

*The*  
HOSPITALITY LAW  
CONFERENCE

Benchmarking Ethics  
Generational Views on  
Organizational Justice

*Juliette Gust & Eric Morehead*

OCTOBER 9, 2024

# Juliette Gust

CO-FOUNDER & PRESIDENT, ETHICS SUITE  
SCOTTSDALE, AZ

- Co-Founder of Ethics Suite, an anonymous employee “hotline” intake and case management platform provider, among other GRC tools and services.
- Led more than 2,000 investigations spanning 75 countries and has advised on more than 10,000 employee ethics line reports.
- Former Director of Fraud Investigations for global hospitality company with ~180,000 employees in more than 100 countries.





# Eric Morehead

Director Advisory Services, LRN Corporation

AUSTIN, TX

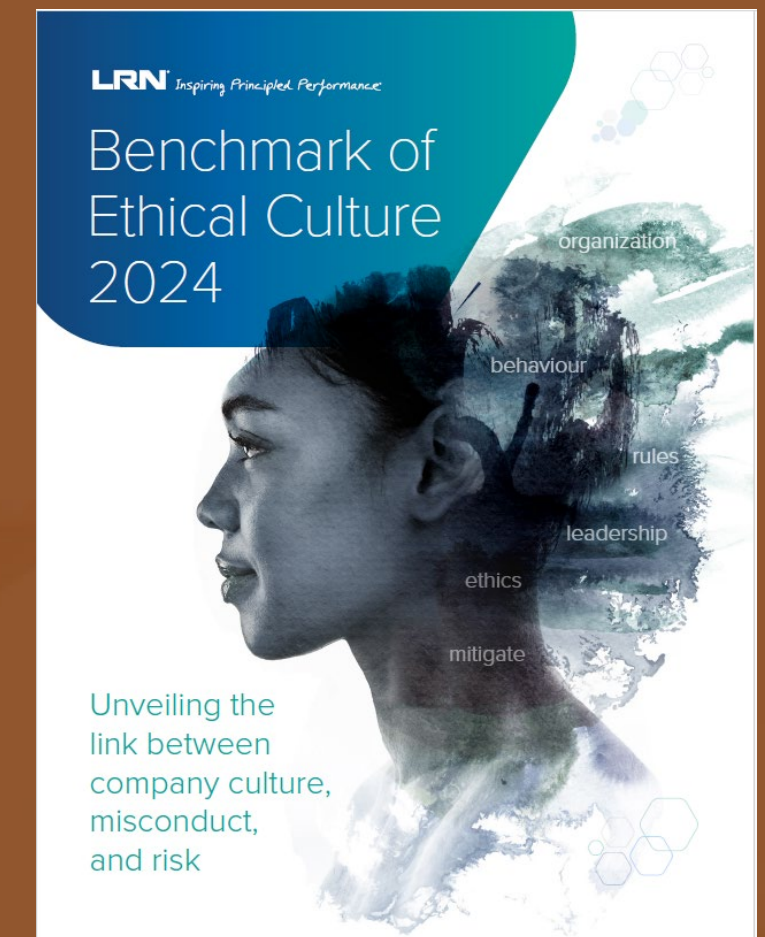
Two decades of experience working with organizations seeking to address compliance issues and build effective compliance and ethics programs.

Former head of Advisory Services for NYSE Governance Services.

As Assistant General Counsel of the U.S. Sentencing Commission, Eric served as chair of the policy team that amended the current Organizational Sentencing Guidelines in 2010.

# LRN's Benchmark of Ethical Culture Report

- Survey conducted by LRN, covering 8,500 employees across 13 industries and 15 countries.
- Focused on the following questions:
- How does culture influence business performance and reduce risk?
- What aspects most impact employee behavior?
- How does culture differ by role and position in an organization?
- Key Insight: LRN's 30 years of research shows that ethical cultures don't just protect reputations—they drive financial success



# How Ethical Culture Varies by Generation

- Generations covered:
  - Boomers (60+), Gen X (44-59), Millennials (28-43), Gen Z (18-27)
  - Millennials score highest in ethical culture metrics, while Gen Z scores lowest.
- Scored Dimensions Include:
  - Trust
  - Leadership modeling
  - Transparency
  - Organizational justice
  - Psychological safety
  - Ethics and compliance program impact

# Generational Attitudes Towards Unethical Conduct

- Notable difference in the tolerance for unethical conduct across generations.
  - 22% of Gen Z respondents admitted to violating their organization's ethical standards.
  - Selection of misconduct reporting channels also varied across generations.
- Fear of Retaliation:
  - Fear of retaliation was a common concern across all generations, though less prevalent for Millennials and Gen Z.

