quasi-spot contract	0.15	0.37	− 0.09	− 0.31	0.02	0.11	− 0.18	.51**	− 0.28	− 0.21	− 0.31			
11. DPOE	0.31	0.47	.40*	0.04	.43*	− 0.28	− 0.05	− 0.24	0.28	− 0.33	0.04	− 0.05		
12. SOE	0.58	0.50	− 0.30	− 0.20	− .46*	0.37	0.15	0.31	− 0.27	0.22	− 0.03	0.15	− .78**	
13. MI	0.12	0.33	− 0.13	0.24	0.09	− 0.15	− 0.15	− 0.13	0.02	0.13	− 0.01	− 0.15	− 0.24	− .42*

Industry 1 = high-tech enterprise; Industry 2 = public service; Industry 3 = real estate; Industry 4 = manufacturing; Industry 5 = bank

DPOE domestic privately owned enterprises, *SOE* state-owned enterprises, *MI* mixed ownership enterprises

*$p < .05$; **$p < .01$

Table 4 Results of hierarchal linear modeling (HLM) (Study 1; $n = 256$, $N = 26$)

	Social exchange		UPB			
	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6
Intercept	4.63***	4.62***	3.31***	3.31***	3.31***	3.30***
Level 1 variables						
Gender	− 0.16	− 0.16	− 0.09	− 0.06	− 0.07	− 0.06
Education	0.02	0.02	0.23*	0.23*	0.13	0.23*
Tenure	0.01*	0.01*	0.01	0.01	0.02	0.01
Social desirability	0.04	0.04	0.16	0.15	0.11	0.15
Organizational identification	0.68***	0.68***	0.45***	0.35***	0.42***	0.35***
Social exchange				0.14*		0.14*
Level 2 variables						
Firm size (s)	0.00	0.00	0.00	0.00	0.00	0.00
SOE	− 0.06	− 0.07	− 0.02	− 0.02	0.02	0.09
DPOE	0.36	0.40	0.45	0.45	0.44*	0.48
Industry dummy 1	0.02	− 0.08	0.07	0.07	0.02	− 0.03
Industry dummy 2	0.57	0.23	0.52	0.52	0.27	0.19
Industry dummy 3	− 0.01	− 0.13	− 0.21	− 0.22	− 0.26	− 0.24
Industry dummy 4	0.09	− 0.09	0.01	0.01	− 0.04	− 0.13
Over-investment		0.23			0.38*	0.44*
Mutual-investment		0.61**			0.51***	0.48**
Variance components						
Individual-level variance (σ^2)	0.416	0.415	0.843	0.839	0.722	0.701
Change in variance ($\Delta\sigma^2$)		0.001		0.004	0.121	0.021
Proportion of explained variance		0.240%		0.474%	14.353%	2.909%
Organization-level variance (τ)	0.199	0.149	0.108	0.108	0.090	0.076

Industry 1 = high-tech enterprise; Industry 2 = public service; Industry 3 = real estate; Industry 4 = manufacturing; Industry 5 = bank

DPOE domestic privately owned enterprises, *SOE* state-owned enterprises, *MI* mixed ownership enterprises

*$p < .05$; **$p < .01$; ***$p < .001$

EOR and perceived social exchange. Although these findings largely supported our research hypotheses, a key limitation of Study 1 is that we assessed employees' willingness to engage in UPB rather than their actual performance of UPB. Although behavioral intention could be used as a proxy for unethical behavior (Kish-Gephart et al. 2010), measuring employees' actual engagement of UPB would offer a much more valid conclusion. To replicate and strengthen the robustness of these empirical findings, we conducted a new field study by collecting data on employees' actual performance of UPB. More importantly, we seek to test the moderating role of individual moral identity in the following study.

Study 2

Method

Participants and Procedures

Data were collected from 312 employees in 34 firms located in three different provinces of China. The industries of these 34 firms include insurance and bank, public service, manufacturing, real estate, and high technology. All data collection was started and completed in May 2017. On average, employees were of 32.39 years old, and 56.1% of them were male. The average tenure with their current organizations was 7.02 years (SD = 5.00). To ensure the quality of the surveys, all participants were compensated with a gift at the end of the survey.

