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FROM DEHUMANIZATION TO UNETHICAL PRO-ORGANIZATIONAL BEHAVIOR: THE MEDIATING ROLE OF MORAL DISENGAGEMENT IN THE BANKING SECTOR

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This study examined the effect of organizational dehumanization on unethical pro-organizational behavior through the mediating role of moral disengagement. Drawing on Social Cognitive Theory, the study proposed that employees who perceive their organization as treating them like tools, objects, or replaceable resources are more likely to morally disengage and subsequently engage in unethical behaviors intended to benefit the organization. A quantitative cross-sectional research design was employed, and data were collected from 500 employees working in public and private banks across major cities of Pakistan. The data were analyzed using IBM SPSS Statistics 27.0, IBM AMOS 28.0, and SmartPLS 4.0. The results showed that organizational dehumanization had a positive and significant effect on unethical pro-organizational behavior. Organizational dehumanization also positively influenced moral disengagement, while moral disengagement had a significant positive effect on unethical pro-organizational behavior. Furthermore, moral disengagement significantly mediated the relationship between organizational dehumanization and unethical pro-organizational behavior. These findings suggest that dehumanizing workplace experiences may weaken employees' moral self-regulation and increase their willingness to justify unethical acts for organizational benefit. The study contributes to organizational ethics literature by identifying moral disengagement as a key psychological mechanism linking organizational dehumanization with unethical pro-organizational behavior. Practically, the findings highlight the importance of promoting employee dignity, ethical leadership, and accountability systems within banking organizations.

Keywords: Organizational dehumanization, moral disengagement, unethical pro-organizational behavior, banking sector, Social Cognitive Theory, Pakistan

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INTRODUCTION

1.1 Background of the Study

In today's organizations, people are being asked to perform increasingly at high levels, adapt to rapid advances in technology, and maintain the competitiveness of the organization in uncertain environments. These requirements are commonly presented as essential to the organization's effective operation, but at times can lead to situations where employees feel like a means to an end, not an end in themselves. These convictions are manifested in the perception of OD which is when employees are perceived as objects, tools, or resources whose value is based only on their utility to the organization. The recent organizational scandals have shown that if the employees believe that they are replaceable resources, they are more likely to be willing to break the rules in order to fulfill the goals of the organization. Given these factors, humanizing the issue of OD and its influence on employees' ethical decision-making has become a key focus in organizational psychology and entrepreneurship studies (Bell & Khoury, 2024; Hillebrandt, 2023). This is an important issue in very competitive start-up and organizational environments, where ethical behavior and organizational performance may become confused.

1.2 Research Problem and Objectives

The increasing interest in OD is a part of a broader discussion about employee dignity, organizational ethics, and sustainable organizational performance. OD has been linked to various negative consequences, such as emotional exhaustion, decreased organizational commitment, psychological distress, workplace silence, and counterproductive work behaviors (Caesens et al., 2023; Nguyen & Stinglhamber, 2022). Concurrently, studies of unethical pro-organizational behavior (UPOB) have grown in number and magnitude over the last ten years. UPOB is any action that is in violation of social norms, legal standards, and/or ethical practices that is done with the intent to benefit the organization or the members of the organization (Umphress & Bingham, 2011). The review of recent literature shows that UPOB is a widespread issue that can occur in any industry and culture and occurs when employees are more concerned about the organization than with other moral issues (Ahmad et al., 2024; Jiang & Xie, 2024). Taken together, these streams of research indicate that the organizational context can influence employees' ethical processes that can lead to unethical behavior.

1.3 Purpose of the Study

While these improvements have been achieved, theory and practice leave a number of significant gaps. First, despite its association with negative attitudes and behaviors of employees, the association of OD with unethical pro-organizational behavior has received limited examination. The focus of previous research has been on outcomes such as burnout, withdrawal, retaliation, and silence, while less attention has been paid to the ethical consequences (Caesens et al., 2023; Bell & Khoury, 2024). Second, although moral disengagement has been shown to be a powerful predictor of UPOB, little is known about how dehumanizing organizational experiences trigger moral disengagement processes, which then promote UPOB. While some studies have examined only individual-level

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antecedents of moral disengagement, recent conceptual and empirical research has urged attention be paid to the role of the organization as a whole in moral disengagement processes, not just individual factors (Fida et al., 2025). In addition, there is emerging evidence that OD could also serve as a catalyst for moral disengagement, which is the weakening of moral responsibility towards the organization and the moral normalization of ethically questionable behavior (Hillebrandt, 2023). But empirical studies directly testing the indirect effect of moral disengagement between the dehumanizing of organizations and the occurrence of UPOB are relatively limited. It is a gap of specific interest in the present context of entrepreneurship where competition, scarities of resources and pressures of performance can increase the level of dehumanization experiences and leading to ethical compromises. Hence, a thorough analysis of these relationships is theoretically required as well as practically relevant. Thus, the research question under investigation is: Does the relationship between OD and unethical pro-organizational behavior among employees go through the mediation of moral disengagement?