# Pressure to perform: justifying unethical behavior?

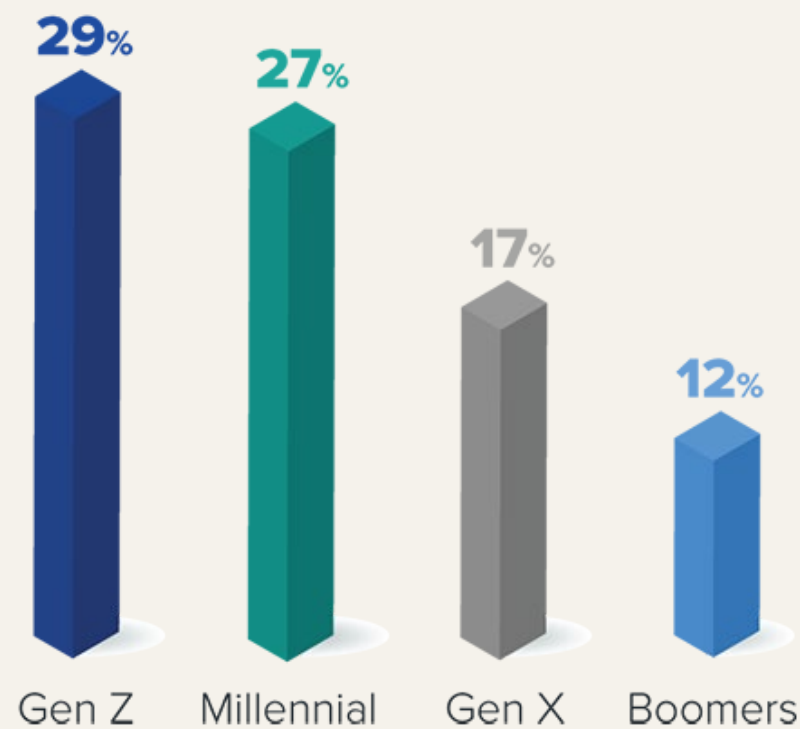
**66%** employees do not feel pressured to achieve business objectives if it means acting unethically

**23%** agree it is OK to break the rules if needed to get the job done

**14%** say they themselves have violated their company's Code or standards

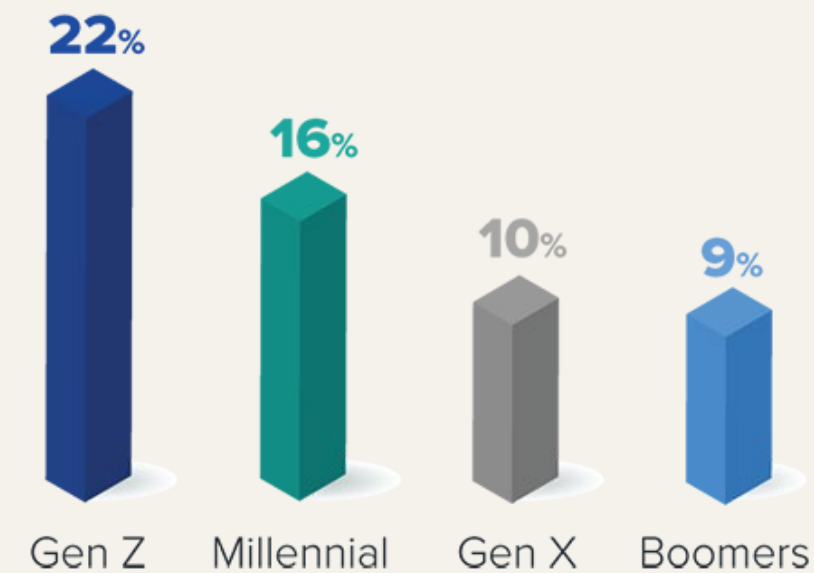
It is okay to break the rules if needed to get the job done.

(% agree)



In the past year, have you engaged in behavior that you think violates your company's Code of Conduct or standards?

