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Individual Moral Development and Ethical Climate: The Influence of Person–Organization Fit on Job Attitudes

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ABSTRACT. This research examines how the fit between employees moral development and the ethical work climate of their organization affects employee attitudes. Person–organization fit was assessed by matching individuals' level of cognitive moral development with the ethical climate of their organization. The influence of P–O fit on employee attitudes was assessed using a sample of 304 individuals from 73 organizations. In general, the findings support our predictions that fit between personal and organizational ethics is related to higher levels of commitment and job satisfaction and lower levels of turnover intent. Ethical P–O fit was related to higher levels of affective commitment across all three ethical climate types. Job satisfaction was only associated with ethical P–O fit for one of the three P–O fit variables and turnover intentions were significantly associated with two of the ethical P–O fit variables. The most consistent effect was found for the Conventional – Caring fit variable, which was significantly related to all three attitudes assessed. The weakest effect was found for the Preconventional – Instrumental fit variable, which was only predictive of affective commitment. The pattern of findings and implications for practice and future research are discussed.

KEY WORDS: attitudes, cognitive moral development, ethical climate, P–O fit, value congruence

Individual moral development and ethical climate: the influence of P–O fit on job attitudes

Recent scandals such as WorldCom, Tyco, and Enron have focused increased attention on business ethics. Yet most of the attention addresses ethical

concerns for stockholders and customers (e.g., Collins, 2000; Haigh and Jones, 2006). Equally important, of course, is the impact of ethical workplaces on employees. In this study, we examine how the organization's ethical environment influences employees. Drawing on P–O fit research, we suggest that understanding the influence the organization's ethical environment has on employees requires consideration of both the organization's ethics and the employee's ethics. Specifically, we explore how the fit between the ethical climate of the organization and employees' cognitive moral development affects employee job attitudes.

Research on organizational ethics

In general, researchers have taken two different approaches to examining individuals' ethics in organizations. The first focuses on individuals' ethical orientations. This research considers issues such as individual level of cognitive moral development (Kohlberg, 1981, 1984), individual ethical frameworks (Jubb, 1999; Judge and Martocchio, 1996), and the effects of these on individuals' attitudes and behaviors. For example, researchers have studied how the moral development and ethical behavior of employees affect attitudes such as satisfaction and commitment (Schminke et al., 2005; Treviño et al., 1998; Victor and Cullen, 1988).

The second stream of research focuses on organizational attributes that affect the moral behavior and attitudes of employees at work. This line of investigation considers how ethical characteristics of organizations, including the ethical climate, codes of ethics, and ethical policies affect individual ethics (Chen et al., 1997; Cowton and Thompson, 2000;

Schwartz, 2001; Treviño et al., 1999). Although this research focuses primarily on the effect of these organizational attributes on individual ethical behavior, it also examines the effect of these characteristics on individual attitudes (Mathews, 1988; Weaver, 1993).

Most recently, ethics researchers have begun to consider how individual and organizational attributes might combine to affect employee decision-making and behavior (Fritzsche, 2000; Weber, 1995). Treviño (1986) proposed that individual ethical conduct results from the interaction between employee characteristics (such as level of individual moral development) and organizational context factors (including the reward system and ethics policies). Weber (1995) suggested that ethical values embedded in the organization socialize employees toward particular ethical decisions, attitudes, and behaviors. Similarly, Victor and Cullen (1988, 1990) proposed that we need to investigate how the impact of fit between the individual's level of moral development and the organization's ethical climate combine to affect employee behaviors and attitudes. Our study follows this approach. Drawing on P–O fit research, we explore how the fit between the ethical values of employees and the ethical climate of the organization affects job satisfaction, organizational commitment, and turnover intentions.

Person–organization ethical value fit

The person–organization (P–O) fit literature explores the impact of congruence (or fit) between individual and organizational attributes and values (Chatman, 1991; Kristof, 1996; O'Reilly et al., 1991). P–O fit is defined as “the compatibility between people and organizations that occurs when (a) at least one entity provides what the other needs, or (b) they share similar fundamental characteristics, or (c) both,” (Kristof, 1996, pp. 4–5). P–O fit is the congruence of the direct attributes of the person with the direct attributes of the particular situation, job, or organization (Chatman, 1991; O'Reilly et al., 1991). At the core of this construct is the congruence between individual and organizational values (Chatman, 1989; Judge and Bretz, 1992). This congruence has been linked consistently to employee attitudes and behaviors such as commit-

ment, satisfaction, and turnover intentions (O'Reilly et al., 1991).