1.4. Significance of the Study

This study has several important implications. In theory, it contributes to organizational psychology by enriching the knowledge about the impact of the work experiences on the ethical decision-making process. The study contributes to the literature by highlighting the OD as a contextual antecedent that can activate the moral disengagement mechanisms. Furthermore, the study adds to the growing literature on the social and organizational roots of unethical practices (Fida et al., 2025). In addition, the study contributes to the UPOB literature by pinpointing a novel avenue by which organizational circumstances can promote unethical behavior that is designed to be beneficial to the organization. Psychologically, the results could improve the understanding of the psychological mechanisms between the threat to human dignity and self-regulatory processes in the cognitive and moral sphere. As a practical matter, the research has significant implications for organizational leaders, human resource professionals, and entrepreneurs who would like to develop moral organizational cultures. The findings from this research could help organizations develop policies and leadership practices that will support employee dignity, minimize dehumanizing experiences, and improve ethical accountability. Moral disengagement can be seen as a point of intervention for organizations, preventing unethical conduct before it becomes ingrained in the organization.

1.5 Scope and Delimitations

This study's scope focuses on OD as an independent variable, moral disengagement as a mediating variable, and unethical pro-organizational behavior as a dependent variable in an organizational context. The investigation is aimed at employees' perceptions of dehumanization and how they can shape ethical behaviour through cognitive moral processes. Many variables have been linked to UPOB, including leadership style, organizational identification, ethical climate, personality traits, and organizational justice but they are not the primary focus of the present study. Likewise, the study does not focus on personal benefit motivated unethical behavior; it focuses on unethical behavior with the aim of benefitting the organization. This sets the boundaries for the research so that it can give a coherent and focused examination of the mechanisms that connect OD with unethical pro-organizational behavior.

As employees' well-being, organizational ethics, and sustainable organizational performance are becoming more important, it seems that the way by which dehumanizing experiences affect the employees' unethical behaviors is a new challenge for scholars and practitioners.

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The present study aims to contribute to the current research in organizational behavior by bringing together the three constructs of OD, moral disengagement, and UPOB into one conceptualization and adding relevant insights to the understanding of the implications for organizational ethics when treating employees as "means" instead of "ends. By so doing, it responds to the growing calls for research that has put Human Dignity at the heart of organizational effectiveness and ethical sustainability.

LITERATURE REVIEW

2.1 Literature Review

2.1.1 OD and UPOB

OD is defined as employees' perceptions of being treated as an instrument, an object, or as a resource that can be substituted rather than as a person who has inherent value and dignity (Caesens et al., 2023). Over the last few years, it has been revealed that dehumanizing work experiences have significant consequences for an individual's thoughts, feelings, and actions in the workplace (Ahmad et al., 2023c; Ashraf et al., 2023d). If employees feel they are reduced to the status of tool for achieving organizational goals, they may have lower levels of self-worth, trust in the organization, and even a lower level of general ethical standards (Bell & Khoury, 2024).

Social exchange is that from a social perspective, people generally expect respectful treatment and recognition from organizations that they are human (Ahmad et al., 2023a). Such breaches of expectations can lead to increased acceptance of dysfunctional behaviours to obtain organisational goals at the expense of ethical standards. While self-serving motives are the usual suspects for unethical behavior, recent research suggests that unethical conduct may actually be related to actions taken to benefit one's organization more often than not, especially in situations where there are increased organizational pressures or threats to identity (Yan et al., 2025). Additionally, when employees are dehumanized, they may absorb the message that if the organization is successful, it's okay to do things that are unethical, particularly if the systems of the organization focus on the performance of the organization and not on the dignity of the employees.

