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THE EFFECT OF ORGANIZATIONAL FORCES ON INDIVIDUAL MORALITY: JUDGMENT, MORAL APPROBATION, AND BEHAVIOR

Thomas M. Jones and Lori Verstegen Ryan

Abstract: To date, our understanding of ethical decision making and behavior in organizations has been concentrated in the area of moral judgment, largely because of the hundreds of studies done involving cognitive moral development. This paper addresses the problem of our relative lack of understanding in other areas of human morality by applying a recently developed construct—moral approbation—to illuminate the link between moral judgment and moral action. This recent work is extended here by exploring the effect that organizations have on ethical behavior in terms of the moral approbation construct.

Our understanding of ethical decision making and behavior in organizations has been informed by two largely separate streams of research. Formal decision making models (e.g., Ferrell and Gresham, 1985; Hunt and Vitell, 1986; Treviño, 1986; Jones, 1991) have dealt with the *micro* organizational aspects of such decision making and have relied heavily on social psychology, particularly social cognition, for their theoretical foundations. The other strain of research on ethics in organizations deals with *macro* organizational issues—e.g., organizational cultures, leadership, and institutional features such as codes of ethics—and has employed organization theory, in various forms, in the analysis (Victor and Cullen, 1988; Cohen, 1995). What has been lacking thus far is theory that specifically relates macro level phenomena to micro level behavior. Put differently, we need theory that explains, in detail, how an organization's moral signals are perceived and processed by organization members, along with how likely those signals are to affect members' behavior. This paper attempts to provide such theory, by way of application of existing theory and new theory development.

As Jones (1991) pointed out, most formal models of ethical decision making in organizations can be expressed in terms of some variant of Rest's (1986) sequential four component model. By way of review, Rest's description of the four steps is as follows:

1) Recognition—The moral agent must first recognize the moral issue. An agent who does not recognize the moral aspects of an issue will certainly rely on “non-moral” criteria in making a decision.

2) Judgment—The agent must then engage in some form of moral reasoning to arrive at a moral judgment. Moral reasoning has been described by Kohlberg (1976), whose moral development hierarchy has been widely used in both theoretical and empirical work.

3) Intent—The moral agent then must establish moral intent. In so doing, he/she places moral concerns ahead of other concerns and decides to take moral action.

4) Behavior—At this stage, the agent actually translates intent into moral behavior. He/she overcomes all impediments, internal and external, and carries out his/her intended moral action.

In this paper, we assume that organizational forces have an impact on each of the four steps. After referencing some very recent research that has been done on Step 1 of this sequence, we argue that organizational factors profoundly affect the link between moral judgment (Step 2) and moral behavior (Step 4) by describing the postulated psychological mechanisms.

Considering that Rest’s model has been in existence for 12 years, remarkably little research has been done on components other than moral judgment (Step 2). Part of this concentration can be explained by the fact that Kohlberg developed an instrument for measuring cognitive moral development (CMD), thus saving scholars (himself, in particular) the burden of developing a new instrument for each study. Rest (1979) accelerated the use of CMD as a variable in empirical studies of ethical behavior by developing the Defining Issues Test (DIT), a forced-choice psychometric instrument that replicates Kohlberg’s time consuming instrument with reasonable accuracy, but is simple and quick to administer. As a result, hundreds of studies have been undertaken using cognitive moral development as a variable.

Some of this research has attempted to link CMD to actual moral behavior (Blasi, 1980; Thoma and Rest, 1986; Waterman, 1988). The theory (either explicit or implicit) behind this research stream is that people who have greater cognitive skills in the moral realm will have stronger, more intrinsic spurs to moral action. Since their reasoning is more autonomous, their behavior ought to be more autonomous as well, leading them to carry out their moral judgments with greater frequency than their less sophisticated counterparts (with lower CMD scores). The somewhat surprising and disheartening conclusion that can be drawn from this research is that the link between these two variables is not particularly strong; cognitive moral development explains relatively little of the variance in moral behavior. We are left with a relatively modest level of understanding of moral behavior.

