



RESEARCH ARTICLE

How to Achieve Sustainable Development? The Effect of Guanxi human Resource Management Practices on Unethical Behavior

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ABSTRACT

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This study aims to provide new insights into the relationship between guanxi human resource management (HRM) practices and employees' moral disengagement. Drawing from the social cognitive theory of morality, we develop and test a model which argues that moral disengagement serves as the mechanism that encourage or inhibit employees' unethical behavior, and the mediation process occur depends on moral identity. We used a three time-lagged sample from 243 employees to test our hypotheses. The results show that moral disengagement positively mediates the influence of guanxi HRM practices on employees' unethical behavior and that moral identity negatively and significantly moderates the influence of guanxi HRM practices on employees' unethical behavior. Theoretical and practical implications of our model are discussed.

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INTRODUCTION

Guanxi is a Chinese cultural concept that refers to a network of private contacts that can be used to obtain resources in the form of informal and secret transactions (Fan, 2002; Ruan, 2017), which emphasizes the importance of a dyadic relationship between the two parties based on common interests and benefits (Yang, 1994). In China, the phenomenon of using guanxi is very common (Ruan, 2017) and is unique to Chinese culture, which attaches great importance to the principles of harmony and reciprocity (Bo and Hua, 2012). The concept of combining Chinese guanxi and Western human resource management in organizations is called guanxi human resource management practices. Guanxi human resource management practices are defined as the degree to which employees perceive human resource management decisions based on guanxi (Chen et al., 2004). Most existing studies have shown that guanxi HRM practices can lead to harmful outcomes for organizations, such as reducing employees' trust in management (Chen et al., 2004), reducing employees' overall well-being (Liu and Jia, 2021), and reducing employees' innovative performance (Yang and Yang, 2020).

Although there are many studies on the impact of HRM practices on organizations, the impact of HRM practices on employees' unethical behavior is yet to be studied. Unethical behavior refers to an individual's behavior that violates widely accepted social and moral norms (Treviño et al., 2006), and is a general term for illegal, unethical, or improper behavior (Jones, 1991). In the past decade, the occurrence of unethical behavior in organizations has become quite common (Gan et al., 2020), and often occurs without the organization's knowledge (Bazerman, 2014; Bazerman and Tenbrunsel, 2011; Bonner et al., 2017). In addition, unethical behavior of employees can bring huge losses and costs to the organization (Paterson and Huang, 2019), such as huge financial losses (Askew et al., 2015) and damage to corporate reputation (Cialdini et al., 2004). Researchers and practitioners are increasingly interested in understanding the drivers of unethical behavior (Motro et al., 2018), so it is crucial to understand the causes and psychological processes of employee unethical behavior to reduce employee unethical behavior. Since guanxi is common in China, we believe that guanxi human

resource management practices may be one of the antecedent factors that trigger employee unethical behavior.

Research shows that when employees are treated unfairly, they will regard this unfair treatment as a violation of the ethical standards that should be followed in the workplace (Loi et al., 2012). In response, they may rationalize their subsequent unethical behavior by activating the cognitive mechanism of moral disengagement (Aquino and Reed, 2002). Based on social cognitive theory, moral disengagement can make an individual's moral self-regulation mechanism ineffective, so people will make unethical decisions and rationalize their unethical behavior without feeling any guilt or pain (Bandura, 1986, 1999, 2002; Bandura et al., 1996; Detert et al., 2008; Moore, 2008; Moore et al., 2012; Newman et al., 2020). However, it is not clear why employees who experience guanxi human resource management practices will cause individuals to break away from their internal and social moral norms and engage in unethical behavior (Bandura et al., 1996). Therefore, in order to reveal the cognitive mechanism of how guanxi human resource management practices trigger employees' unethical behavior, we regard moral disengagement as a cognitive process that links guanxi human resource management practices and unethical behavior.