The role of organisational contexts in creating ethical weaknesses among employees has been increasingly shown by research, which indicates that contexts that are excessively instrumentalised, have a high pressure to perform and have low concern for employees result in ethical weaknesses (Fida et al., 2025). Due to the dehumanization of the organization, the effects on employees' moral attachment to workplace norms and the encouragement of utilitarian reasoning, it is more probable that employees may become more willing to engage in unethical behaviors that benefit the organization's interests. The following hypothesis is put forward:

H1: When employees experience more OD, they will be more likely to engage in UPOB.

2.2 OD and moral disengagement

Moral disengagement is a suite of cognitive processes that temporarily remove the moral standards that usually regulate one's behavior, so that acting unethically does not lead to feelings of self-condemnation (Bandura, 1999). Employees with moral disengagement can rationalize their conduct through various means, making it more likely that they will engage in unethical behaviors, and it is considered one of the strongest predictors of such workplace misconduct (Newman et al., 2020).

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Recent studies indicate that organizational factors are significant in terms of activating moral disengagement mechanisms (Fida et al., 2025). In particular, workplaces that lack fairness, depersonalization, exploitation and dignity violations can serve as an environment that allows cognitive rationalizations for unethical behaviors. One such contextual condition is OD. The psychological distance between the employee and organizational stakeholders can be created when employees feel like they are part of the machine and more likely to rationalize unethical actions as acceptable or necessary.

According to SCT, theoretically, moral self-regulation processes are influenced by environmental conditions (Bandura, 1999). Dehumanizing experiences can have a negative effect on the moral self-sanctions because the experience can lead to feelings that moral obligations are less relevant when the organization itself does not respect important principles of human respect. Therefore, employees may be more inclined to rationalize dubious behaviours through mechanisms like moral justification, diffusion of responsibility, advantageous comparison and distortion of consequences. Emerging empirical evidence suggests that the positive relationship between dignity threatening organizational experiences and moral disengagement and ethical sensitivity is substantiated (Fida et al., 2025; Hillebrandt, 2023).

It is therefore postulated that:

H2: When employees experience more OD, they will have more moral disengagement. Moral disengagement is correlated with unethical pro-organizational behavior.The link to unethical pro-organizational behavior is Moral Disengagement.

2.3 Moral disengagement and UPOB

A number of empirical studies have been published on the relationship between moral disengagement and unethical behavior in the organizational psychology literature and in the business ethics literature. The ability to block-off internal mechanisms, which would otherwise prevent unethical conduct, thereby increasing the risk of committing unethical acts is called moral disengagement (Newman et al., 2020).

In organizational contexts, workers often are faced with situations where their organization's values contradict those of the wider society or ethics. Under such circumstances, moral disengagement enables employees to justify unethical actions as necessary, beneficial, or harmless. Moral disengagement has been found to be associated with deceptive, misleading, and withholding of information and other morally questionable practices that serve to gain advantages for their organization (Moore et al., 2023; Yan et al., 2025).

The relationship can be explained using Social Cognitive Theory. The theory suggests that people are normally governed within their own moral guidelines. But once people begin to use the mechanisms of moral disengagement, these standards become temporarily suspended, and individuals can do unethical things without feeling guilty or psychologically uncomfortable (Bandura, 1999). There is a growing body of evidence that moral disengagement predict unethical pro-organizational behavior across various organizational and cultural settings in recent years (Jiang & Xie, 2024; Fida et al., 2025).

Therefore, the following hypothesis is put forward:

H3: As employees increase their moral disengagement, the chances of engaging in unethical pro-organizational behavior will increase.

2.4 Moral disengagement' as a mediator construct

While OD can directly impact unethical pro-organizational behavior, the psychological mechanism that explains this link is poorly understood. This study follows the theories of

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Social Cognitive theory, and proposes that the mechanism of moral disengagement is an explanatory factor that connects OD to UPOB.

When employees feel dehumanization at the workplace, they tend to suffer from lower levels of dignity, less emotional commitment to moral standards (Ashraf et al., 2023e), and higher levels of perceptions of organizational instrumentalism. These experiences can trigger rationalization of unethical behaviours through moral disengagement processes. Specifically, dehumanized employees can rationalize unethical behavior by telling themselves it is what they must do to save the organization, they are not causing any harm to any stakeholders, or it is the way they should act in the organization. When employees turn off their moral self-regulation, they are more likely to resort to unethical behavior in order to benefit the organization.