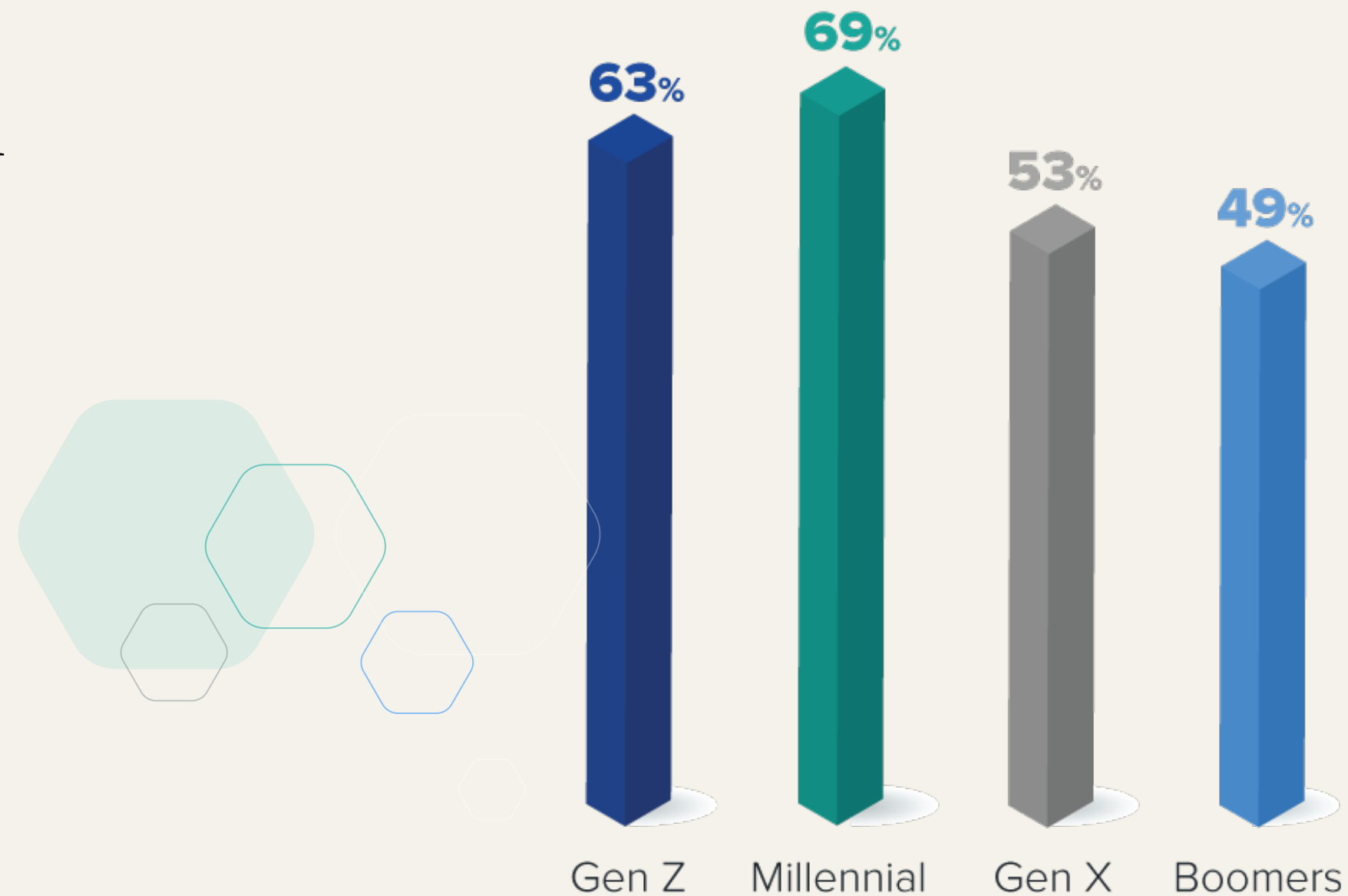
(% yes)



# Generational divide

I have used my company's code of conduct as a resource.  
(% agree)