However, not every employee will trigger the cognitive process of moral disengagement when experiencing guanxi human resource management practices. For example, employees with high moral identity will inhibit this process (Gino et al., 2011). Moral identity, as a relatively stable self-concept formed by a series of moral traits, represents an individual's recognition and acceptance of many norms in the social moral system (Aquino and Reed, 2002). When employees believe that guanxi human resource management practices are prevalent, they tend to perceive a high degree of unfairness because employee rewards, promotions, and other human resource management decisions rely on employees' informal personal relationships rather than objective performance (Chen et al., 2004). In addition, Chen et al. (2013) called for further exploration of the boundary conditions of the positive and negative effects of guanxi practices on organizations. Therefore, one of the research objectives of this paper is to extend this research by using employees' personal moral identity trait as a moderating variable. We use social cognitive theory (SCT) to study the role of moral identity trait in guanxi human resource management practices in stimulating or inhibiting moral disengagement cognitive mechanism and unethical behavior.

This study makes three important contributions to the literature. First, the role of guanxi human resource management practices as an antecedent of unethical behavior is currently unclear. Therefore, we add to the research in this area by investigating the prevalence of guanxi HRM practices in Chinese workplaces. Second, previous research suggests that unfair treatment of employees leads to unethical behavior through moral disengagement (e.g., Hystad et al., 2014; Loi et al., 2015). Therefore, we argue that when employees experience guanxi HRM practices, they will engage in unethical behavior through the cognitive mechanism and psychological process of moral disengagement. Finally, in response to Chen et al.'s (2013) call to further exploration of the boundary conditions of the impact of guanxi practices on organizations, we use the moral identity of employees as a boundary condition to examine when guanxi HRM practices trigger the moral disengagement mechanism, leading to unethical behavior. The overall theoretical model is shown in Figure 1.

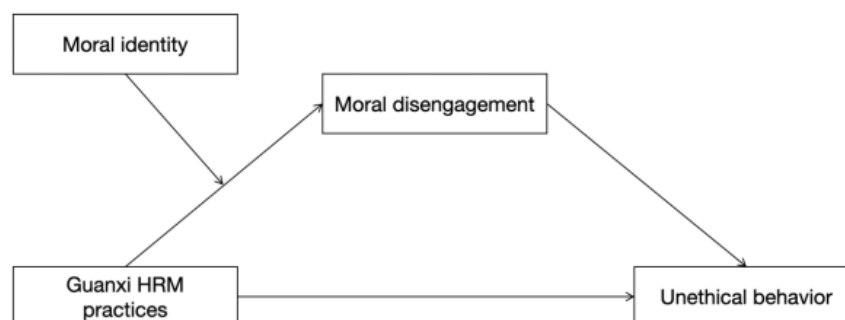


Figure 1. Conceptual model

Theoretical framework and hypotheses

Guanxi HRM practices and employees' moral disengagement

Based on Bandura's social cognitive theory, individuals control their thoughts, emotions, and behaviors through the process of self-regulation (Bandura, 1986). Bandura (1986) proposed the concept of moral disengagement based on social cognitive theory, which is an extension of social cognitive theory (Bandura, 1990). He believes that most people have a set of personal moral standards and self-regulation mechanisms. These people will control their behavior through self-regulation mechanisms according to their own moral standards, that is, guide good behavior and inhibit the occurrence of immoral behavior. Bandura (1986) believes that only when the personal moral self-regulation mechanism of most people is activated and used, will they control their thoughts and emotions and participate in moral behavior. However, Bandura et al. (1996) believe that the individual's moral self-regulation mechanism is sometimes selectively deactivated. This cognitive strategy of disengaging from the moral self-regulation process that inhibits negative and immoral behavior is called moral disengagement (Detert et al., 2008). Moral disengagement explains why people do not feel guilty and self-condemned after committing unethical behavior (Bandura, 1990, 2002). Moral disengagement is precisely a cognitive process that rationalizes unethical behavior (Bandura, 2002). Although moral disengagement is a relatively stable personal trait, it is also affected by the situation and is thus conceptualized as a state variable (Fida et al., 2015; Kish-Gephart et al., 2014; Shu et al., 2011; Zheng et al., 2019). We propose that guanxi HRM practices are such a situation that may affect the degree of personal moral disengagement of employees from their work, which ultimately determines whether the employee's moral self-regulation mechanism will be activated or deactivated.