Organizational ethics literature has recently highlighted that the experiences of employees in the workplace can have indirect effects on unethical behaviour via cognitive moral processes, rather than simply directly (Fida et al., 2025). Therefore, it is predicted that moral disengagement will act as a psychological process in the mediation of OD--unethical pro-organizational behavior. This view is in line with the recent interest in studies that investigate the role of organizational context on ethical decision making processes of moral cognition pathways.

Based on this, the next mediation hypothesis is suggested:

H4: When OD is increased, employees' moral disengagement will mediate the positive relationship between OD and unethical pro-organizational behavior, and Conceptual Model.

The conceptual framework is based on Social Cognitive Theory and suggests that OD acts as an antecedent of unethical pro-organizational behavior both directly and indirectly, via moral disengagement.

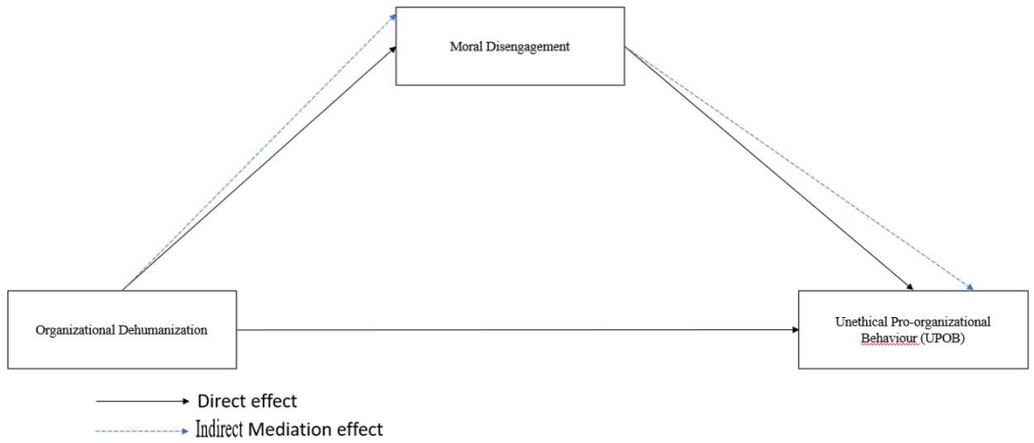


Figure 1: Theoretical framework

The model proposes that OD positively predicts unethical pro-organizational behavior, while moral disengagement acts as the psychological mechanism through which this relationship operates. Indirect

METHODOLOGY

3.1 Research Design and Data Collection Procedure

In this research quantitative cross sectional survey design is used to analyze the relationship among OD, moral disengagement and UPOB (UPOB) among employees of banking sector of Pakistan. The banking sector is an ideal context for the examination of

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ethical and behavioral outcomes as the employees are often placed in a situation that is defined by high performance pressures, customer demands, regulatory scrutiny and organizational accountability (Ali et al., 2024; Iqbal et al., 2023c).

Data was gathered from workers in public and private banking institutions in the main cities of Pakistan i.e. Islamabad, Rawalpindi, Lahore, Karachi, Peshawar, Faisalabad and Multan. To maximize participation and sample diversity, a combination of online and face-to-face survey administration procedures was used. The convenience sampling method was used as in previous organizational behaviour studies done in developing countries because the respondents were easily reached and because of organizational constraints in obtaining probability samples (Hair et al., 2022; Hussain et al., 2026; Ullah et al., 2026).

500 workers were invited and approached to participate in the study voluntarily. A cover letter was sent to the respondents to provide them with an explanation of the purpose and objectives of the research before the survey was administered. In the cover letter, it was stressed that the participation was voluntary and that respondents could withdraw from the study at any time without repercussion. All identifiable personal information was deleted prior to data analysis, and results reported in aggregate form. There were two parts to the questionnaire. The first section gathered demographic data such as age, gender, educational qualification, organizational tenure, work experience.

The second part assessed OD, moral disengagement and UPOB with validated scales from previous studies. Of the 500 employees, 500 returned self-report questionnaires and 500 were statistically usable.

3.2 Ethical Considerations

This study followed the ethical guidelines for research involving human subjects as recommended by the American Psychological Association (APA, 2020). Before the respondents started participating in the study, they were given detailed information about the purpose of the study, voluntary participation, confidentiality, and their right to terminate their participation at any time without any consequences. All participants gave informed consent prior to data collection.