Perhaps in response to this gap in understanding, some recent work has focused on the first element in Rest’s model: recognition of the moral issue. Studies

by Treviño and Weaver (1996), Butterfield, Treviño, and Weaver (1996), and Gautschi and Jones (1998) have examined various aspects of moral awareness, based on the sensible proposition that recognition of the moral aspects of a decision must occur before moral reasoning of *any kind* can take place. Furthermore, since the more advanced stages of Kohlberg's moral development hierarchy (Stages 3 through 6) are likely to lead to judgments that are other than self-interested, we might expect that recognition of moral issues and the subsequent engagement of *moral* decision making processes, as opposed to non-moral processes, will result in better behavior.

Moral Approbation

In a very recent paper, Jones and Ryan (1997) argue that a construct called *moral approbation*, the desire of moral agents to be seen as moral by themselves or others, plays a critical role in moral decision making and behavior. The substantially condensed version of this argument that is presented below sets the stage for our explanation of how organizational factors affect the morality of individual organization members.

The moral approbation construct has two facets—a *desired* level of moral approbation and an *anticipated* level of moral approbation. The desired level of moral approbation is derived from Jones and Ryan's (1997) contention that human beings have a *motive to be moral*. This motive to be moral can come from many sources, including philosophy (Aristotle, 1934; Adam Smith, 1759/1982), religion (Frankena, 1968), biology (Hoffman, 1976; Kagan, 1984), socialization (Epstein, 1973) including impression management (Schlenker, 1980; Reis, 1981; Tetlock, 1985), and cognitive development (Epstein, 1973; Blasi, 1984). This motive to be moral will vary, perhaps substantially, among human beings, but will be present to some degree in virtually all people. According to the theory, one manifestation of this motive to be moral is *desired moral approbation*, a desire for moral approval from the agent's *referent group* (Hyman, 1942/1980; Williams, 1970). The identity of the referent group will also vary from person to person but will consist of those people to whom he/she looks for moral example or feedback. The referent group could be as narrowly defined as the person him/herself or as broadly as an entire society, depending on the agent's psychology.

Anticipated moral approbation is highly contextual and depends on the level of *moral responsibility* that the agent anticipates will be attributed to him/her by his/her referent group based on his/her planned behavior. Because the moral approbation construct is best illustrated in complex moral decision making situations, Jones and Ryan (1997) use the example of an individual in an organization contemplating his/her response to potential wrongdoing on the part of the organization to outline this part of their argument. In such situations, moral responsibility is based on four characteristics of the decision making context:

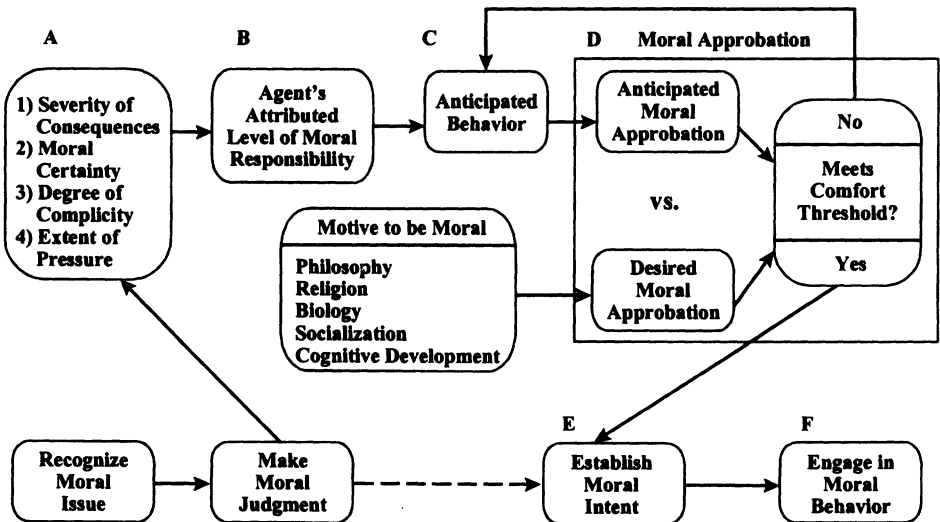
- 1) *severity of consequences* (more severe consequences confer greater moral responsibility on the agent);

- 2) *moral certainty* (situations involving unambiguously wrong behavior confer greater moral responsibility on the agent);
- 3) *degree of complicity* (greater involvement in the wrongdoing confers greater moral responsibility on the agent); and
- 4) *extent of pressure to behave unethically* (greater organizational pressure to go along with the wrongdoing reduces the moral responsibility on the agent).