Given the prevalence of guanxi, it is common for organizations to rely on guanxi for human resource management practices. The phenomenon of guanxi-based human resource management decisions in organizations cannot be completely eliminated because they may be inevitable and unpredictable (Chen et al., 2011). When managers make human resource management decisions based on informal guanxi, the organization is unfair and uncertain for employees who are excluded from the guanxi network because not everyone has a personal connection with the manager or not everyone can benefit from informal guanxi (Chen et al., 2004, 2011). Previous research has shown that moral disengagement can be caused by various environmental events, such as unfair treatment by the organization and unethical leadership (Newman et al., 2020). Because the organization's guanxi HRM practices represent a form of unfair treatment, employees will tend to adopt moral disengagement mechanisms to make their behavior appear less unethical by reshaping their perceptions of unethical behavior. Based on the above discussion, we propose that following hypothesis:

H1. Guanxi HRM practices positively affect employees' moral disengagement.

The mediating role of employees' moral disengagement

Bandura (2002) defines ethical behavior as the result of self-regulatory processes related to moral standards acquired during socialization (Bandura et al., 1996), which are activated or deactivated through the interaction between individuals and their environment (Bandura, 2002). The moral disengagement literature suggests that moral disengagement tendencies refer to the process by which individuals deactivate their moral self-regulatory mechanisms to justify their unethical behavior after being influenced by environmental factors (Bandura, 1986, 1999; Detert et al., 2008; Moore et al., 2012; West and Fleischman, 2023). Moral disengagement develops over time and is often considered a possible precursor to unethical behavior among employees in the workplace (Bandura, 2002; Bandura et al., 2000; Moore, 2008; Qin et al., 2020). Since guanxi HRM practices in organizations represent an unfair treatment (Chen et al., 2013; Dunfee and Warren, 2001), we believe that moral disengagement may explain why employees engage in unethical behavior when faced with managers making HRM decisions based on guanxi rather than performance. Second, research shows that people will actively act in accordance with their own moral standards because it gives people a sense of satisfaction and self-esteem (Bandura, 1999; Bandura et al., 1996; Kacmar et al., 2019). However, due to the unfair resource allocation caused by guanxi HRM practices, employees will feel a sense of exploitation. When employees feel exploited and do not feel satisfied and self-worth, they will be separated from the moral values and moral standards related to individuals and organizations and become morally disengaged. They will feel that they have nothing to do with the organization,

which forces them to behave unethically (Raza et al., 2024). In addition, employees facing organizational guanxi-based HRM decisions may tend to attribute the unfairness of resource allocation to the organization's deliberate and unfavorable intentions, and then the moral disengagement of employees can occur through attribution of blame (Bandura, 1999; Bandura et al., 1996). Therefore, employees may believe that the organization should be blamed and punished for their unfair treatment and there for consider unethical behavior in the workplace to be justified retaliation with little personal pain and regret (Zhao et al., 2022). Consistent with the above view, we propose the following hypothesis:

H2. Moral disengagement mediates the positive relationship between guanxi HRM practices and unethical behavior.