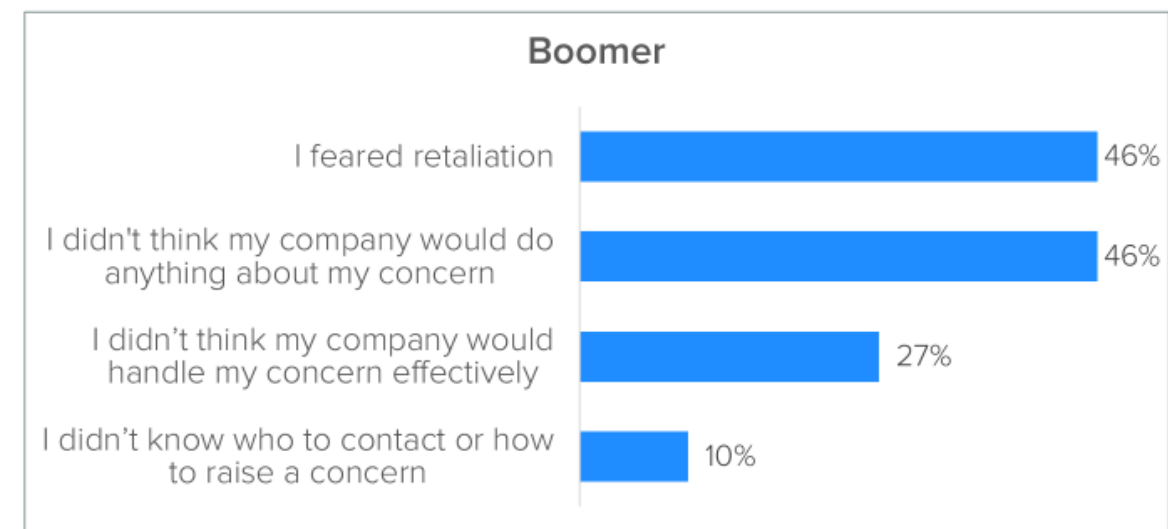
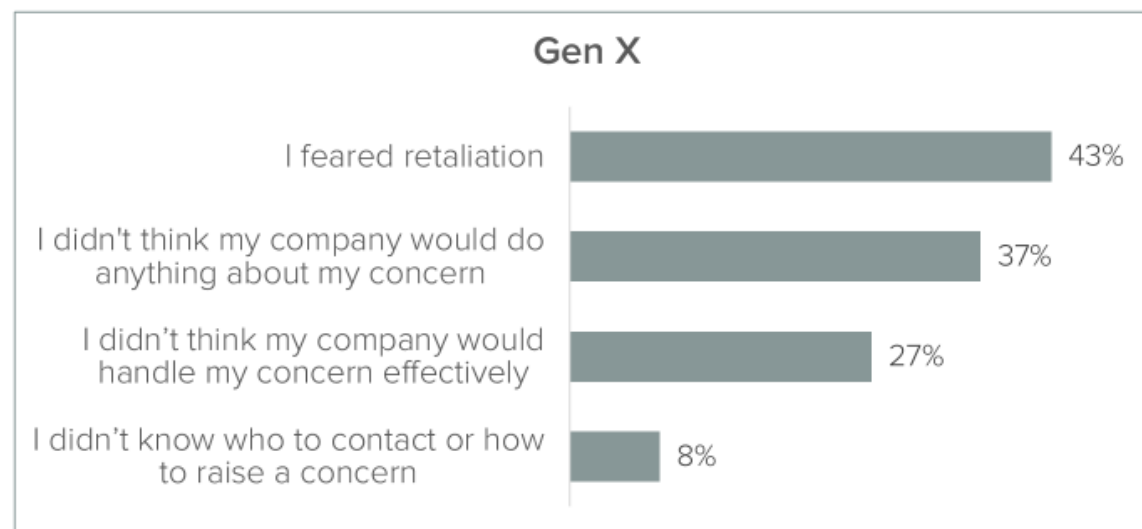
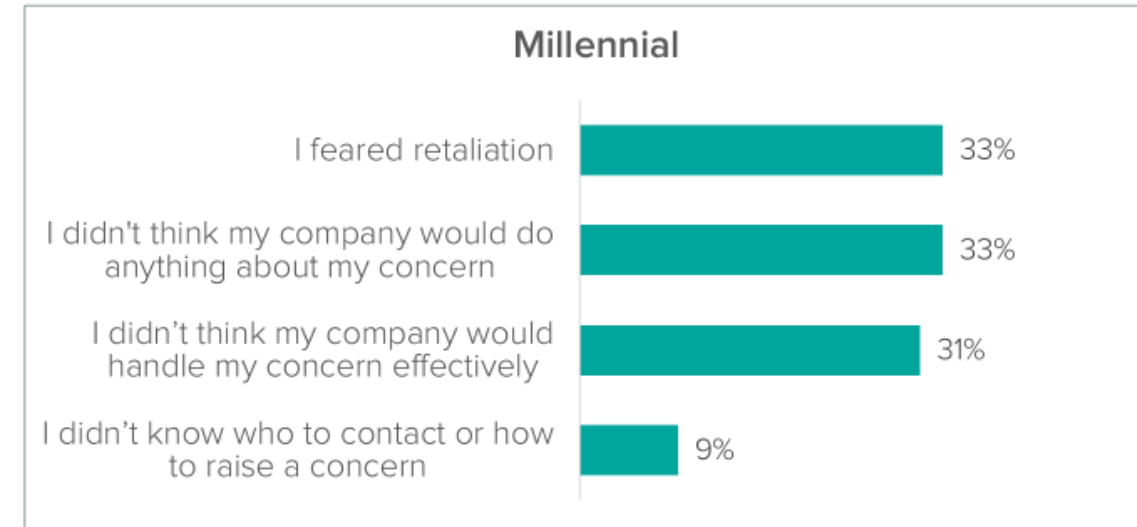
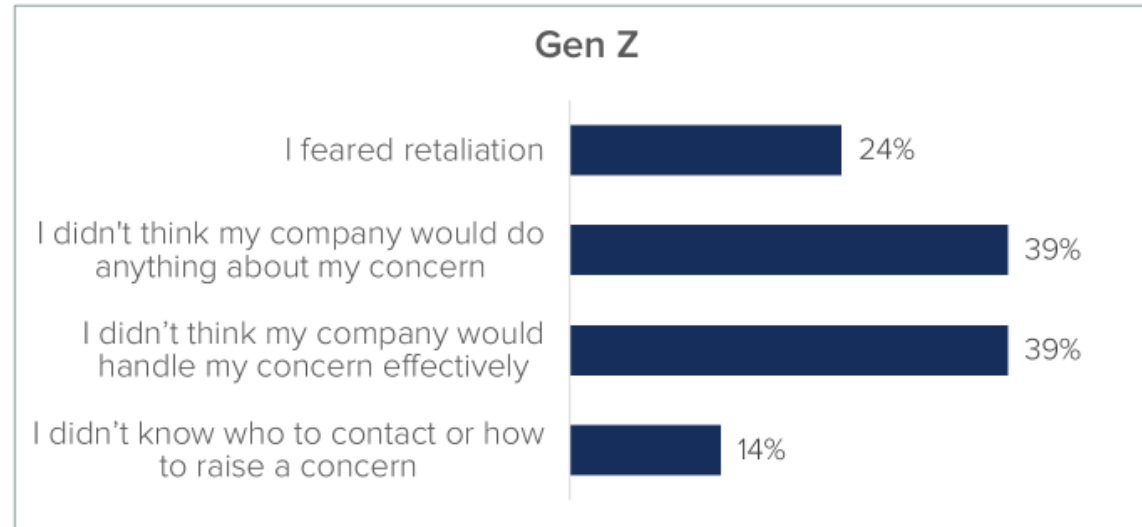
The stereotypes are there in all areas of our daily lives – and our research is exposing some troubling gaps. What is shown here is a real divide in employee engagement and understanding, forcing us to think of strategies on how best to welcome and enable Gen Z to become ethical decision makers in their day-to-day work lives.