Ethical values represent a subset of the overall value system of individuals and organizations. At the individual level, ethical values influence the moral reasoning of individuals as they consider what constitutes right or wrong behavior. The dominant framework for individual ethical values is Kohlberg's (1981) theory of cognitive moral development. This theory defines six stages of moral development. At the organization level, ethical values research focuses on ethical climate. The ethical climate of the organization represents employees shared beliefs about the ethical values of the organization (Victor and Cullen, 1987).

Individual ethical values: stages of cognitive moral development

Kohlberg's (1984) theory of cognitive moral development is based on the understanding that morality is both cognitive and developmental. Specifically, Kohlberg suggests three levels of moral development through which individuals progress as they move from childhood to adulthood, with each level consisting of two stages. At the first level of moral development, labeled the *preconventional* level (includes stages one and two), individuals view rules as imposed and external to themselves. They react to ethical problems from an egoistic perspective, evaluating moral choices primarily in terms of personal consequences, needs, and exchanges of favors. Correct actions are those that lead to personal rewards and those that allow one to avoid punishment.

At the second level of moral development, labeled the *conventional* level (includes stages three and four), individuals identify right and wrong in terms of social relationships. Individuals' social environments (e.g., peers, family, society) drive moral choices. Correct behavior is defined by the expectations of others and what helps others. What is right is determined by the laws, rules, and obligations of society and what is needed to maintain social order.

At the third level of moral development, labeled the *postconventional* level (includes stages five and six), individuals judge right and wrong based on their relative understanding of personal values. These individuals have gone beyond identification with others' expectations, rules, and laws. Laws and rules

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are not followed simply because they exist, but they are followed because they represent a social contract and establish social order. At this level, individuals consider the possibility of changing the law for social useful purposes. At the highest stage of development, individuals are guided by self-chosen ethical principles, justice, and the rights of human beings. These principles may be consistent with society's expectations, but they are not followed for this reason. Correct behavior is framed by the visions of ideal societies rather than rules of existing groups or social norms or what benefits one personally.

Most of the research on cognitive moral development in organizations focuses on identifying the influence of employees' cognitive moral development on behaviors and attitudes (Ferrell and Gresham, 1985; Hunt and Vasquez-Parraga, 1993; Hunt and Vitell, 1986; Treviño et al., 1998). However, little is known about how the ethical climate of the organization may interact with the cognitive moral development of its employees to affect their attitudes and behaviors.

Organizational ethical values: ethical climate

In their seminal work on ethical climates, Victor and Cullen (1987) define the organization's ethical climate as "the shared perceptions of what is ethically correct behavior and how ethical issues should be handled (pp. 51–52)." This theory is built on the assumption that employee perceptions of ethical events, ethical practices, and ethical procedures depend on two dimensions. The first dimension, labeled *ethical criteria*, is reflected by three possible levels used for ethical decision-making. This dimension is based on Kohlberg's (1984) three levels of cognitive moral development. Victor and Cullen (1988) label these egoism (Kohlberg's pre-conventional level), benevolence (Kohlberg's conventional level), and principled (Kohlberg's postconventional level). The authors label these levels somewhat differently than Kohlberg's original classifications because they represent Kohlberg's conceptualization at the organization level. Nevertheless, the definitions for these ethical dimensions are consistent with Kohlberg's levels of cognitive moral development.

The second dimension, labeled *loci of analysis*, distinguishes three possible referents in ethical

decision-making. Possible referents in ethical decision-making include the self, the organization, and society at large. Victor and Cullen label these three loci individual (focus on one-self), local (focus on organization and peers), and cosmopolitan (focus on society and humanity in general). Victor and Cullen cross the ethical criteria and loci of analysis dimensions to develop a three by three matrix. Because each dimension consists of three levels, the model includes nine cells, each cell representing a different theoretical ethical climate type (Victor and Cullen, 1987, 1988).