No personally identifiable information was gathered in order to ensure the participants privacy and anonymity. All data were kept confidential and only analysed for research. survey data were stored securely and only accessed by the research team. It was also noted that individual answers would not be shared with an employer, supervisor or anyone else. Since the study was not intrusive, and there were no physical, psychological or social risks involved, there was little risk to the respondents. These procedures have been adopted to ensure that the ethical principles of respect for persons, beneficence, confidentiality, and research integrity, that guided organizational research, are upheld (Aguinis & Solarino, 2019; APA, 2020).

Participant Characteristics

Table 1

Demographic Characteristics of Respondents (N = 500)

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Variable	Category	Frequency (n)	Percentage (%)
Gender	Male	250	50.0
	Female	240	48.0
	Prefer not to say	10	2.0
Age	20–29 years	150	30.0
	30–39 years	180	36.0
	40–49 years	110	22.0
	50 years and above	60	12.0
Education	Bachelor's Degree	220	44.0
	Master's Degree	180	36.0
	MPhil/MS	70	14.0
	Other	30	6.0
Work Experience	Less than 5 years	140	28.0
	5–10 years	180	36.0
	11–15 years	110	22.0
	More than 15 years	70	14.0
Sector	Public Bank	220	44.0
	Private Bank	280	56.0

Note. N = 500. Percentages may not total 100 due to rounding.

3.3 Measures

In order to follow the suggestions of the organizational behavior research, all the measures in the study were taken in the form of scales obtained from the literature, which have been tested and validated. Responses were given on a five point Likert scale (1 = strongly disagree to 5 = strongly agree) unless otherwise stated. The higher scores indicated a higher level of the respective construct.

3.3.1 OD

The OD scale consisted of 11-items developed and validated by Caesens et al. (2017). This scale measures employees' thoughts about their organization treating them as a tool, an object, or a resource rather than as a person with value. Examples of such statements could be: "My organisation treats me like a tool to be used" and "My organisation treats me like a replaceable resource." The psychometric properties of the questionnaire have been demonstrated in previous studies, showing good reliability and construct validity in an organizational context (Nguyen & Stinglhamber, 2022; Caesens et al., 2023). The high levels of scores reflect more positive perceptions of OD.

3.3.2 Moral Disengagement

The eight-item Workplace Moral Disengagement Scale (WMDS) of Moore et al. (2012) was used to measure moral disengagement. The scale assesses the level of disintegration of internal moral standards that is reflected on the cognitive justification of unethical behaviors by employees. Examples of these include "people should not be responsible for doing "questionable" things when they are just following orders from someone else in a position of authority" and "It's ok to take something without the permission of its owner if no one is

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harmed. The scale has been widely used in studies of organizational ethics and has proven to be reliable and valid in diverse work environments (Newman et al., 2020; Fida et al., 2025).

3.3.3 UPOB

The six-item scale developed by Umphress, Bingham, and Mitchell (2010) was used to evaluate UPOB. The instrument aims to assess employees' readiness to perform unethical actions for the benefit of their company or members. These items include "If it would help my organization, I would exaggerate the truth about my company's products or services to customers and clients" and "I would withhold negative information about my company to benefit the organization". The measure has been extensively used in research on organizational behavior and business ethics and has shown good reliability and construct validity (Yan et al., 2025; Jiang & Xie, 2024).

3.4 Control Variables

Demographic variables such as age, gender, education and work experience were added as control variables as in previous studies on organizational behavior research. These variables have been found to affect ethical decision-making processes in previous studies, as well as behavioral outcomes in the workplace. These characteristics were also controlled in an attempt to examine the hypothesized relationships between OD, moral disengagement and unethical pro-organizational behavior (Newman et al., 2020).

RESULTS

4.1 Data Analysis and Results

4.1.1 Descriptive Analysis

In this study, data analysis was done by SPSS Statistics 27.0, AMOS 28.0, and SmartPLS 4.0. The data analysis was descriptive, Pearson correlation analysis, reliability test, validity test, and test structural equation model. The data were screened for missing values, outlier and normality. The mean values and standard deviation values for OD and moral disengagement and unethical pro-organizational behavior were analyzed using descriptive statistics. Next, the Pearson correlation analysis was used to explore the relationships between the study variables. Subsequently, reliability and validity were evaluated and then structural equation modeling was used to test the direct and indirect relationships which were hypothesized in the study.

Table 2

Descriptive Statistics and Correlation Analysis

Variable	Mean	SD	1	2	3
1. OD	3.42	0.81	1		
2. Moral Disengagement	3.18	0.76	.56**	1	
3. Unethical Pro-Organizational Behavior	3.05	0.72	.49**	.61**	1

Note. N = 500. p < .01.