The moderating effect of moral identity

Moral identity refers to “the degree to which being a moral person is important to a person's identity” (Aquino and Reed, 2002). Moral identity is a personal trait that refers to the degree to which a person's self-concept is centered on a series of moral traits such as caring, compassionate, fair, and friendly, which is manifested as a stable behavioral tendency (Aquino and Reed, 2002; Zhao et al., 2023). The motivation for moral identity stems from the psychological desire to pursue consistency between identity and behavior (Blasi, 1984), that is, individuals are committed to maintaining consistency in their moral beliefs and behaviors, and they can adopt moral behaviors in any situation and at any time (Aquino and Reed, 2002). According to Aquino and Reed (2002), moral identity has two dimensions: one is the internalization of moral identity, which is private in nature, and the other is the symbolization of moral identity, which is public in nature. Moral identity symbolization reflects the degree to which moral traits are publicly displayed through personal behavior, while moral identity internalization reflects the degree to which moral traits are important to personal identity (Aquino and Reed, 2002; Zhang et al., 2023). Aquino and Reed (2002) proposed that the internalization dimension of moral identity is more important than symbolization in predicting actual moral behavior (Boegershausen et al., 2015; Hertz and Krettenauer, 2016), therefore, we included moral identity internalization as a potential moderator in our model. Research has shown that moral identity is positively associated with prosocial behavior (Aquino and Reed, 2002) and negatively associated with unethical behavior (Eissa and Lester, 2022). Research has also documented a negative relationship between moral identity internalization and moral disengagement (Detert et al., 2008; Moore et al., 2012). We believe that moral identity internalization may play an important role in the impact of guanxi HRM practices on employee moral disengagement. Specifically, first, the study found that people with higher moral identity levels tend to act according to their own moral standards even under unfair working conditions such as guanxi HRM practices, and will not activate their own moral disengagement mechanisms (Wu et al., 2014). Second, they are more sensitive to moral issues and have higher levels of moral self-regulation (Aquino and Reed, 2002; Eissa and Lester, 2022). Therefore, when they face the organization's guanxi HRM practices, their moral regulation mechanism is more likely to be activated, thereby inhibiting the moral disengagement mechanism (Gino et al., 2011; Zhao et al., 2023). On the contrary, employees with lower moral identity are more willing to do things that are beneficial to themselves and are more likely to rationalize their unethical behavior (Reynolds and Ceranic, 2007). When faced with the organization's guanxi HRM practices, employees with low moral identity will perceive that their own interests have been harmed, and will then change their personal moral cognition and take retaliatory actions against the organization (Skarlicki and Rupp, 2010). Therefore, compared with employees with high moral identity who are excluded from informal guanxi networks, employees with low moral identity who are excluded from informal guanxi networks are more likely to experience moral disengagement. Based on this, we propose that:

H3. Moral identity moderates the positive relationship between guanxi HRM practices and moral disengagement. The higher the moral identity, the weaker the positive relationship between guanxi HRM practices and moral disengagement.

Integrating the arguments of the above hypotheses, we can derive a moderated mediation model in which the indirect effect of guanxi HRM practices on employee unethical behavior through moral disengagement varies with the employees' own moral identity. If high employee moral identity does mitigate the effect of guanxi HRM practices on moral disengagement, then the indirect effect of guanxi

HRM practices on employee unethical behavior through moral disengagement will also be weakened. Based on this, we propose:

H4. Moral disengagement mediates the interactive effect of guanxi HRM practices and employee moral identity on employee unethical behavior.

METHOD

Participants and procedure

To minimize common method variance, data collection for this study was conducted in three phases, with about a week between each phase. Unique participant IDs were created to allow tracking of the same respondents across all three survey rounds. As the focus was on employee unethical behavior, the sample was drawn from on-the-job employees. To ensure generalizability and sample diversity, the study included employees from various industries.

During the recruitment process, researchers explained the study's purpose and procedures to participants. They explicitly assured participants that all collected data would solely be used for scientific research and remain confidential, with no disclosure to any third party. Upon obtaining informed consent, questionnaires were sent out via mobile phones. At time 1, participants provided their demographics and reported their perceived guanxi HRM practices and moral identity. We received 345 responses. At time 2, we asked the 345 employees to rate their moral disengagement, 314 of whom completed the second-stage survey, equating to a response rate of 91.0%. At time 3, we asked the 314 employees to rate their unethical behaviors. Given our model, we included only the responses of employees who answered all three waves of data collection, for a final sample of 243 employees, with a 77.3% response rate. The 243 valid samples comprised 44.4% men and 55.6% women. Age distribution as follows: 21.8% under 25, 51.9% between 25 and 29, 23.9% between 30 and 34, 2.1% between 35 and 39, and 0.4% over 40. In terms of education, 1.6% with high school or technical secondary school or below, 14.8% with college degrees, 79% with undergraduate degrees, 3.7% with master's degrees, 0.8% with doctor's degrees. Regarding organizational tenure, most participants (53.1%) had worked for less than 3 years with current company, 37.4% for 3-6 years, 7% for 6-9 years, 2.1% for 9-12 years, and 0.4% more than 12 years.