Subsequent empirical research has shown that even though nine climate types exist in theory, not all of them have been empirically demonstrated. For example, Victor and Cullen (1988) noticed that the original nine climates reduced to five. Wimbush et al., (1997) found three climate types, and Fritzsche (2000) found only two. Many studies reveal an inconsistent factor structure across the loci of analysis dimension of Victor and Cullen's typology. As a result, some researchers have recommended collapsing climate types across this dimension (e.g., Agarwal and Malloy, 1999; Deshpande, 1996). Because our interest is in matching individual and organizational ethical values based on Kohlberg's (1984) levels of cognitive moral development, we adopted the recommendation to collapse climate types across the loci of analysis dimension. Therefore, we emphasized the ethical criteria dimension and focused on three specific levels of organizational climate (egoism, benevolence, and principled) that correspond directly with Kohlberg's three levels of individual moral development (preconventional, conventional, and postconventional). Thus, we propose that fit between the ethical values of the person and the organization can be assessed by matching the levels of individual moral development (preconventional, conventional, and postconventional) with the three ethical organizational climate criteria (egoism, benevolence, and principled).

Fit between ethical climate and moral development

Value congruence is the agreement between the values of the person and the organization (Chatman, 1991). As with general work values, we expect the fit between individual and organizational ethical values to affect individuals' job attitudes. Previous

research on ethics has found some support for this relationship. For example, Schwepker and colleagues (1997) found sales people suffered ethical conflict when their personal ethical values were incongruent with their perceptions of top managers' ethical values. This ethical conflict has been found to increase stress and reduce performance and satisfaction.

Two studies have explicitly considered the fit between individual-level ethics and organizational ethical climate and its impact on employee attitudes (Sims and Keon, 1997; Sims and Kroeck, 1994). Both studies examine the fit between people's preferred ethical climates and their perceived ethical climates. Sims and Kroeck (1994) demonstrate employees with a higher level of congruence between their preferred and perceived climate showed lower turnover intentions and higher commitment.

Sims and her colleagues (Sims and Keon, 1997; Sims and Kroeck, 1994) address an interesting question about the fit between a person's preferred and perceived ethical climate. However, from both a P-O fit perspective and a climate perspective, the two studies share similar limitations. First, neither study directly measures individual's ethics. P-O fit researchers are explicit. P-O fit is assessed by the match of direct attributes of the person to the attributes of the organization or job (Chatman, 1991; O'Reilly et al., 1991). Second, neither study used an aggregated, collective measure of ethical work climate. Climate research indicates that climate is a shared perception of organization members and should be assessed at the group level (Anderson and West, 1998; Gonzalez-Roma et al., 2002; Hofmann and Stetzer, 1998; Liao and Rupp, 2005; Ostroff et al., 2003; Schneider, et al., 2002; Zohar, 2000; Zohar and Luria, 2005). We overcome these limitations in this study by directly comparing the ethical values of the person (i.e., cognitive moral development) with a commensurate aggregate measure of the ethical climate of the organization. We predict:

Hypothesis 1

Greater fit between an employee's level of moral development and the ethical climate of the organization will be related to higher levels of job satisfaction

Hypothesis 2

Greater fit between an employee's level of moral development and the ethical climate of the

organization will be related to higher levels of organizational commitment

Hypothesis 3

Greater fit between an employee's level of moral development and the ethical climate of the organization will be related to lower levels of turnover intention

Methods

Sample

The sample was obtained from the Center for Entrepreneurship of a large public university and the Center for Family Business of a medium-sized private university. We provided 128 organizations with a description of the study and asked each of them to agree or decline to participate. Seventy-three firms agreed to participate. Between 5 and 25 surveys per firm, depending on organization size, were delivered to the contact person at each organization. Of the 415 surveys distributed, 304 were returned, for a response rate of 73%. To provide anonymity for participants, postage-paid envelopes were included and surveys were returned directly to the researchers. The respondents were 58% male and 42% female. Average age was 41 years and average tenure with these organizations was 6.57 years.

Measurement

We gathered four types of information from each participant: individual demographics, individual level of moral development, organizational ethical climate, and a series of job attitude measures. The individual demographic instrument appeared first on all surveys, asking basic demographic information including age, sex, tenure, and job title. The ordering of the other instruments was randomized across participants.