The moral responsibility of an agent would then be a positive function of severity of consequences, moral certainty, and degree of complicity, mitigated by pressure to behave unethically.

Having made a moral judgment (Step 2 of Rest’s model), the agent contemplates a course of action: moral intent (Step 3). At the same time he/she estimates the level of moral responsibility likely to be attributed to him/her based on the four factors described above. The agent then compares the level of moral approbation that he/she anticipates from his/her referent group based on his/her planned behavior and compares it to the level he/she requires (desired moral approbation). If the behavior meets the agent’s threshold of desired moral approbation, he/she follows through with the planned behavior. If not, he/she modifies his/her planned behavior until it meets the threshold. This process is graphically depicted in Figure 1 (Source: Jones & Ryan, 1997).

Figure 1
The Moral Approbation Model



Jones and Ryan's (1997) indirect argument for the moral approbation construct consists of a demonstration that human beings make attributions of responsibility as the model predicts, followed by a detailed case that actual behavior varies along the same lines. The former set of arguments explains *why* the behavior documented in the latter set of arguments occurs. In summary, the moral approbation model represents an attempt to explain why the link between moral judgment and moral behavior is weaker than we might expect and one mechanism by which organizational factors may play a significant role in actual moral action.

Moral Approbation and Organizational Influences on Moral Behavior

The moral approbation construct will be applied here in an effort to explain the impact of organizational factors on the moral decision making and behavior of individual members. From this perspective, the organization affects individuals in two distinct ways. First, the organization itself may affect the choice and composition of the referent group for many members of the organization. Second, the organization may affect the level of responsibility that the individual attributes to him/herself through its effect on the four elements of moral responsibility.

Organizations and Referent Groups

As the above-summarized theory suggests, human beings seek approval from their referent groups. Individuals who are highly autonomous in moral matters (analogous to Stages 5 and 6 of Kohlberg's moral development hierarchy) will regard self approval as the ultimate standard for moral action. Many individuals, however, will require the approval of a broader group, including, for example, family members, close friends, church leaders, and teachers. Because organizations play a major role in the lives of many people, acting not only as their principal source of income but also as a place where much of their time is spent and many of their friendships are formed, it is highly probable that organizations will also be crucial determinants of at least part of their members' referent groups. Some individuals in organizations may have a few organization members among their referent groups, while others may adopt the organization itself—its values and its culture—as a referent group. While this assertion regarding the link between referent group formation and organizations may seem intuitively obvious, a detailed, theory-based argument will aid our understanding of this phenomenon.

Theoretical support for organizational influences on referent group choice can be derived from Bandura's classic works on social learning (1977; 1986). Bandura (1977) argues that social learning takes place through two primary mechanisms—*response consequences* and *modeling*. Learning by response consequences is what might be called learning by direct experience. Individuals respond to situational

stimuli in various ways as they conduct their lives and receive differential feedback—some positive, some negative—to their responses. They learn to behave so as to avoid the negative consequences and promote the positive consequences. In organizations, individuals tend to engage in behaviors that prompt organizational rewards and eschew those that result in punishment.

This form of direct learning serves an informative function, a motivational function, and a reinforcing function (Bandura, 1977). As information, response consequences cause the individual to create hypotheses about which responses are well suited to which situations. Bandura is clear in his rejection of the view that this process is merely mechanistic; cognition plays a role in the interpretation not only of the nature of the consequences but also of the relationship between the response and the consequences. Response consequences also serve a motivational function. Because human beings can anticipate events in their lives, the expected consequences of certain responses can motivate them to behave in certain ways. A reinforcing function is also claimed for response consequences. Reinforcement makes the message as to the propriety of certain behaviors clearer and stronger. Organizations with consistent reward/punishment frameworks will reinforce certain behaviors through this mechanism.