4.2 Correlation analysis

Table 2 shows the descriptive statistics and correlation results for the study variables. The mean score for OD was 3.42 (SD = 0.81) which represents a moderate level of the felt dehumanization of the organization. The mean of moral disengagement was 3.18 and the standard deviation was 0.76, and the mean of unethical pro-organizational behavior was 3.05 with a standard deviation of 0.72. OD had a positive and significant correlation with moral disengagement (r = .56, p < .01) and unethical pro-organizational behavior (r = .49, p

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< .01). Moral disengagement was also positively and significantly related to unethical pro-organizational behavior (r = .61, p < .01). The results of these findings are preliminary evidence of the hypothesized relationships between variables.

Table 3

Reliability and Validity Results

Construct	Items	Cronbach's Alpha	Composite Reliability	AVE
OD	11	.89	.91	.58
Moral Disengagement	8	.86	.89	.55
Unethical Pro-Organizational Behavior	6	.84	.88	.56

4.3 Reliability and Validity Results

The results of the reliability and validity of the measurement model are presented in Table 3. OD had a Cronbach's alpha of .89, Composite reliability of .91, and AVE of .58. Moral disengagement showed a Cronbach's alpha value of .86, composite reliability of .89, and AVE of .55. Cronbach's alpha for unethical pro-organizational behavior was .84, composite reliability was .88 and AVE was .56. The results showed that all constructs had satisfactory convergent validity and internal consistency.

Table 4

Discriminant Validity

Construct	1	2	3
1. OD	.76		
2. Moral Disengagement	.56	.74	
3. Unethical Pro-Organizational Behavior	.49	.61	.75

Table 4 presents the discriminant validity results. The diagonal values represent the square root of AVE for each construct. The results show that OD, moral disengagement, and unethical pro-organizational behavior are empirically distinct from one another, as the diagonal values are higher than the corresponding correlation values.

Table 5

Structural Model Results

Hypothesis	Path	Beta	t-value	p-value	Result
H1	OD → UPOB	.24	4.18	.000	Supported
H2	OD → Moral Disengagement	.56	11.27	.000	Supported
H3	Moral Disengagement → UPOB	.47	8.92	.000	Supported

4.4 Regression Analysis

The results from the structural model are shown in Table 5. Results indicate that there is a positive significant relationship between OD and unethical pro-organizational behavior (β = .24, t = 4.18, p < .001) which is congruent with H1. The results also show that OD has a positive and significant impact on moral disengagement (β = .56, t = 11.27, p < .001) that supports H2. Additionally, moral disengagement positively and significantly predicts unethical pro-organizational behavior (β = .47, t = 8.92, p < .001), which supports H3. The

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findings suggest that those who perceive their organizations as more dehumanizing are more likely to become morally disengaged and participate in unethical pro-organizational acts.

Table 6

Mediation Analysis

Hypothesis	Indirect Path	Indirect Effect	t-value	p-value	Result
H4	OD → Moral Disengagement → UPOB	.26	7.43	.000	Supported

4.5 Mediation Analysis

The mediation analysis results are shown in Table 6. The indirect effect of OD on unethical pro-organizational behavior, via moral disengagement was positive and significant (β = .26, t = 7.43, p < .001). So, H4 was supported. The result showed that the relationship between OD and unethical pro-organizational behavior is mediated by moral disengagement. That is, employees feel their organization treats them as an object or interchangeable resource are more likely to consider moral justification for unethical behavior, which further drives their inclination to engage in unethical action in the interests of their organization.

DISCUSSION

5.1 Direct Effect

The first direct relationship investigated was the impact of OD on UPOB.The first direct relation investigated was the impact of OD on UPOB. The result showed that OD significantly and positively affected UPOB (β = .24, t = 4.18, p < .001) which supported H1. The result indicates that when employees feel their organization treats them as a tool, an object, or replaceable resource, they will be more likely to perform unethical behavior to benefit the organization. The result is in line with the notion that a dehumanised employee can adopt the instrumental rationality of the organization and start to make value judgments about behaviour based on usefulness, not moral appropriateness. Previous studies reveal that OD is detrimental to employees' feelings of dignity, belongingness and psychological attachment to the organization, which can lead to negative and deviant employee behaviours (Ahmad et al., 2023b; Ashraf et al., 2023a; Caesens et al., 2017; Nguyen & Stinglhamber, 2021; Stinglhamber et al., 2023). For employees in the Pakistani banking sector, who are generally faced with heavy performance pressure and competitive targets, the idea of perceived dehumanization can make them feel it is okay to engage in unethical behaviors if it is used to encourage the organization's targets. This finding is also relevant to the UPOB literature as it demonstrates that unethical pro-organizational behavior is not just the result of an employee's identification with the organization or positive reciprocity beliefs as suggested by both Umphress et al. (2010) and Umphress and Bingham (2011), but may also stem from negative experiences at work that diminish the employee's moral sensitivity toward the organization's practices.