Individual ethical development

We used Rest's (1979) Defining Issues Test (DIT) to assess individual moral development. The DIT asks participants to respond to a series of statements regarding three ethical vignettes. Responses to these statements reflect participants' stage of moral

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development via a “P-score,” which reflects the relative importance of postconventional (level-3) moral reasoning. Higher P-scores reflect higher levels of moral reasoning. The DIT has been shown to be a valid and reliable, psychometrically sound measure (McCrae, 1985; Moreland, 1985).

Organizational ethical climate

The ethical work climate of the organization was assessed using the ethical climate questionnaire developed by Victor and Cullen (1988). This instrument includes 26 organizational climate descriptors representing the five climate types that emerged in the Victor and Cullen study. Participants were asked to rate each descriptor on how closely each item described the actual ethical work climate of their current organization. Each question was rated on a 6-point Likert-type scale ranging from 1 (completely false) to 6 (completely true).

A principal components factor analysis revealed three distinct ethical climates, which reflect the preconventional, conventional, and postconventional levels of Kohlberg’s (1984) moral reasoning. Borrowing from Victor and Cullen’s (1988) terminology we labeled these climates, which are indicative of Victor and Cullen’s egoism, benevolence, and principled distinctions, as instrumental, caring, and independence, respectively.

Our instrumental climate included all seven items from the original instrumental climate scale as well as one item (item number 6) from the original caring climate. Reliability of this scale (coefficient alpha) was 0.70. Our caring climate included all of the original items from caring climate (except item number 6) as well as all of the items from the original law and code and the rules climates (coefficient alpha = 0.88). The third factor, the independence ethical climate, was identical to the original Victor and Cullen scale (1987, 1988), and included all four of the original independence climate items (coefficient alpha = 0.75).

Victor and Cullen (1988) note ethical climate is the shared perceptions of workgroup members. Thus, individual climate scores should be aggregated into organization-level values. To ensure that aggregation was appropriate, we first assessed the degree of agreement for the climate measures by calculating the r_{wg} statistic (James et al., 1993; Kozlowski and Hattrup, 1992) for each climate scale for

each organization. This statistic reflects the degree of interrater agreement between members of a group, with 1.00 reflecting perfect agreement across all members. Schmidt and Hunter (1989) state that a level of 0.8 or above determines strong interrater reliability. In our study, mean interrater reliabilities were 0.89 for the instrumental climate, 0.91 for the caring climate, and 0.88 for the independence ethical climate. Therefore, aggregation was appropriate (George, 1990).

Job satisfaction

Job satisfaction was assessed with the Brayfield and Rothe (1951) measure of general job satisfaction. Five items assessed employees’ satisfaction with their current position on a 7-point Likert-type scale ranging from 1 (strongly disagree) to 7 (strongly agree). The coefficient alpha was 0.82.

Organizational commitment

We used five items from Allen and Meyer’s (1990) scale of affective commitment to the organization. Participants responded on a 7-point Likert-type scale ranging from 1 (strongly disagree) to 7 (strongly agree). The coefficient alpha was 0.79.

Turnover intentions

We measured turnover intentions with the Seashore and colleagues (1982) scale. Participants responded to three items along a 7-point Likert-type scale ranging from 1 (strongly disagree) to 7 (strongly agree). The coefficient alpha was 0.82.

P-O fit

By our operationalization, fit exists when individuals with a preconventional level of cognitive moral development work in instrumental climates, when individuals with a conventional level of cognitive moral development work in caring climates, and when individuals with a postconventional level of cognitive moral development work in independence climates. Thus, in order to calculate the ethical fit between the organization and the individual, the employee’s level of cognitive moral development had to be matched with the organization’s ethical climate. To accomplish this, we first adjusted individual P-scores (which occur along a 1–100 range) to match the 1–7 range reflected in the ethical climate scores. We then calculated three “fit” scores,

reflecting the degree of fit (or misfit) between an individual's P-score and the three ethical climate types of his or her organization. These fit scores were calculated as follows:

Preconventional – Instrumental fit

Instrumental climates reflect the lowest (preconventional) level of cognitive moral development in Kohlberg's (1984) framework. Therefore, low P-score individuals (also reflecting low levels of moral development) should comprise the best fit with this type of climate. In other words, the "best" theoretical fit in this case consists of low P-score individuals in high instrumental climates. Therefore, to calculate degree of fit we reverse scored individual P-scores and multiplied them with the instrumental climate scores. The emerging fit score therefore results in highest values for low P-score individuals in strong instrumental climates.