As Bandura (1977) points out, learning would be both slow and risky if individuals learned only by direct experience; their own experiences would not be extensive enough to allow learning at a significant pace and their mistakes could result in hazardous situations. Much social learning, therefore, takes place through *modeling*. Here the individual learns by observing the behavior of others and noting the consequences that ensue. The process is largely informative (as above), taking place through symbolic representations of the observed behavior which inform the choice of responses thought to be appropriate.

Modeling has four component processes—attentional, retention, motor reproduction, and motivational. *Attentional* processes are selective in nature, which refers to the fact that people tend to model their behavior on that which a) they observe most frequently and b) seems to be most effective. Not surprisingly, many human beings model their behavior on that which is most often exhibited in the organizations where they work, and they are more likely to model the behavior that is rewarded by the organization.

Observation alone often is not enough to assure that individuals will remember modeled behavior. Repeated exposure to behavior often results in representational systems—image-based or verbal—that produce retrievable “memory codes” that guide behavior, thus serving as *retention* systems for the learned responses (Bandura, 1977: 26). Organizations are often the source of not only repeated exposure to certain types of behavior, but also the images and verbal representations that simplify the development of such memory codes.

Through *motor reproduction* processes, individuals “learn by doing.” They develop and refine their responses along the lines of the modeled behavior. Finally, observational learning also serves a *motivational* function. Individuals learn by observing behavior in others and favoring that which has functional

value—i.e., that which has been rewarded. They are motivated to model their behavior on this favored behavior because they hope to secure similar rewards.

In short, organizations may be an important factor in an individual member's choice of referent group. Some individuals, of course, will be self-referent on moral matters, depending on only their own moral standards for moral approbation. For many people, however, the referent group will include family members, close friends, church leaders, and/or teachers and some are likely to include other organization members, groups within the organization, or, in the extreme case, the organization itself as part of their source of moral approbation.

The conclusion that organizations influence the choice of referent group for individual members should not be surprising. Many human beings spend a great deal of time in organizational settings and depend on organizations for their livelihood. Thus, through reward and punishment systems, authority structures, formal and informal rules, and organizational cultures, organizations create the environments through which individuals "enact" much of their lives. Social learning is the process through which the dimensions of that enactment are created. Thus do organizations enter the referent groups of at least some of their members.

Organizational Influences on Attributions of Moral Responsibility

Organizational forces are also likely to influence attributions of moral responsibility, an important determinant of moral approbation. The moral agent makes such attributions based on the four factors included in the model: severity of consequences, moral certainty, degree of complicity, and extent of pressure to behave unethically (as represented in our example). This subsection describes the effect of organizational forces on these four components of moral responsibility.

Severity of Consequences. At first glance, severity of consequences would seem to be set by the circumstances that define the immediate situation and hence immutable by organizational forces. Jones (1991) has described *magnitude of consequences*, a related concept, as an element in the determination of *issue contingency*. However, the critical determinant in the moral approbation model is the moral agent's perception of severity of consequences, a perception that the organization may influence through such mechanisms as schemata and euphemism.

Gioia (1992) discusses the importance of schemata—cognitive frameworks for making sense out of complex phenomena—on ethical decision making in organizations. By influencing an individual's choice of a schema, the organization can influence the range of choices the individual feels that he/she has. Viewing an issue with a moral component (such as the potential recall of Ford Pintos because they tended to burst into flame in certain types of rear end collisions—Gioia's situation) as an economic (cost-benefit) problem, a legal problem, or a customer complaint problem will dictate different solution sets than will viewing the same circumstances as threats to the lives and health of dozens of human beings. Thus does schema formation affect moral decision making. More

specifically, such schema use could affect an individual's attributions regarding severity of consequences. An economic problem involving cost and benefits to the company (e.g., costs of litigation, harm to reputation for safety, costs of fixing the automobile itself to reduce the risk) will often be couched solely in terms of a common metric—money—which substantially attenuates the perceived severity of consequences of the situation. Moral responsibility and thus the agent's attributed level of moral approbation will be reduced accordingly, permitting him/her to act less aggressively to address the anticipated wrongdoing, in essence reducing the probability of moral action.