The second direct relationship was between the OD and moral disengagement. The findings showed that OD was positive and significant related to moral disengagement (β = .56, t = 11.27, p < .001), which supports H2. The discovery suggests that when workers feel dehumanized in their organization, they will think it is okay to act unethically and off their moral compass. From the perspective of social cognitive theory, people control their

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behavior by regulating with moral self-sanctions, but when they reinterpret bad behavior as acceptable, necessary, or justifiable, this self-sanction can be turned off (Bandura, 1999). One way that this can happen is if OD results in employees feeling like the instruments to be used, which can lead them to feel that their moral responsibilities are not that significant within an organization that is dehumanizing them. This is in line with recent studies on moral disengagement in organizations that indicate that immoral behaviors can be socially and organizational processes that make it easier to suspend morality (Fida et al., 2025). Therefore, the present finding indicates that the dehumanizing organizational treatment can be an important background factor of moral disengagement among employees.

5.2 Mediating Role

That is, the employee who feels that he or she is viewed in the organization as a "tool" or "resource" is more likely to lose interest in his or her personal moral system, and this cognitive detachment will make him or her more willing to engage in unethical behavior to benefit the organization. The finding is favourable for Social Cognitive Theory, as it shows that the ethical conduct of employees in the workplace is affected by their moral self-regulatory mechanisms. Instead of leading directly to unethical behavior, OD seems to start by making it more acceptable to act unethically by convincing employees that unethical behavior is necessary, harmless, or organizationally beneficial.

This mediating mechanism is important theoretically as it provides insight into how a negative organizational experience is translated to UPOB. Previous UPOB research has focused on positive organizational attachment, loyalty, and identification as the motivators of unethical behaviors done for organizational gain (Umphress et al., 2010; Umphress & Bingham, 2011). The present results, however, indicate an alternative route: the psychological distance, moral numbness and justification processes can also be factors that encourage employees to engage in UPOB. This reading is supported by recent research that indicates that organizational moral disengagement can be a social process that makes immoral behaviors seem normal within organizations (Fida et al., 2025). It also aligns with recent research that suggests that UPOB can lead to a "slippery slope" effect, meaning that the more a person justifies one unethical act, the more likely he or she will be to engage in additional unethical acts as well (Yan et al., 2025). Thus, moral disengagement is not just an individual phenomenon, but an important mechanism whereby negative organizational conditions lead to unethical results.

In general, the mediation finding supports the field of organizational ethics literature by bringing together the concepts of OD, moral disengagement and UPOB in an explanatory framework. The findings indicate that dehumanizing experiences in the banking sector might not lead to immediate unethical pro-organizational conduct, but instead, the employees may first develop cognitive justifications to alleviate their sense of moral blame. Weakening of these moral controls leads to employees' perceptions of UPOB as acceptable or even required. The finding has significant practical implications for banking institutions and other institutions that are rated on performance (Ashraf et al., 2021; Ashraf et al., 2023c). It is important for managers to be aware that the use of workers as a means of reaching goals can have a subtle effect of promoting moral disengagement and unethical behavior. Careers should be chosen accordingly, so that there is an emphasis on fostering dignity, ethical leadership, psychological safety, and systems in place to create a culture of accountability that prevents employees from rationalizing unethical behavior to achieve organizational objectives (Iqbal et al., 2023b; Iqbal et al., 2024a).

Conclusion

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That is, if employees are feeling dehumanized by their organisation they may become psychologically detached from moral obligations and may rationalise unethical behaviour as being necessary, not harmful or beneficial for the success of the organisation. The results confirm the Social Cognitive Theory which states that environmental factors affect behaviour through the cognitive moral regulatory processes of the self. Thus, the study recommends that dehumanizing working practices can pose significant ethical problems by inducing employees to be morally disengaged and perform unethical behaviour on behalf of the organization.