Measures

This study selected the measurement scale widely used in authoritative journals at home and abroad, which was considered to have high reliability and validity. Unless otherwise indicated, all constructs were measured on a five-point Likert-type scale ranging from 1 (strongly disagree) to 5 (strongly agree). The back-translation procedure recommended by Brislin's (1986) was applied to translate English items into Chinese.

Guanxi HRM practices

We assessed guanxi HRM practices using five scales developed by Chen et al. (2004). A sample item is, 'Many people joined my company through guanxi'. Its Cronbach's alpha was 0.88.

Moral disengagement

We measured moral disengagement using Moore and colleagues' (2012) scale. It consists of eight Likert items, a sample item is, 'It is okay to spread rumors to defend those you care about'. The Cronbach's alpha for this scale was 0.92.

Unethical behavior

We measured unethical behavior using a 10-item scale developed by Treviño and Weaver (2001). The employees indicated how often they performed certain unethical behaviors at work over the past year, such as 'taking longer than necessary to do a job'. The Cronbach's alpha for this scale was 0.95.

Moral identity

We measured moral identity with the five items associated with the internalization dimension of moral identity scale developed by Aquino and Reed (2002). Participants were shown a list of nine traits (e.g., caring, compassionate, fair, and friendly) and asked to indicate their extent of agreement

with five statements regarding this list. A sample statement is, 'Being someone who has these characteristics is an important part of who I am.' The Cronbach's alpha for this scale was 0.86.

Control variables

To avoid irrelevant variables from interfering with the casual relationship between variables in this study, we controlled for individual demographic variable that may have an impact on moral disengagement and unethical behavior (Chen et al., 2022), namely participants' gender, age, education, and job tenure in the current company.

Data analysis strategy

SPSS 27 and M plus 8.3 software were used for statistical analysis. SPSS 27 software was used for preliminary analysis, including measures of the means, standard deviations, correlations and reliabilities of variables in this study, and the influence of common method bias. Plus 8.3 software was then employed for confirmatory factor analysis. To test the hypothesized relationships in this study, we adopted the hierarchical multiple regression (Hayes, 2013) and the PROCESS macro in SPSS. In contrast to structural equation modelling, this approach enables researchers to test the mediation and moderation effect simultaneously.

RESULTS

Preliminary data analysis

As data collection is all generated by employees' self-evaluation, the homologous deviation was still difficult to avoid, although it was avoided by defining research purposes, emphasizing information confidentiality and multi-wave answers in design. However, Harman's single factor test indicated that common method bias (CMB) was within an acceptable range, as the first factor explained only 36.05% (less than 40%) of the total variance (Harman, 1976). This finding suggests that CMB was unlikely to significantly affect the results, allowing further analysis to proceed.

Confirmatory factor analysis

Before testing our hypotheses, we conducted a series of confirmatory factor analyses (CFA) using Mplus 8.3 to assess the distinctiveness and validity of the research model's constructs. The CFA results indicated that the hypothesized four-factor measurement model fit the data well ($\chi^2=670.249$, $df=344$, $RMSEA=0.062$, $CFI=0.932$, $TLI=0.926$, $SRMR=0.051$). This model was superior to the alternative models. This result provides evidence of good discriminant validity for all constructs included in the research model.

Descriptive statistics

Table 1 shows the means, standard deviations, correlations and reliabilities of variables in this study. As expected, guanxi HRM practices were positively correlated with moral disengagement ($r=0.397$, $p<0.01$) and unethical behavior ($r=0.357$, $p<0.01$). In addition, moral disengagement was positively correlated with unethical behavior ($r=0.365$, $p<0.01$).