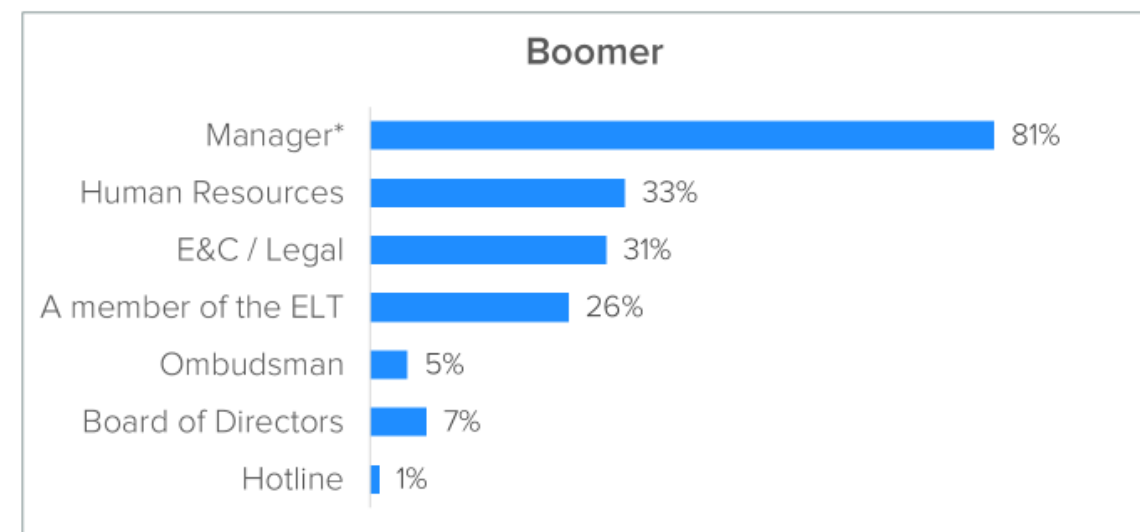
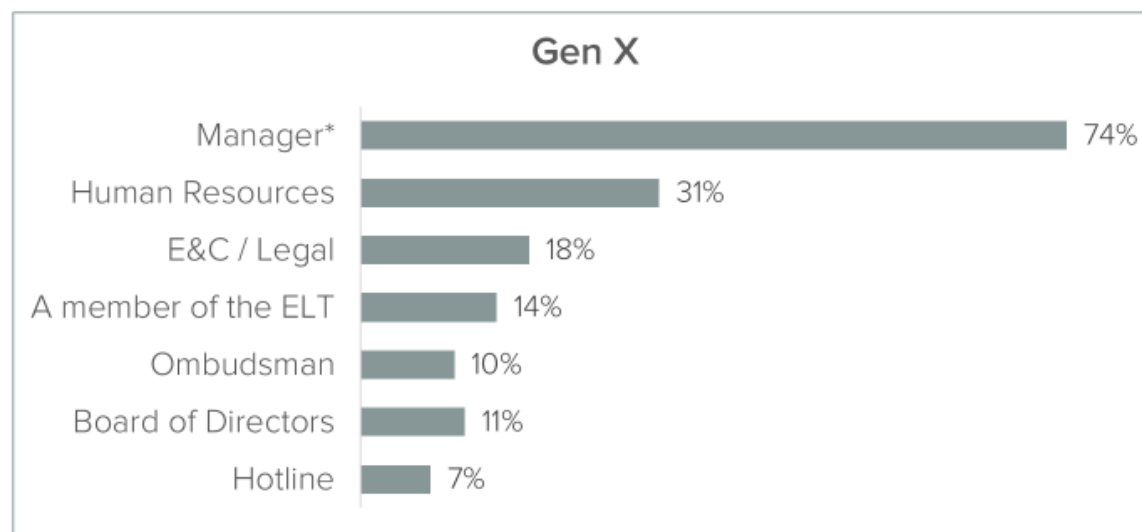
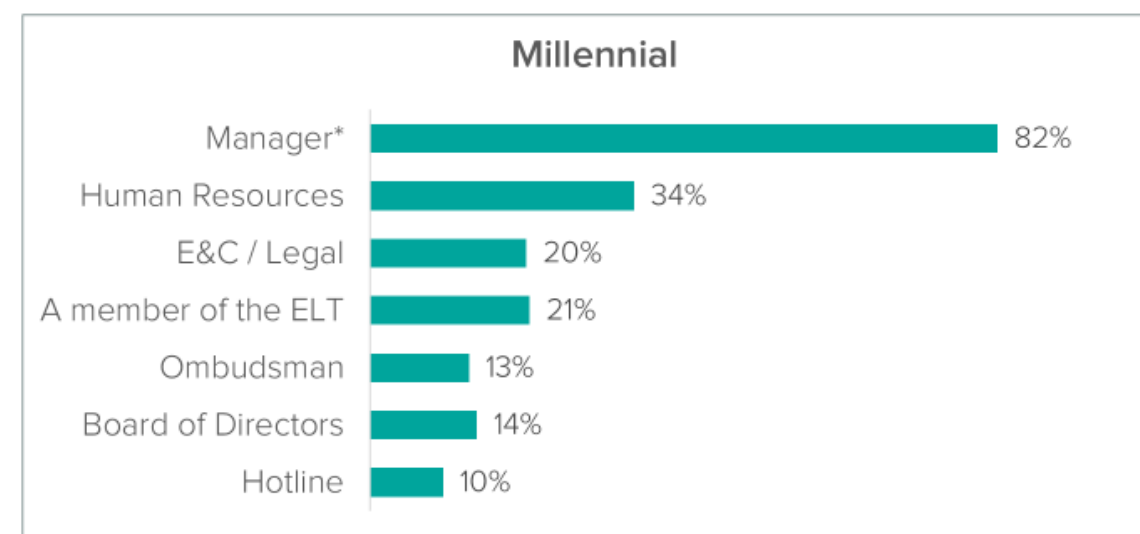
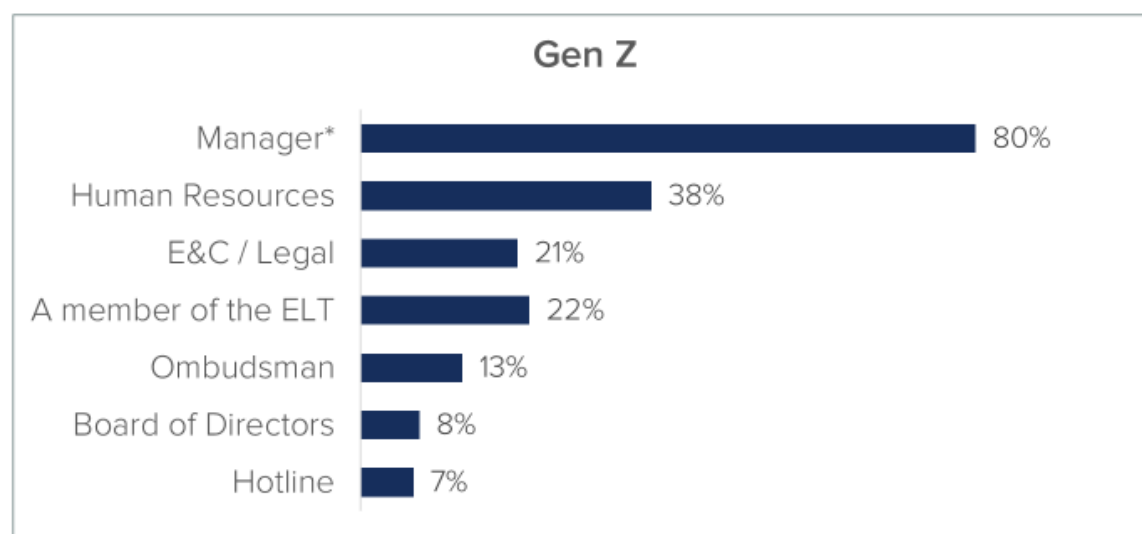
- Barriers to reporting vary across generations:

### Barriers to reporting (selected)



- Preference for reporting is reasonably consistent across generations:

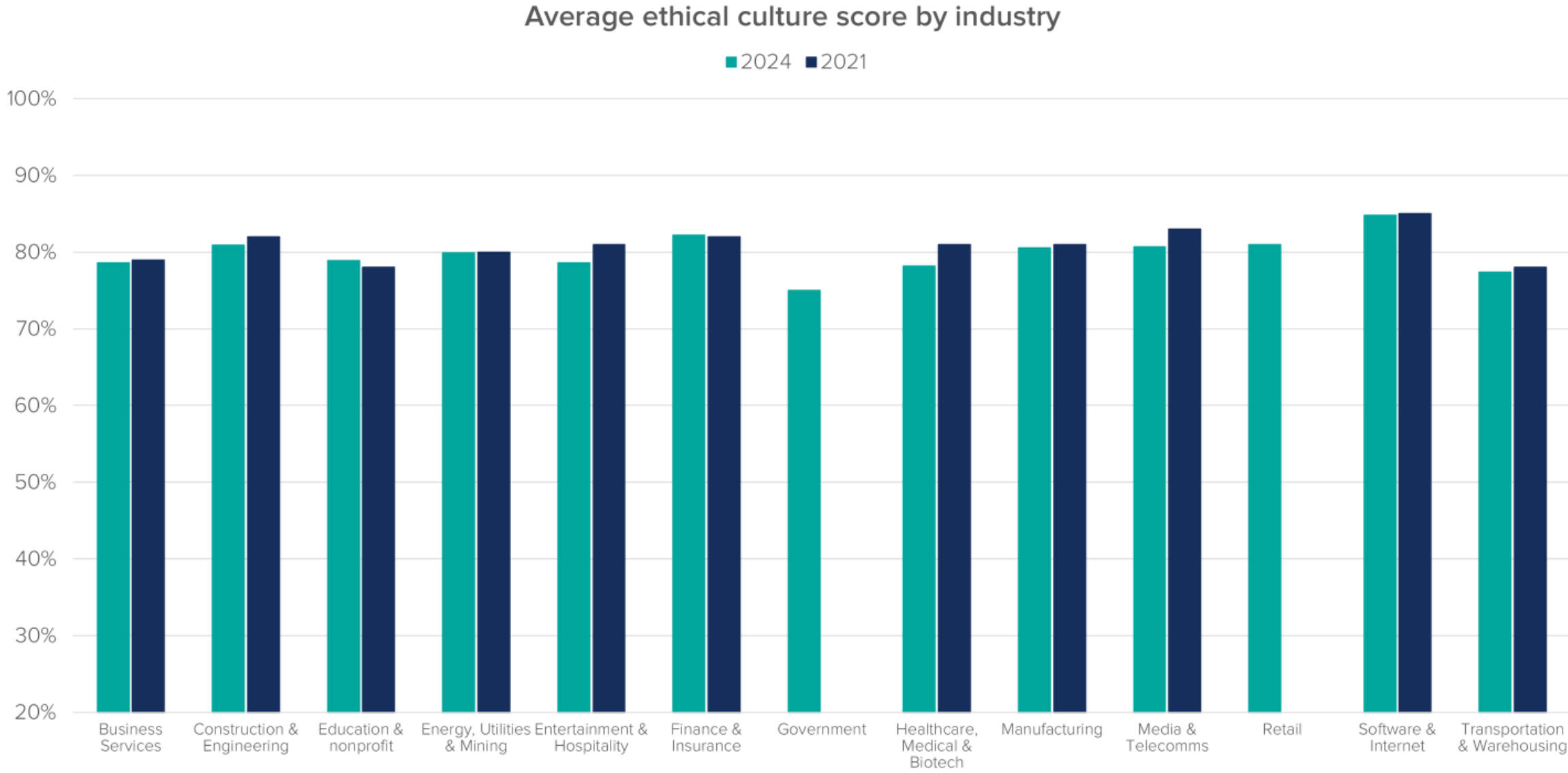
**Reporting channels**  
(select all that apply)



\*Combination of "my manager" and "another manager"