Conventional – Caring fit

Caring climates reflect a moderate (conventional) level of cognitive moral development in Kohlberg's (1984) framework. Therefore, moderate P-score individuals (those reflecting conventional levels of moral development) should comprise the best fit with this type of climate. As a result, the best fit in this case consists of moderate P-score individuals in high caring climates. Therefore, to calculate degree of fit we created a new scale to reflect the absolute value of the degree to which an individual's P-score varied from the mean P-score. (Research indicates that most adults operate at conventional levels of moral reasoning (Treviño, 1986; Weber, 1990; Wood et al., 1988). We then reverse scored this scale, so that a higher value represented a P-score

closer to the overall mean score. Finally, we multiplied this score with the caring climate score. The resulting fit score therefore results in highest values for moderate P-score individuals in strong caring climates.

Postconventional – Independence fit

Independence climates reflect the highest (postconventional) form of cognitive moral development in Kohlberg's (1984) framework. Therefore, high P-score individuals should comprise the best fit with this type of climate. In this case the best fit consists of high P-score individuals in high independence climates. Therefore, to calculate degree of fit we multiplied P-scores by independence climate scores. The resulting fit score results in highest values for high P-score individuals in strong independence climates.

Results

The means, standard deviations, and correlations for all variables appear in Table 1. The correlations between the three fit variables indicate that they are related but distinct constructs, as suggested by Victor and Cullen (1988) and Agarwal and Malloy (1999). The correlations between the work attitude variables of satisfaction, commitment, and turnover intentions, are consistent with past research on P-O fit (Chatman, 1991; O'Reilly et al., 1991).

The test of the hypotheses that P-O ethical value fit relates to job satisfaction, commitment, and turnover intentions was conducted using multiple regression analysis. Table 1 indicates that some of our predictor variables are relatively highly corre-

TABLE 1
Summary statistics and zero-order correlations.

	Mean	s.d.	1	2	3	4	5
1. Satisfaction	5.75	0.75	–				
2. Commitment	4.40	0.95	0.67**	–			
3. Turnover intentions	2.94	1.48	–0.58**	–0.74**	–		
4. Preconventional – Instrumental fit	13.77	4.92	–0.00	0.00	–0.05	–	
5. Conventional – Caring fit	4.89	4.13	0.10*	0.08	–0.07	–0.25**	–
6. Postconventional – Independence fit	10.06	5.78	–0.00	–0.04	–0.08	–0.93**	0.29**

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

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TABLE 2

Organization–climate and moral development fit related to satisfaction, commitment and turnover.

	Satisfaction		Turnover intentions		Commitment	
	B	Beta	B	Beta	B	Beta
(Constant)	5.91 (0.56)		1.12 (1.09)		5.66 (0.70)	
Preconventional – Instrumental fit	0.01 (0.02)	0.06	–0.08 (0.05)	–0.26	0.06* (0.03)	0.30*
Conventional – Caring fit	0.02* (0.01)	0.12*	–0.04* (0.02)	–0.11*	0.02* (0.01)	0.10*
Postconventional – Independence fit	0.01 (0.02)	0.10	–0.09* (0.04)	–0.36*	0.06* (0.03)	0.34*
Multiple R	0.12		0.16		0.15	
R ²	0.01		0.03		0.02	

* $p < 0.05$, standard errors in parentheses.

lated, suggesting a potential multicollinearity concern. However, all VIF indices were below 10.0, indicating multicollinearity was not a significant concern (Belsley et al., 1980). The results for the multiple regressions are presented in Table 2.

Hypothesis 1 predicted that the fit between a person’s moral development and the ethical climate of his or her organization would be related to higher job satisfaction. The significant positive relationship between Conventional – Caring fit and job satisfaction represents partial support for this hypothesis. Employees were more satisfied with their jobs when there was a better fit between their conventional level of moral development and a caring ethical climate.