Hypothesis testing

We first tested hypothesis 1, the direct positive correlation between guanxi HRM practices and moral disengagement, through hierarchical multiple regression analysis. As shown in Table 2, the results support hypothesis 1. That is, employee-perceived guanxi HRM practices have a significant positive correlation with employee moral disengagement ($b=0.377$, $p<0.001$).

Second, we tested Hypothesis 2, regarding the mediating effect of moral disengagement in the relationship between guanxi HRM practices and unethical behavior, using the PROCESS macro and 5000 bootstraps resampling. As presented in Model 2 and Model 7 in Table 2, after controlling the control variables, guanxi HRM practices was positively related to moral disengagement ($b=0.377$, $p<0.001$), moral disengagement was positively related to unethical behavior ($b=0.224$, $p<0.001$), and the effect of guanxi HRM practices on unethical behavior was positive and significant ($b=0.207$, $p<0.001$). Besides, as shown in Table 3, the indirect effect of guanxi HRM practices on unethical behavior was also positive and significant ($b=0.084$, 95% CI [0.034, 0.147]), zero was excluded by the 95% CI. Thus, moral disengagement partially mediated the relationship between guanxi HRM practices and unethical behavior, which supports for H2.

After testing the direct effect and mediating effect, we used PROCESS Model 1 to test the moderating effect of employee moral identity on the direct relationship between guanxi HRM practices and moral disengagement, that is, hypothesis 3. As shown in Table 2, the results also supported H3, where the interaction of guanxi HRM practices and moral identity had a significant and negative effect on moral disengagement ($b = -0.232$, $p < 0.001$). To determine the direction of the supported moderating effect of moral identity on the relationship between guanxi HRM practices and moral disengagement, we explored the significant interaction effect in Figure 2. Figure 2 showed that when moral identity is at a high level, the positive relationship between guanxi HRM practices and moral disengagement was weaker than when it was at a low level. These results are consistent with our expectations. Therefore, H3 is supported.

According to H4, moral identity moderates the relationship between guanxi HRM practices and unethical behavior through moral disengagement. We estimated the bootstrapped conditional indirect effects of high and low levels of moral identity that were 1 SD above and below the mean, respectively. Bias-corrected 95% CIs were also constructed around the indirect effects. As shown in Table 3, the mediation effect is significant at moral identity below the average level ($b = 0.121$, 95% CI [0.054, 0.196]) and moral identity above the average level ($b = 0.036$, 95% CI [0.002, 0.083]). The moderated mediation effect ($b = -0.052$, 95% CI [-0.093, 0.019]) is also significant. Therefore, Hypothesis 4 is also supported.

Table 1. Correlations, means, and standard deviations

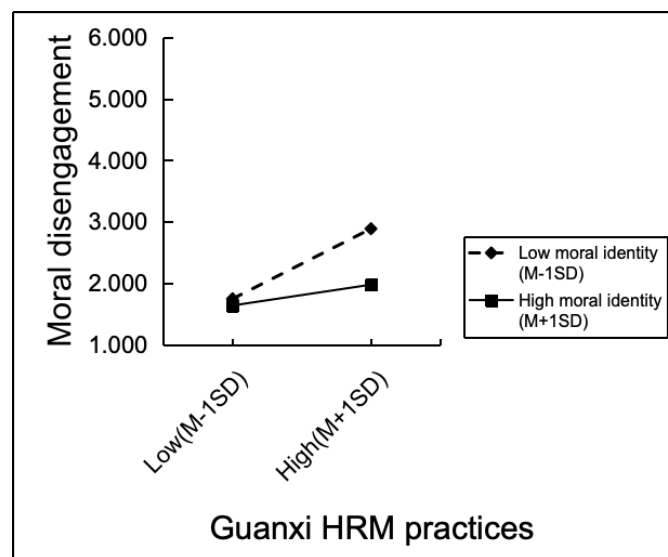
	M	SD	1	2	3	4	5	6	7	8
1. Gender	1.560	0.498	1							
2. Age	27.200	3.479	0.083	1						
3. Tenure with current company	3.755	2.205	0.067	0.685*	1					
4. Education	2.870	0.518	0.084	0.108	-0.007	1				
5. Guanxi HRM practices	2.627	1.052	-0.161*	-0.187*	-0.183*	-0.159*	1			
6. Moral disengagement	2.083	0.995	-0.058	-0.137*	-0.111	0.010	0.397*	1		
7. Unethical behavior	1.739	0.857	-0.081	-0.094	-0.100	0.011	0.357*	0.365*	1	
8. Moral identity	4.181	0.820	0.004	-0.073	-0.024	-0.023	-0.101	-0.300*	-0.330*	1