Measures

EOR Consistent with Study 1, employees rated the firm's employment relationship using the 27-item scale developed by Jia et al. (2014). The Cronbach's alpha coefficients for the four dimensions were 0.94 (developmental rewards), 0.89 (material rewards), 0.87 (in-role work requirements) and 0.88 (extra-role work requirements).

Social exchange As in Study 1, social exchange was measured using the eight-item scale developed by Shore et al. (2006). Cronbach's alpha was 0.89.

Moral identity Employee moral identity was measured using the ten-item scale validated by Aquino and Reed (2002). Sample items included "It would make me feel good to be a person who has these characteristics" and "I often wear clothes that identify me as having these characteristics." Responses were rated on a 5-point scale (1 = strongly disagree and 5 = strongly agree). Cronbach's alpha was 0.95.

UPB We modified the five items used in Study 1 to directly capture employees' actual performance of UPB instead of their behavioral intentions. Sample items were "To help my organization, I exaggerated the truth about my company's products or services to the out-groups" and "To help my organization, I misrepresented the truth to make my organization look good" (1 = not at all, to 7 = very frequently). Cronbach's alpha was 0.91.

Control Variables In accordance with Study 1, we controlled for employee demographic information of gender, tenure, and education, social desirability (Cronbach's alpha was .87), organizational identification (Cronbach's alpha was .92) at the individual level, and controlled for organization size, ownership (dummy variable), and industry (dummy variable) at the organizational level.

Defining the Four EOR Approaches

Because the EORs are rated by employees at the individual level, we used R_{wg}, ICC(1), and ICC(2) (James et al. 1993) to test the appropriateness of the aggregation to the firm level. R_{wgs} were .90 for in-role requirements, .89 for extra-role requirements, .86 for developmental rewards, and .88 for materialistic rewards. Moreover, ICC(1) indices were .14, .12, .17, and .23 for the four EOR dimension scores. Further, ICC(2) indices were .59, .55, .65, and .73, respectively. These results produce good evidence for aggregation. As in Study 1, we used k-means cluster analysis to identify four clusters specified in Tsui et al.'s (1997) EOR typology. Among the four approaches, the number of mutual-investment types was 14, over-investment was 10, quasi-spot contract was 6, and underinvestment was 4. The multivariate analysis of variance (MANOVA) showed significant differences between clusters (Hotelling's $T = 3.42$, $F_T = 7.31$; Wilks's $\lambda = 0.13$, $F_\lambda = 6.90$; $p < .001$). The ANOVA also revealed that the mean scores on the four employment approach dimensions were significantly different between the clusters ($p < .001$). The mean scores on each dimension for each of the four clusters are listed in Table 5. As in Study 1, we created two dummy variables for mutual-investment (14 firms) and over-investment (ten firms) EORs.

Results

Confirmatory Factor Analyses

We first conducted CFAs to ensure that our key constructs (i.e., social exchange, moral identity, and UPB) had convincing discriminant validity. Results suggested that the three-factor model had a good fit to the data, $\chi^2(227) = 646.23$; $\chi^2/df = 2.85$; RMSEA = .07; TFI = .91; CFI = .92, and it was superior to an alternative model in which (a) the social exchange and UPB items were set to load on a single factor,

Table 5 Four clusters of employment relationship approaches (Study 2; $N = 34$)

		Mutual-investment	Over-investment	Quasi-spot	Underinvestment	F value
Number of firms	34	14	10	6	4	
Expected contributions						
In-role requirements	5.76	6.13 (0.67)	5.61 (− 0.28)	4.38 (− 2.52)	5.81 (0.09)	14.47***
Extra-role requirements	5.49	6.02 (0.68)	5.38 (− 0.15)	3.34 (− 2.78)	5.33 (− 0.62)	22.08***
Provided inducements						
Developmental rewards	5.24	6.00 (0.82)	5.08 (− 0.18)	3.57 (− 1.82)	3.57 (− 1.81)	15.99***
Materialistic rewards	4.7058	5.87 (0.83)	4.37 (− 0.24)	3.18 (− 1.08)	1.36 (− 2.38)	12.58***

Standardized scores are in parentheses

*$p < .05$; **$p < .01$; ***$p < .001$

$\Delta\chi^2_{[2]} = 960.93$, $p < .001$, and another alternative model in which (b) all items were set to load on a single factor, $\Delta\chi^2_{[3]} = 2316.79$, $p < .001$.