Hypothesis 2 predicted that the fit between a person’s moral development and the ethical climate of his or her organization would be related to greater organizational commitment. This hypothesis is supported across all three types of ethical climate fit. Congruence between a person’s level of moral development and ethical climate of the organization was related to higher levels of affective commitment.

Hypothesis 3 predicted that the fit between a person’s moral development and the ethical climate of his or her organization would be related to lower employee turnover intentions. Regression results moderately support this hypothesis. A significant negative relationship exists between two of the three ethical fit variables and turnover intentions. Conventional – Caring and Postconventional – Independence ethical fits were related to lower turnover intentions.

In all, these results provide some support for Hypothesis 1, strong support for Hypothesis 2, and

moderate support for Hypothesis 3. In the next section, we consider some of the ramifications of these results.

Discussion

O’Reilly et al., (1991) suggested that the fit between a person’s values and organizational values is associated with behavioral and attitudinal outcomes. Building on this logic, this study assessed whether the congruence between ethical values, a specific subset of values, of the person and the organization, was associated with attitudinal outcomes. We found support (modest to strong, depending on the type of ethical climate) for the position that ethical P–O fit is associated with important organizational outcomes.

Our results raise several issues worthy of further consideration. First, they suggest that people feel more committed and are willing to stay with an organization when their ethical values are congruent with those of the organization. These findings add to prior empirical evidence that value congruence does matter. Our findings suggest that the actual fit between individual and organizational ethical values are important predictors of employee attitudes. These findings are generally consistent with research examining the fit between preferred and perceived ethical climates (Sims and Keon, 1997; Sims and Kroeck, 1994). However, this previous research found only weak associations between preferred and perceived ethical climate fit and job satisfaction and commitment, and was unable to find a relationship between ethical climate fit and turnover intentions

(Sims and Kroeck, 1994). Our study suggests that actual fit may be a stronger predictor of attitudes.

Second, the consistency of the results between fit and attitudes varied across the attitudes assessed. For example, job satisfaction was only associated with ethical P–O fit for one of the three fit variables, turnover intentions were significantly associated with two, and affective commitment was significantly associated with all three of the fit variables. Drawing on findings from P–O fit research (O'Reilly et al., 1991), we expected to find a stronger relationship between ethical fit and job satisfaction. However, our results are consistent with earlier work (Sims and Keon, 1997; Sims and Kroeck, 1994) in which job satisfaction is only modestly linked to ethical fit. One possible explanation may be the level of analysis difference between job satisfaction, which measures the fulfillment one receives from a specific position and its tasks, and the ethical P–O fit variables, which measures the congruence between the ethical values of the person and the organization overall. Therefore, we agree with Sims and Keon (1997), that in future investigations of this kind, it may be useful to operationalize satisfaction as an organization-level variable (i.e., organizational satisfaction) rather than a person- or job-specific variable (i.e., job satisfaction) as we did here.

Third, in addition to considering these patterns of results across attitudinal outcomes, it is useful to consider the pattern of results across types of fit, as well. Overall, we found the weakest effects for the Preconventional – Instrumental fit variable, which was only predictive of affective commitment. The instrumental ethical climate is defined by the prevailing perceptions of employees that they need to look out for themselves and their interests, regardless of relationships with other employees, or responsibilities for the organization and its environment. In this climate, employees are expected to view the organization as an instrument to achieve personal goals, such as benefits and pay. Individuals who are best suited for an instrumental ethical climate are those at the preconventional level of moral reasoning. These individuals are motivated by self-interest and seek to behave ethically primarily by complying with rules and avoiding punishments. It is plausible, therefore, that these employees may not perceive ethical values (and thus, ethical value congruence) as

especially relevant, important, or advantageous, which may account for the weak link between this ethical value fit variable and attitudinal organizational outcomes.

We found the most consistent effects for the Conventional – Caring fit variable, which was associated with commitment, satisfaction, and reduced turnover intentions. The caring ethical climate may be viewed as a “corporate family” climate, where the prevailing perceptions of employees are that they need to work together to maximize the joint interest of members. Characteristic practices and procedures may encourage members to commit to each other and conform to social and ethical norms. Therefore, it is not surprising that employees at moderate (conventional) levels of moral reasoning, whose ethical motives are founded on a strong sense of mutual obligation and compliance with the social order, would feel more committed to, and satisfied with, organizations that share these values.