Table 2. Results of hierarchical regression analysis.

	Moral disengagement				Unethical behavior		
Variables	Model1	Model2	Model3	Model4	Model5	Model6	Model7
Gender	-0.098	0.010	0.007	0.009	-0.129	-0.046	-0.048
Age	-0.137	-0.101	-0.137	-0.096	-0.047	-0.019	0.003
Tenure with current company	-0.037	0.028	0.039	-0.005	-0.073	-0.023	-0.029
Education level	0.050	0.157	0.142	0.133	0.037	0.119	0.084
Guanxi HRM practices		0.377***	0.346***	1.322***		0.291***	0.207***
Moral disengagement							0.224***
Moral identity			-0.327***	0.299			
Guanxi HRM practices \times Moral identity				-0.232***			
R ²	0.022	0.168	0.239	0.282	0.017	0.134	0.190
* $p < 0.05$ ** $p < 0.01$ *** $p < 0.001$							

Table 3. Indirect effects.

Paths and effects	Estimates	95% confidence intervals	
		Lower	Upper
Mediating effect			
GHRMP→MD→UB	0.084	0.034	0.147
Moderating effect		LLCI	ULCI
GHRMP→MD→UB			
High MI(+1SD)	0.036	0.002	0.083
Low MI(-1SD)	0.121	0.054	0.196
Moderated mediation effect	-0.052	-0.093	-0.019

Figure 2. Moderating effect of moral identity on the relationship between guanxi HRM practices and moral disengagement.

DISCUSSION

We used social cognitive theory of morality to examine the relationship between guanxi HRM practices and employees' unethical behavior and extend our understanding of that relationship. Using a Chinese sample of 243 employees and multi-wave design, our results fully supported our hypotheses. As predicted, guanxi HRM practices affected employees' moral disengagement, which, in turn, encouraged employees' unethical behavior. In addition, the effect of guanxi HRM practices on moral disengagement was weaker when moral identity was high. We discuss the implications of these findings below.

Theoretical implications

Our study makes several theoretical contributions to the literature. First, by clarifying the role of guanxi HRM practices, this study significantly extends the literature on antecedents of unethical behavior. Existing literature has paid little attention to linking HRM practices with unethical behavior. Based on social cognitive theory, we discuss how and when guanxi HRM practices affect employees' unethical behavior. This study has theoretical significance because although guanxi HRM practices can bring benefits to organizations, for example, Ren et al. (2024) found that when the strength of guanxi HRM practices in organizations is high, it can promote employees' innovative behavior because employees perceive it as a challenge. Our study enhances our understanding of the negative effects of guanxi HRM practices. Our results highlight that the moral disengagement mechanism can well explain how guanxi HRM practices affect employees' unethical behavior. This finding responds to Veld and Alfes' (2017) call to explore the negative aspects of HRM and adds to our more comprehensive understanding of HRM.