As all the constructs were obtained from the same source (i.e., employee ratings), there was a possibility that common method variance (CMV) might influence the validity of empirical findings. To address this issue, we followed Podsakoff et al.'s (2003) recommendations to conduct a test for assessing the degree of common method bias by using the unmeasured latent method factor approach. The results revealed that adding a new common method factor (CMF) ($\chi^2 = 505.23$, $df = 205$, RMSEA = 0.07, CFI = 0.91, TLI = 0.89) did not result in significant improvements over the basis of the measurement model (i.e., the three-factor model of social exchange, moral identity, and UPB) ($\chi^2 = 646.23$; $df = 227$; RMSEA = .07; TFI = .91; CFI = .92). These results suggest that the common variance bias may not be a serious issue.

Descriptive Statistics

Tables 6 and 7 present the descriptive statistics at the individual level and the organizational level, respectively.

Hypothesis Testing

Hypothesis 1a and **Hypothesis 1b** proposed that mutual-investment and over-investment EORs will be positively related to social exchange. Table 8 presents the HLM regression results. As shown in Model 2 of Table 8, mutual-investment EOR was significantly and positively related to social exchange ($\gamma = .55$, $p < .05$). Thus, **Hypothesis 1a** was supported. However, consistent with Study 1's results, over-investment EOR was not significantly related to social exchange ($\gamma = .12$, $p > .05$). Thus, **Hypothesis 1b** and **3b** were not supported.

Hypothesis 2 proposes a direct relationship between perceived social exchange and UPB. The results in Model 4 of Table 8 showed that social exchange related to UPB positively ($\gamma = .37$, $p < .001$), lending support to **Hypothesis 2**. Next, we tested **Hypothesis 3a**, which proposes a mediating relationship between mutual-investment EOR and UPB via social exchange. As shown in Model 6 of Table 8, mutual-investment EOR was positively related to UPB ($\gamma = .37$, $p < .05$). In addition, the positive link between social exchange and UPB was validated in our testing of **Hypothesis 2**. Lastly, when social exchange was included in the regression model (Model 7), the coefficient for mutual-investment EOR became nonsignificant ($\gamma = .28$, *n.s.*). Taken together, these findings supported **Hypothesis 3a**.

Hypothesis 4 posits that high moral identity weakens the relationship between social exchange and UPB. Results in Model 5 of Table 8 suggest that the interaction term of social exchange with moral identity was significantly related to UPB ($\gamma = -0.20$, $p < .001$), indicating a moderation relationship. To unravel the pattern of interaction, we followed Aiken and West (1991) and plotted the simple slope effects. As shown in Fig. 2, the relationship between social exchange and UPB is less positive when moral identity is high than when it is low. Therefore, **Hypothesis 4** was supported.

Finally, we tested the moderated mediation relationship proposed in **Hypothesis 5a**. We used the R program to calculate the bias-corrected 95% confidence intervals for the indirect relationships between mutual-investment EOR and UPB via social exchange at high (one standard deviation above the mean) and low (one standard deviation below the mean) levels of moral identity. Bootstrapping results showed that when moral identity was high, the indirect relationship between mutual-investment EOR and UPB via social exchange was not significant (estimate = .103, 95% CI = [− 0.015, 0.272]); when moral identity was low, however, this indirect relationship was significantly positive (estimate = .274, 99% CI = [0.023, 0.628]). Moreover,

Table 6 Correlations and descriptive statistics at the individual level (Study 2; $n = 312$)