Organizations also frequently use euphemisms to mask or attenuate the severity of certain actions. The quintessential offender in terms of euphemisms is probably the military. Reporting battlefield deaths in terms of "body counts," for example, as the Army did during the Viet Nam War, tends to trivialize the fact that for each number in a body count, another human being lost his (or, less likely, her) life. The severity of consequences component of attributions of responsibility would be lessened by the use of such euphemisms.

Through these techniques and others, then, the organization can, intentionally or not, shape individual members' perceptions of the severity of consequences associated with organizational actions. As the severity of consequences is perceived to increase, attributions of responsibility also rise, along with the actor's behavioral response.

Moral Certainty. Organizations can also serve to reduce or enhance the level of moral certainty attached to a moral issue. Because organizational decision making is highly complex (Stephens and Lewin, 1992) and organizations are often hierarchical, individuals at lower levels often do not have all the facts that are deemed necessary to fully understand a situation demanding action. When moral issues are at stake—organizational wrongdoing, for example—lower level individuals may reason (perhaps correctly) that, although the problem seems evident enough from their perspective, if they had the vantage point of a higher level person, with the attendant information, they would see that only a minor problem (or no problem) existed. This phenomenon of isolation from "the big picture" is exacerbated by the tendency of some organizations to structure work relationships so that group members have little contact with members of other work groups. Any attempt to verify information or "compare notes" on moral problems is impeded by this type of structure. The perspective on moral situations in organizations described above reduces the amount of moral certainty that an individual member factors into his/her assessment of moral responsibility. The behavioral response necessary to achieve his/her desired level of moral approbation declines accordingly.

Moral certainty can also be affected by the culture of the organization. In some corporations, for example, the company "ethic" is that the firm's stockholders are the only appropriate beneficiaries of the fruits of their investments. Other "stakeholders" are of concern only for instrumental reasons; their claims have no intrinsic worth. This is a normative position, of course, and is not necessarily

“true” on its face; normative arguments that stakeholders have legitimate intrinsic claims on the firm have also been advanced. Nonetheless, firms that adopt this stockholder hegemony posture create a normative standard that may compete with “common morality” in the minds of some individuals in the company. At some point, these individuals may perceive moral ambiguity where before they saw moral certainty. Reduced attributions of moral responsibility follow.

Organizationally adopted euphemisms also play a role in increasing moral ambiguity. Morally neutral terms like “administrative gratuities” have been applied to corporate bribes, presumably to reduce the likelihood that they will be recognized as being morally improper and cause moral qualms on the part of company employees.

Another feature of corporate life that perpetuates moral ambiguity is the tendency of individuals and groups within the firm to avoid moral dialogue (Bird and Waters, 1989). Meeting topics in corporations tend to be couched in business terms—meeting goals, controlling costs, dividing up sales territories, setting quotas, etc.—rather than focusing on ethical questions. Moral issues are ostensibly thought of as peripheral to the main topic and “a waste of time” by many meeting attendees. This lack of “moral talk” greatly impedes the chance that anything approaching a judgment-affirming consensus will be reached. The isolation of individuals in organizations with respect to moral matters will tend to perpetuate, if not promote, moral ambiguity.

The recent tendency of some organizations to create cross-functional work teams with access to information from multiple sources makes it clear that organizations’ effect on moral certainty can also be positive. Such teams can reduce the isolation felt by organization members in traditional hierarchies and promote cross functional dialogue, reducing the probability that an individual agent will feel that he/she lacks enough information to make a moral judgment with a high degree of certainty. Research by Asch (1951; 1955; 1956) supports our case that reinforcement from others strengthens an individual’s resolve to act in accordance with internally derived judgments. Milgram’s (1974) obedience to authority experiments also support this conclusion. Under experimental conditions in which the subjects were given support for their reluctance to administer higher shock levels, they tended to substantially reduce the maximum shock level administered. In addition, far fewer subjects administered the full regimen of shocks under this condition.