The study has theoretical and practical contributions. It theoretically builds upon the literature on OD and its connection to unethical pro-organizational behavior, which is relatively under-explored. It also helps advance the study of moral disengagement by demonstrating that moral disengagement is a psychological state that is caused by organizational treatment as well as an individual moral tendency. Moreover, the study contributes to the UPOB literature by showing that unethical behaviors that are designed to promote the organization can arise not only as a result of high levels of organizational identification/loyalty, but also because of negative experiences in the workplace in the form of dehumanization. From a practical perspective, the results indicate that banking institutions have to treat employees as more than just a performance-producing resource (Zafar et al., 2023). To minimize moral disengagement and the occurrence of unethical pro-organizational behaviour, managers should encourage human dignity, fair treatment, ethical leadership, transparency and accountability (Yousaf et al., 2023).

6.2 Discuss the limitations and future research directions

This study has a number of limitations, which offer opportunities for future research. First, the study used a cross sectional research design, which prevents the researcher from asserting causality between OD, moral disengagement and unethical pro-organizational behavior. While the results of the study point in the direction of the proposed theoretical model, additional research is needed to better understand the dynamic nature of dehumanizing workplace experiences over time, as well as their progressive relationship to moral disengagement and unethical behavior. Research in recent years has focused on moral disengagement and the need to delve deeper into theory and practice on moral disengagement at work (Newman et al., 2020). Thus, future researchers should investigate the possibility of a lasting impact on employees' moral reasoning and moral behavior when they are repeatedly exposed to dehumanising organizational practices.

Second, the study was conducted on a self-reported survey data, and therefore common method and social desirability biases could be a concern. It is important to note that unethical pro-organizational behaviour is a sensitive topic and some respondents may have underestimated their willingness to commit to unethical behaviour. Further studies should include information from several sources (e.g., supervisor, coworkers, organizational records) to enhance the validity of the results. Experimental designs might also be used to study the direct effect of OD on moral disengagement and pro-organizational unethical actions in a controlled setting. This is especially significant given recent scholarship that indicates that unethical organizational behavior is influenced by both individual cognition and more extensive social/Organizational processes (Fida et al., 2025).

Third, the study has been limited to the banking sector in Pakistan. The findings may not be completely transferrable to other industries or cultures, but it is a relevant context given the pressure to perform, customer demands, and legislation. The model should be replicated in other sectors like healthcare, education, hospitality, manufacturing,

information technology and public administration in future studies (Ahmad et al., 2021; Ashraf et al., 2023b). Cross-cultural studies would also be useful because the perception of dehumanization, moral responsibility and unethical pro-organizational behaviour may vary between cultures which are collectivistic and individualistic. The results of recent UPOB research indicate that the effects of unethical pro-organizational behavior might vary across organizational and cultural boundaries, suggesting it be examined in different scenarios (Jiang & Xie, 2024).

Third, in this study, moral disengagement was the only mediator identified. While the current results indicate moral disengagement is a significant mediator, other psychological mechanisms may account for the relationship among OD, unethical pro-organizational behavior (Iqbal et al., 2024b). Organizational cynicism, emotional exhaustion (Iqbal et al., 2023a), workplace alienation, perceived organizational injustice, psychological contract breach, and moral identity threat are some mediators that could be explored in future studies. The growing literature on OD provides more evidence that dehumanizing experiences are associated with adverse work outcomes, but better research is required to better understand the psychological mechanisms by which these negative outcomes manifest (Caesens et al., 2023; Lodhi et al., 2026; Stinglhamber et al., 2023). Multiple mediators could be used to gain a broader understanding of the relationship between OD and unethical behavior.

6.3 Future research

Finally, future research is needed to explore the impact of UPOB at the organizational level. In the short-term, UPOB might seem beneficial to an organisation, but in the long-term, it could have a negative impact on the organisation's reputation, trust of stakeholders, customer relationships and sustainability (Hussain et al., 2026; Sheraz et al., 2025). Recent studies indicate that UPOB can lead to complicated moral and behavioral outcomes, such as feelings of guilt, reoccurring unethical conduct, and adverse consequences to the perpetrator and victim (Tang et al., 2020; Yan et al., 2025). Future research should thus investigate the spread of UPOB within teams, the reactions of observers to moral disengagement and unethical acts of the team members, and ways in which organizations can interrupt cycles of moral disengagement and unethical behavior.

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