Individual level	*M*	SD	1	2	3	4	5	6	7	8	9
1. UPB	2.64	1.10	(.91)								
2. Social exchange	4.09	0.93	.29**	(.89)							
3. Organizational identification	4.40	1.03	.32**	.42**	(.92)						
4. Moral identity	4.70	0.93	− .14*	.27**	.25**	(.94)					
5. Gender	0.56	0.50	0.02	0.02	0.06	− 0.06					
6. Age	32.39	5.83	− 0.11	− 0.05	− .12*	− 0.07	.23**				
7. Education	3.03	0.44	− 0.00	− 0.02	− 0.02	0.10	0.02	− 0.08			
8. Company tenure	7.02	5.00	− 0.07	− 0.04	− 0.06	− 0.04	.21**	.78**	− .13*		
9. Social desirability	4.15	0.87	− 0.07	.24**	0.05	.25**	− .22**	− 0.10	− 0.07	− 0.03	(.87)

Values in parentheses represent internal consistency reliabilities (Cronbach's alpha coefficients)

*$p < .05$; **$p < .01$

Table 7 Correlations and descriptive statistics at the firm level (Study 2; $N = 34$)

Firm level	*M*	SD	1	2	3	4	5	6	7	8	9	10	11	12
1. Firm size	697.35	1060.57												
2. Industry 1	0.18	0.39	− 0.18											
3. Industry 2	0.24	0.43	0.09	− 0.26										
4. Industry 3	0.21	0.41	0.07	− 0.24	− 0.28									
5. Industry 4	0.12	0.33	− 0.05	− 0.17	− 0.20	− 0.19								
6. Industry 5	0.26	0.45	0.04	− 0.28	− 0.33	− 0.31	− 0.22							
7. Mutual-investment	0.41	0.50	0.21	0.08	− 0.04	0.16	− 0.12	− 0.10						
8. Over-investment	0.29	0.46	− 0.23	0.04	− 0.27	− 0.17	0.17	0.20	− .54**					
9. Underinvestment	0.12	0.33	− 0.04	0.07	0.01	0.04	0.15	− 0.22	− 0.31	− 0.24				
10. Quasi-spot contract	0.18	0.39	0.03	− 0.21	0.29	− 0.05	− 0.17	0.07	− .39*	− 0.30	− 0.17			
11. DPOE	0.26	0.45	0.04	0.25	− 0.02	− 0.14	0.20	− 0.21	0.04	− 0.10	0.20	− 0.10		
12. SOE	0.53	0.51	0.12	− 0.03	− 0.17	− 0.10	− 0.02	0.30	− 0.17	0.22	− 0.20	0.13	− .64**	
13. MI	0.21	0.41	− 0.19	− 0.27	0.23	0.28	− 0.17	− 0.14	0.17	− 0.17	0.04	− 0.05	− 0.31	− .54**

Industry 1 = high-tech enterprise; Industry 2 = public service; Industry 3 = real estate; Industry 4 = manufacturing; Industry 5 = insurance and bank

DPOE domestic privately owned enterprises, *SOE* state-owned enterprises, *MI* mixed ownership enterprises

*$p < .05$; **$p < .01$

Table 8 Results of hierarchal linear modeling (HLM) (Study 2; $n = 312$, $N = 34$)

	Social exchange		UPB				
	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6	Model 7
Intercept	4.06***	4.06***	2.65***	2.65***	2.66***	2.65***	2.65***
Level 1 variables							
Gender	0.00	− 0.01	0.03	0.03	0.06	0.05	− 0.05
Education	0.04	0.04	− 0.14	− 0.13	− 0.13	− 0.16	− 0.09
Tenure	0.00	0.01	− 0.01	− 0.01	− 0.01	− 0.01	− 0.01
Social desirability	0.05	0.04	− 0.17*	− 0.20*	− 0.20*	− 0.18*	− 0.08
Organizational identification	0.23**	0.23**	0.28**	0.17	0.14	0.27**	0.34***
Moral identity	0.10*	0.10*	− 0.30***	− 0.36***	− 0.38***	− 0.29***	− 0.37***
Social exchange				0.37***	0.39***		0.35***
Social exchange*moral identity					− 0.20***		
Level 2 variables							
Firm size(s)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
SOE	0.30	0.32	0.12	0.05	0.00	0.15	0.11
DPOE	0.47	0.55*	0.02	− 0.04	− 0.07	− 0.08	0.05
Industry dummy 1	0.11	− 0.04	− 0.08	− 0.05	− 0.09	− 0.09	0.00
Industry dummy 2	0.39	0.41*	− 0.15	− 0.04	0.02	0.14	0.19
Industry dummy 3	0.32	0.19	0.16	0.16	0.21	0.18	0.25
Industry dummy 4	− 0.26	− 0.27	0.13	0.16	0.12	0.15	0.22
Over-investment		0.12				0.59**	0.49*
Mutual-investment		0.55*				0.37*	0.28
Variance components							
Individual-level variance (σ^2)	0.285	0.283	0.638	0.585	0.556	0.635	0.586
Change in variance ($\Delta\sigma^2$)		0.002		0.053	0.029	0.003	0.049
Proportion of explained variance		0.701%		8.307%	4.957%	0.470%	7.717%
Organization-level variance (τ)	0.394	0.328	0.216	0.223	0.226	0.194	0.170