Second, this study responds to Chen et al.'s (2013) call for an exploration of the consequences of guanxi. We use moral disengagement as a mediating mechanism to explain the role of guanxi HRM practices on unethical behavior. Although existing research has extensively explored the negative consequences of guanxi human resource management practices at the individual and organizational levels, there are few studies that use moral disengagement as a mediating mechanism to explore the impact of guanxi human resource management practices on employee unethical behavior. We supplement the research on the negative consequences of guanxi human resource management practices. The results show that whether employees' moral disengagement mechanisms will be activated is affected by guanxi human resource management practices, because guanxi human resource management practices are evaluated based on guanxi rather than job performance, which is very unfair to employees who do not have any guanxi but work hard, which will activate their moral disengagement mechanism and then engage in unethical behavior. This study extends the theoretical understanding of guanxi human resource management practices by identifying moral disengagement mechanism as important mediating variable.

Finally, this study clarifies the boundary conditions of guanxi human resource management practices on unethical behavior from the perspective of individual traits. This paper proposes and verifies the moderating effect of the moral identity trait of employees who are excluded from the guanxi network on the relationship between guanxi human resource management practices and employee moral disengagement, that is, the impact of guanxi human resource management practices perceived by employees on employee moral disengagement depends largely on the level of moral identity of employees. Existing research on guanxi human resource management practices pays little attention to the impact of individual-level moral factors as a moderating mechanism. The results of this study show that employees with low moral identity have stronger cognitive and behavioral responses to changes in the internal and external work environment, and are therefore more likely to choose to deviate from their personal moral standards when experiencing guanxi human resource management practices. This finding is consistent with previous research on the moderating role of moral identity (Zhao et al., 2022), and also provides empirical evidence for the view that moral identity tends to maintain consistency between self-concept and behavior (Aquino and Reed, 2002), enriching the application of moral identity in the field of human resource management.

Practical implications

Our study provides several practical implications for organizational managers. According to the results of this study, guanxi HRM practices can trigger employees' unethical behavior through the mediating mechanism of moral disengagement. Although guanxi HRM practices may be unavoidable and hinder organizational development in contemporary Chinese organizations (Hsu and Wang, 2007), managers need to monitor the level of guanxi HRM practices and restrict them because they can have costly consequences and hinder organizational prosperity. Secondly, we suggest that organizations should increase the transparency of HRM decisions and tell stakeholders the process and details of decision-making to motivate decision makers to act in accordance with social ethical standards (Chen and Chen, 2009; Orbell et al., 1988). We believe that through the above practices, organizations can effectively prevent employees from being separated from their personal moral standards and unethical behavior.

In addition, the results of this study show that the employee moral disengagement process stimulated by guanxi HRM practices mainly depends on the moral identity trait of employees. Employees with high moral identity level also have higher moral requirements for their own behavior, and will not easily break away from their personal moral standards and engage in unethical behavior even when faced with an unfair working environment. Therefore, organizations can regard improving employees' moral identity as an important task. On the one hand, organizations should try to recruit and select employees with high moral identity level; on the other hand, organizations need to provide targeted training for employees with low moral standards.

Limitations and direction for future research

Despite the contributions listed above, our study is not without limitations. As mentioned earlier, we have relied on self-reports to measure the study variables. Although we adopted longitudinal surveys to collect data, our study is not free from potentially having common method biases (Podsakoff et al., 2003). One way to overcome this limitation of self-reported unethical behavior in survey studies is

to obtain objective ratings or collect ratings from multiple. To increase the validity of the reporting of unethical behavior, we encourage future research to conduct field experiments to minimize generalizability issues in measuring unethical behavior (Pierce and Balasubramanian, 2015). Second, although we theorized that the interactive effect of guanxi HRM practices and moral identity on employees' unethical behavior was mediated by moral engagement, other existing mechanisms could also be examined in future studies. Future research can extend the current study by comparing different theoretical accounts. Finally, although we only examined theoretically driven moral identity as a key moderator, exploring other potential contextual and personal factors that moderate the relationship between guanxi HRM practices and unethical behavior would contribute to the literature.

CONCLUSION

The current research provides new insights regarding the relationship between guanxi HRM practices and employees' unethical behavior. Our findings contribute to our understanding of this relationship by examining the mediating role of employees' moral disengagement, as well as the moderating role of employees' moral identity. We hope that our study encourages researchers to further explore the potential antecedents and consequences of guanxi HRM practices.

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