# Additional Data Insights

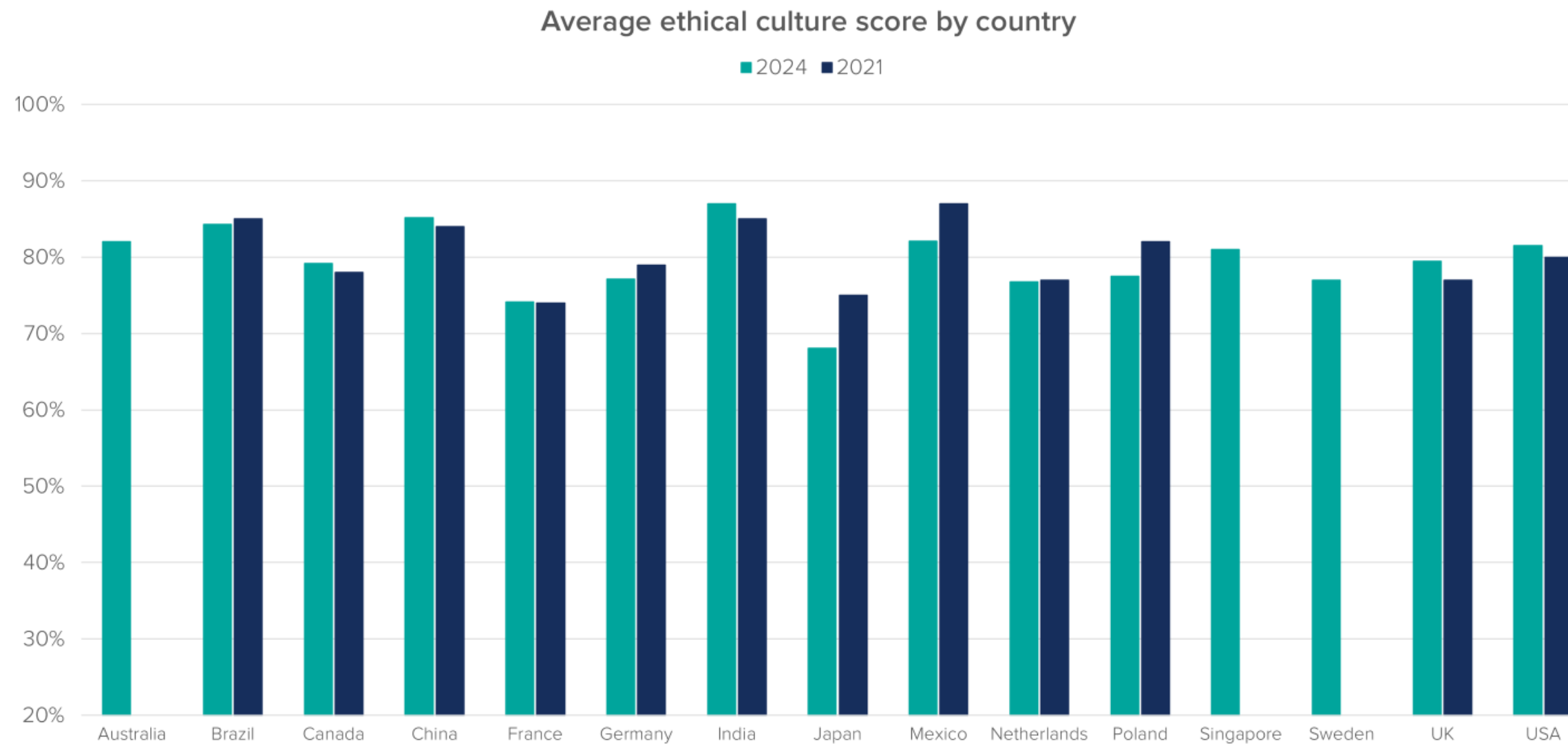
Culture score is reasonably consistent across industries.



Average of all culture items on a scale of 1-5, converted to a %. Government & Retail were not included in 2021.

# Additional Data Insights (cont.)

Culture score by country shows some downward trends.



Average of all culture items on a scale of 1-5, converted to a %.  
Australia, Singapore, and Sweden were not included in 2021.

# Leveraging the Report Data

- The report emphasizes that ethical business practices benefit employees, customers, investors, and regulators.
- Focus on values, people, and the environment is key.
- Implications for Organizations:
  - Tailor training and messaging to each generation's perspective.
  - Introduce new incentives and enforcement mechanisms to encourage ethical behavior.
- “Good Ethics is Good Business” - Ethical culture is a driver of business success.



# Points for Discussion

How do these show up in your organization?

What are the challenges from your perspective?

Are these topics that your CCO has brought to your attention?

How many Gen Z employees are in your organization?

Are you capturing metrics surrounding work arrangement, generation?



**LRN**<sup>®</sup> *Inspiring Principled Performance*<sup>®</sup>



**WE APPRECIATE YOUR  
TIME AND ATTENTION!**

**Juliette Gust**  
Ethics Suite  
(305) 301-9603  
[ethicssuite.com](http://ethicssuite.com)

**Eric Morehead**  
LRN Corporation  
(512) 961-3890  
[LRN.com](http://LRN.com)

*Thank you!*