Industry 1 = high-tech enterprise; Industry 2 = public service; Industry 3 = real estate; Industry 4 = manufacturing; Industry 5 = insurance and bank

DPOE domestic privately owned enterprises, *SOE* state-owned enterprises, *MI* mixed ownership enterprises

*$p < .05$; **$p < .01$; ***$p < .001$

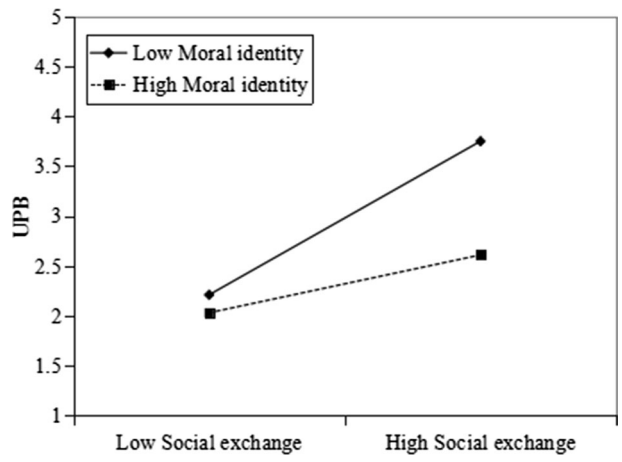

Fig. 2 The interactive effect of social exchange and moral identity on UPB for Study 2

the difference between these two estimates for the two indirect relationships was significant (estimate = − 0.171, 95% CI = [− 0.381, − 0.026]). These results together supported Hypotheses 5a. Table 9 summarizes the results.

Study 2 Discussion

Results of Study 2 replicated the main findings from Study 1. Specifically, mutual-investment EOR was found to have an indirect, positive relationship with employee UPB via social exchange. The positive relationship between over-investment EOR and employee UPB, however, was not mediated by social exchange. In addition, Study 2 further demonstrated the moderating role of individual moral identity in the relationship between social exchange and UPB. Specifically, high moral identity was found to weaken the positive relationship between social exchange and UPB. Due

Table 9 Conditional indirect effect of EORs on UPB, through social exchange at different values of moral identity (Study 2; $n = 312$, $N = 34$)

Moderator variable	SE UPB	Direct effect	Indirect effect	Total effect
High moral identity	0.187 [− 0.027, 0.404][a]	0.330 [− 0.098, 0.761][a]	0.103 [− 0.015, 0.272][a]	0.433 [− 0.017, 0.886][a]
Low moral identity	0.497** [0.214, 0.783][b]	0.236 [− 0.197, 0.662][a]	0.274** [0.023, 0.628][b]	0.510* [0.029, 1.002][a]
Differences	− 0.310** [− 0.617, − 0.006][b]	0.094 [− 0.413, 0.608][a]	− 0.171* [− 0.381, − 0.026][a]	− 0.077 [− 0.612, 0.468][a]

SE social exchange

[a] 95% CI

[b] 99% CI

*$p < 0.05$; **$p < 0.01$

to this moderating effect, high moral identity further weakened the mediation relationship between mutual-investment EOR and employee UPB via social exchange.