Codes of ethics are another means that organizations use to increase moral certainty. Where moral ambiguity might otherwise exist, a clear statement of policy in a code of conduct can reduce it considerably. Many corporations have recently hired ombudspersons to handle, among other matters, ethical questions from employees. Discussions with these ombudspersons may serve to reduce moral ambiguity for organization members. The ethics training offered to employees of some firms could serve the same purpose. Further, although some organizational cultures may increase moral ambiguity, as discussed above,

others may decrease it. If an organizational culture includes such (implicit) policies as “always make sure the customer is satisfied,” many moral ambiguities—how to treat an out-of-warranty product failure, for example—will be reduced or eliminated.

In sum, organizations have the ability to both reduce and enhance moral certainty and hence affect attributions of responsibility by individual agents. The probability of moral behavior is thereby reduced or increased as well.

Degree of Complicity. Perhaps the greatest impact that organizations have on attributions of moral responsibility involves the degree of complicity that individual agents feel with respect to an ethical act. The very nature of organizations tends to diffuse responsibility. Stone (1975) documents the difficulty that legal mechanisms have in dealing with wrongdoing in corporations. Corporate decisions are often made using a variety of inputs from various units of the firm. In few instances is any single individual or even single unit fully responsible for a corporate decision. In many cases, responsibility is highly diffuse. Organizations that are highly bureaucratized exacerbate this problem; individual employees and work units are both specialized and compartmentalized in terms of decision making responsibility. The existence of such specialization can lead individuals to use it as an excuse to attempt to limit their responsibility as well. In the classic historical account of ethical wrongdoing entitled “The Aircraft Brake Scandal,” a character named Gretzinger says:

After all, we’re just drawing some curves, and what happens to them after they leave here—well, we’re not responsible for that. (Vandivier, 1972: 49)

He makes this comment despite his knowledge that the data on which the curves are based had been falsified. Diffusion of responsibility of this magnitude would mean that no individual would bear responsibility for any corporate decision.

Feelings of powerlessness with respect to high level decisions are made worse by limitations on information flows. Restricted information flows are epitomized by the military’s historical “need to know” criterion for exchanging information on the job: if a co-worker doesn’t need to know a certain fact or have certain data to do his/her job, he or she should not have access to it.

Smith and Carroll (1984) point out that diffusion of responsibility can be quite deliberate. One common rationale for avoiding responsibility for moral decisions is that individuals at low levels of the organization don’t have the positional authority to act on the moral aspects of corporate decisions and, because of their low status and commensurate (relatively) low pay, have no desire to do so anyway. “Let the people making the high salaries tackle the difficult ethical questions” seems to be a widely held view among occupants of lower echelon corporate positions, according to Smith and Carroll.

Such factors as organization structure and information flow, then, can be used to affect the degree of complicity organization members include in their determinations of attributions of responsibility. Their behavior will be modified accordingly.

Extent of Pressure to Comply. Organizations can also be the source of pressure to comply with decisions that are ethically questionable. In our example problem, an individual contemplating his/her response to organizational wrongdoing, the agent must take into account the fact that individuals within the organization often will not be anxious to have their wrongdoing exposed. If these individuals are in positions of authority, they can bring direct pressure to bear on the agent. This pressure can take the form of direct threats—termination, denied promotions, salary stagnation, undesirable transfers, etc.—or subtler forms such as reminders that performance reviews are based on a broad range of factors including being a “team player.” Other organizational factors that create pressure to comply include performance standards that focus on ends—quotas, cost cutting targets, profit levels, etc.—and ignore limits to the means by which these goals are met. In the Pinto fires case, top Ford executives, including Lee Iacocca, were aware of the exploding gas tank problem, but dealt with it by reminding lower level managers that cost targets, weight limits, and production schedules must be met. Implicit in this mandate was the fact that a “fix” to the gas tank problem would involve added cost, added weight, and production schedule delays. Ford executives did not have to say “don’t fix the problem,” directly; their intent was clear (Dowie, 1977). In his revealing book, *Moral Mazes*, Robert Jackall (1988) stresses that corporate executives rarely order a subordinate to do something unethical, let alone illegal, directly, they simply stress the facts of a decision that *are* important—ends, not means.

