

# **Benchmarking Ethics: Generational Views on Organizational Justice**

Juliette Gust and Eric Morehead

## **Introduction**

LRN conducted a survey of more than 8,500 employees representing 13 industries and 15 countries to develop its second Benchmark of Ethical Culture (“Report”). This survey was conducted with the following questions in mind:

- How does culture influence business performance and reduce risk?
- What aspects have the greatest effect on shaping employee behavior?
- How does culture vary based on who you are and where you sit in an organization?

The Report builds on 30 years of research that LRN states “conclusively proves that ethical cultures don’t just protect corporate reputations, they also propel the bottom line.”

## **Generational Differences**

The Report demonstrates how ethical culture varies by generation, to include Boomer (60+), Gen X (44-59), Millennial (28-43), and Gen Z (18-27). LRN’s research revealed that the Millennials achieve a higher culture score than the other generations, and Gen Z scores lower. The dimensions scored include:

- Trust
- Leadership modeling
- Ethics and Compliance program impact
- Corporate ethics
- Incentives
- Principled performance
- Transparency
- Organizational justice
- Psychological safety

The generations demonstrate a distinct difference in tolerance for unethical conduct. For example, 22% of Gen Z respondents admitted to engaging in behavior that they believe violates their organization's Code of Conduct or ethical standards.

The selection of reporting channels to report misconduct varied across generations, as did the barriers to reporting. Fear of retaliation was consistent across generations, but less so for Millennials and Gen Z.

### **Leveraging the Report Data**

The results of the Report suggest that “good ethics is good business.” Employees, customers, investors, and regulators all prioritize an organization's commitments to values, people, and the environment in which they operate.

This focus on a higher standard of workplace conduct and standards of behavior underscore the need to tailor training and messaging considering the perspectives of each generation, with new incentives and enforcement mechanisms to encourage ethical conduct.