General Discussion

Drawing on social exchange theory, we examined the relationships between high-inducement EORs (mutual- and over-investment EORs), employee perceived social exchange relationship with the organization, and employee UPB, as moderated by individual moral identity. Empirical results from two different field studies provided convergent evidence for the positive, indirect relationship between mutual-investment EOR and employee UPB via perceived social exchange. Moreover, results in Study 2 further revealed that the indirect relationship between mutual-investment EOR and UPB via social exchange was less significant among employees with high rather than low levels of moral identity.

Contrary to our prediction, the positive relationship between over-investment EOR and employee UPB is not mediated by social exchange. The insignificant relationship between over-investment EOR and perceived social exchange highlights the difference between over-investment and mutual-investment EORs, although they both involve high inducements provided by organizations. Two possible reasons can explain this intriguing finding. First, prior research suggests that reciprocity is one of the key dimensions of social exchange (Shore et al. 2009). By emphasizing balanced individual inputs (i.e., contributions) and outcomes (i.e., inducements), mutual-investment employers in particular expect equitable reciprocity from employees (Hom et al. 2009). However, the lack of expected contributions inherent in the over-investment EOR violates the balanced inputs/outputs ratio, thus making employees feel "too good to be true"—that is, employees may take it as being temporary and unstable (Tsui et al. 1997). Second, from a cultural perspective, Chinese employees are regarded as preferring to accept reciprocity-based exchanges (e.g., mutual-investment EOR) over the generalized rule-based exchanges (e.g., over-investment EOR) as building blocks for the development of a social exchange relationship (Wu et al. 2006). This is likely due to the traditional values of Chinese culture where human relationships are highly valued and social exchange has been particularly well suited to explain Chinese relationship building and maintenance (Brewer and Chen 2007; Shore et al. 2009). Indeed, using a sample of 1128 Chinese employees, Hom et al. (2009) found similar results showing that over-investment EOR was not related to social exchange.

Next, we discuss the theoretical and practical implications of these findings.

Theoretical Implications

Our findings contribute to the existing literature in several respects. Firstly, our results suggest that employees under mutual- and over-investment EORs may pursue their organizational goals at the expense of external stakeholders' interests, that is, engage in UPB. These findings contribute to the EOR literature by challenging the conventional wisdom that high-inducement EORs are effective HR practices that can always elicit positive employee consequences in the workplace. Moreover, our demonstration of employee UPB as one possible employee outcome of high-inducement EORs has complemented the burgeoning research that focuses on the individual-level outcomes of EORs (Tsui et al. 1997; Hom et al. 2009; Zhang et al. 2008) by extending the consequences to the realm of unethical behavior. This extension has largely advanced our full understanding of EORs' influences; as Shore et al. (2012) pointed out, "connecting ethics and EOR research has the potential to benefit both streams of work" (p. 56).

Secondly, our findings contribute to the UPB literature in several ways. Specifically, the extant research on UPB has largely focused on the driving forces of individual factors, such as Machiavellianism (Castille et al. 2016), perceived organizational identification (Umphress et al. 2010;

Effelsberg et al. 2014; Chen et al. 2016), affective commitment (Matherne and Litchfield 2012), and psychological entitlement (Lee et al. 2017), as well as leadership influences, such as transformational leadership (Effelsberg et al. 2014), ethical leadership (Miao et al. 2013), and the leaders' inspirational and charismatic behaviors (Graham et al. 2015). Very few studies have examined the contextual influences of an organization's management policies and practices on employee UPB. Our research has filled this void by demonstrating high-inducement EORs as an organizational-level antecedent of employee UPB. More importantly, the mediation relationship between mutual-investment EOR and UPB via social exchange as demonstrated in our research provides direct empirical evidence for the role of social exchange theory in explaining, at least in part, the determining process of UPB (Umphress and Bingham 2011).

Finally, prior research has revealed that the influence of social exchange on UPB hinges on both contextual and individual factors, such as ethical leadership, moral development, and moral identification (Chen et al. 2016; Umphress and Bingham 2011). Our findings contribute to this stream of research by identifying moral identity as another individual factor that can shape the influence of social exchange on individual UPB. Moreover, the mitigating effect of moral identity on the indirect relationship between mutual-investment EORs and UPB via social exchange further extends our knowledge toward UPB by suggesting an interactionist view of UPB, that is, demonstrating the joint influences of context (i.e., EOR) and person (i.e., moral identity) on UPB.