In addition, the compensation packages for many corporate personnel often depend on performance measures that may be negatively affected by revelations of company wrongdoing. Status factors within the general business atmosphere also create organizational pressures to succeed in economic terms, not moral terms. As Stone (1975) points out, in business, prestige generally accrues to those who achieve economic success—profitability—not ethical purity; reputations may be more extensively harmed by weak financial performance than by ethical breaches. In addition, peer pressure within organizations can weigh heavily on individuals who consider reporting organizational wrongdoing. In an examination of “peer reporting,” Treviño and Victor (1992) found that, although individuals who engaged in this practice were considered to be highly ethical, they were also considered to be unlikable. A potential peer reporter must weigh his/her moral standards against his/her desire to be liked by other group members.

Finally, in organizations, as in life in general, there is a tendency to punish the messenger who delivers bad news, often without regard to the ultimate benefit that the news may cause. Individuals within organizations are often aware of this tendency and are understandably reluctant to be the bearer of bad news, a role they must play if organizational wrongdoing is to be avoided. Organizational pressures to comply can also be designed to promote ethical rather than unethical behavior. Codes of ethics, for example, can specify penalties for certain kinds of unethical conduct. Top managers can make it clear that ethical *means* must be employed in the pursuit of organizational ends; moral limits can

be set. Indeed, organizations can strive to develop cultures in which ethical concerns are on the same plane as other organizational goals; they can use their influence on individuals for good as well as for evil.

Through direct pressure or such indirect means as quotas or compensation packages, organizations can affect the strength of the extenuating circumstances an organization member believes may attenuate his/her moral responsibility. As pressure increases, attributions of responsibility are reduced, as is the likelihood of moral behavior.

In conclusion, this section has pointed out some of the numerous ways that organizations can affect the attributions of responsibility that individual members make with regard to the ethical issues they face. Attributed moral responsibility increases with perceived increases in severity of consequences, moral certainty, and degree of complicity, and decreases in extent of pressure to comply. Each of these factors can be affected by organization forces. Thus the organization can play a major role in moral approbation and, hence, in the probability that an individual moral agent will act on a moral judgment. If attributed moral responsibility is high, moral judgment and moral action are more likely to be closely linked than if moral responsibility is low. Organizations can affect moral behavior, both for better and for worse.

Conclusions

In this paper, we have addressed a facet of ethical decision making and behavior that has been given insufficient attention in the literature thus far—the link between ethical judgment and behavior. To date, although we know a great deal about moral reasoning, largely because of the work of Kohlberg (1976) and Rest (1986) on cognitive moral development, we know very little about why moral development is so weakly linked to actual moral behavior. Drawing on the recent work of Jones and Ryan (1997), we suggest that the moral approbation construct constitutes a viable theoretical connection between moral judgment and moral action. Human beings require moral approval from their referent groups—themselves or others—and organizations can play a major role in the gaining of that approval. First, organizations or subgroups of their members can be part of the individual's referent group. Second, organizational forces can affect the factors that individuals employ in determining the level of their moral responsibility, a key determinant of the moral approbation that they expect to receive.

This paper focuses directly on the means by which organizations affect individual decision making and behavior and, as such, suggests several possibilities for empirical research. Other areas for research also are implied by the moral approbation construct. For example, we strongly suspect that desired moral approbation will vary significantly among individuals; that is, moral approbation is likely to be an individual difference variable useful for studies of morality in human beings. The sources of individual differences are likely to be varied, but

philosophy, religion, socialization, biology, and cognitive development are potential determinants.

In short, the addition of moral approbation to the mix of variables currently under scrutiny should help us to better understand both individual morality and the effects of organizational forces on that morality. More colloquially, this paper make us better able to understand why "good people do bad things" in organizational settings.

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