Fourth, the ethical climate factor structure that emerged from our analysis also merits discussion. Our factor analysis resulted in three distinct ethical climates (instrumental, caring, and independence), in contrast with the five climate types (instrumental, caring, independence, rules, and law and code) that emerged in Victor and Cullen's (1987, 1988) work. Two of our three climate types, independence and instrumental, are largely the same as those identified by Victor and Cullen. Yet, our third climate, caring, included both the rules and the law and code climates from Victor and Cullen's originals.

We did not expect this. We anticipated the rules climate and the law and code climate would combine with the independence climate, because all three are theoretically founded on Kohlberg's (1984) highest level of cognitive moral development, or postconventional level. Nevertheless, the independence climate differs from the rules and law and code climates on one important dimension. The independence climate focuses on the individual's personal preferences as the source for ethical decision-making, while the rules and law and code climates focus on social norms and community rules as the source for ethical decision-making. Like the rules and law and code climates, the caring climate emphasis is on a social group. The caring climate focuses on the person's need to belong to a social

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order as the source for ethical decision-making. Thus, all three climates associate ethical decision-making with a focus on the greatest good for the greatest number of people, which is a Utilitarian principle. Therefore, our findings may indicate that subjects in this study identified the ethical climates of caring, rules, and law and code as one common climate type that emphasizes Utilitarianism, the greatest good for the greatest number of people.

Our results also have implications for practice. Our findings are potentially important for both organizations and managers. First, they show that ethical values are an important subset of the values that define P–O fit relationships. Organizations allocate significant resources to developing and maintaining fit between employees, the tasks they perform, and the organization as a whole, because this compatibility is linked to favorable employee attitudes and positive organizational outcomes (Kristof, 1996; Snell, 1996). Recruitment and selection procedures attempt to identify a match between the potential employee and the organization, and training sessions focus on the improvement of organization–employee compatibility. The results presented in this study demonstrate that managers need to consider ethical P–O congruence for training, development, and selection.

The importance of ethical fit has some additional implications for organizations that develop, manage, and control ethics codes and policies. Employees need to understand and agree to the underlying values presented in these codes and policies; developing ethical value congruence is essential for the successful implementation of these procedures.

In all, our findings demonstrate that ethical value congruence is important to organizations and warrants further attention. For example, we know very little about the effects of ethical value congruence and their relationship to other organizational variables. We recommend that additional research explore a variety of outcome variables that could be directly related to this construct, such as organizational citizenship behavior, stress, performance, happiness, and anxiety. Also, we need to identify the role of the ethical subsystem within the larger P–O fit construct. Is ethical value congruence a dominant factor, or does it marginally contribute to the effect of other value subsystems? Finally, we concur with Van Vianen (2000) and recommend

identifying and studying other important value subsystems and their effects on employee attitudes and performance. As this study reveals, P–O ethical value fit represents an important value subsystem.

Of course, all studies have limitations, and ours is no exception. First, from our cross-sectional data we cannot infer a causal relationship between ethical P–O fit and employee attitudes. Although employees who experience congruence with their organization's ethical climate may report more positive attitudes about these organizations, it is also possible that employees may perceive more ethical value congruence as a result of feeling satisfied and committed to their organization. We need to conduct longitudinal investigations to address this issue.

Second, although we find consistent and significant results, the total explanatory power of our models is moderate, indicating that ethical fit is only one of many factors that play into the formation of individuals' work attitudes. This is not unexpected. Ethical values are a subset of the more general value system and ethical value congruence represents only one component of the P–O value relationship. However, our results indicate that ethical value congruence does contribute significantly to individual attitudes toward the organization and warrants further attention by both managers and researchers.

In all, we believe this research provides insight into the important relationship between ethical values of organizations and their members and how this relationship affects organizational outcomes. However, we also believe it points to the need for additional work in this area. We need to learn more about the specific processes that lead to ethical value congruence. Our results suggest that establishing a fit between individual and organizational ethics may enhance employee attitudes. But more work is needed to provide concrete recommendations to researchers and practitioners about how conditions of fit might best be established.

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