Managerial Implications

Our results suggest that mutual-investment and over-investment EORs, which are likely to promote employee performance, might also induce employee UPB, a form of unethical behavior. Thus, an organization's decision-makers should be aware of this dilemma and pay more attention to managing employee UPB in the context of high-inducement EORs. Top managers should clearly highlight the importance of ethical values and integrate ethical expectations into EOR frameworks. The integrated ethics practices, which strongly link the companies' ethics practices to everyday organizational activities, have proven effective in regulating employee behaviors (MacLean and Behnam 2010; Weaver et al. 1999).

Direct supervisors often act as an important driver of employee ethics (Drake et al. 2002). They can adopt some practices to ensure a "follow-through" on the organizations' ethics values, thus reducing employees' UPB. For example, middle managers can use "gain language" to help avoid eliciting higher levels of UPB (Graham et al. 2015). The supervisors could try to act as an ethical leader, which can reduce subordinates' UPB through reinforcement and communication of ethical values with subordinates (Miao et al. 2013). Lastly, our findings indicate that moral identity is effective in weakening the positive relationship between mutual-investment EOR and UPB via social exchange. Thus, managers should clearly communicate their endorsement of the value of morality to job applicants and seek to recruit employees who have a relatively high level of moral identity.

Limitations and Future Research Directions

Our research is not without limitations. Firstly, we collected the data at one-time point for all the variables and thus cannot discern causal inferences. Future research can adopt experimental, longitudinal or quasi-experimental designs to provide more convincing evidence of causation. There might be a more severe problem in Study 2, in which data were collected from a single source and thus may affected by the common method variance (CMV). Despite the empirical evidence suggests that our data in Study 2 were unlikely to have been affected by the CMV issue, we encourage future researchers to collect data from multiple sources to replicate our findings.

Secondly, the data of both studies were collected in China and thus may limit the generalizability of our findings. In the west, the view of EOR rests upon rational calculations of cost and benefit. In China, however, people's "bao" (or pao)—the response and return to exchange partner—is often beyond and even above their "receive" (Westwood et al. 2004). Just as the proverb goes, "Drop the boon of the water, be to flow out spring to report mutually." Prior research has also demonstrated that traditional Chinese have strong spirits of sacrifice in the employment relations for the sake of the collective interests (Liu et al. 2012). Considering the specific notion of UPB (i.e., beneficial intention and accompanied by moral risk), Chinese people may treat UPB as a more appropriate way to repay their employers in response to mutual- and over-investment EORs. Thus, the relationship between EORs and UPB may be stronger in Chinese firms than in western companies. We therefore suggest that future studies to verify the relationship between EORs and UPB in non-Chinese cultures.

At last, further research is needed to focus on the effects of other types of EORs in organizations (e.g., psychological contracts; perceived organizational support) on UPB. This might contribute more comprehensive knowledge about the functioning of EORs. Similarly, it may be worthwhile to consider additional mediating mechanisms that may transfer the effects of EORs on UPB. Our results showed that social exchange translated EORs' effects into UPB. Given that the psychological relationship between employee and organization has been conceptualized in term of affective

commitment (Van Knippenberg and Sleebos 2006), researchers may consider affective commitment or other exchange constructs, such as Sahlins's (1972) taxonomy of reciprocity types, and "generalized exchange" (Takahashi 2000), as the mediators that may link EORs with UPB.

Conclusion

In sum, the two field studies consistently demonstrated that mutual-investment EOR could encourage UPB via social exchange, yet the mechanisms through which over-investment EOR influence UPB are still unclear. We also found that these effects would be weaker among people whose moral identity is high rather low. Hence, by identifying EORs as an antecedent to UPB and by uncovering the mediating mechanisms and boundary conditions of the EORs–UPB relationship, our research extends the research on the consequences of EORs and takes the first step toward expanding the firm-level antecedents of UPB.

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Compliance with Ethical Standards

Conflict of interest The authors declare that they have no conflict of interest.

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