

# **Ethics and Generational Differences: Interplay Between Values and Ethical Business Decisions**

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*“Generational differences increase an organization’s vulnerability to miscommunication, misunderstanding, and unproductive conflict. Organizations that resolve potential conflicts effectively have learned to focus on results, as opposed to zooming in on traditional ways of getting those results.”<sup>1</sup>*

## **Introduction**

Regarding business ethics, most company statements include language about integrity and purpose. In the last several years with the strong focus on ethics, partly in reaction to widespread business misconduct, many companies have put resources directly toward strengthening their ethical backbones. This necessary effort requires some understanding of how ethical perspectives develop, what factors influence their development, and how those views are demonstrated at work. When asked, most people say that ethics is some form of ‘doing the right thing’ or ‘following the rules’ or ‘telling the truth’ or similar behavior. It’s almost as though there is a *de facto* official response to the question of ‘what is ethical behavior?’ in most work settings, regardless of the age or experience of the work force.

Despite official action and statements, individuals *seem to differ* on what they believe to be the correct course of action—an assessment that is the foundation of ethical decisions and behavior. In fact, what might actually be significant are the different ways people express their ethical values about work, human dignity and capability, and the opportunity to advance both self and the organization. It may well be that the core ethical values are actually more similar than different and the widely differing work behavioral styles create an impression of different value systems operating in different generations. To help ensure good, ethical decision making at

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<sup>1</sup> *Bridging the Generation Gap: How to Get Radio Babies, Boomers, Gen Xers, and Gen Yers to Work Together and Achieve More.* By Linda Gravett, Ph.D., SPHR & Robin Throckmorton, M.A., SPHR, Career Press © 2007, p. 122.

work, business management and human resources professionals, in particular, need to have information about how different generations approach questions of integrity and purpose.

In today's workplace, four distinct demographic generations work side-by-side with interesting, challenging, and often very creative results. In their broadest definition, these four groups encompass employees born as early as 1925 and as recently as 1990. Shaped by differing political, cultural, and economic environments, members of each of these four groups share significant characteristics, seem to share many priorities and personal values, and appear to bring reasonably consistent, distinct perspectives to the workplace. These perspectives affect their behavior, including the key question for ethics—what is the right thing to do? This white paper explores the perspectives of these four groups, looks at areas of conflict and cohesion as they relate to ethical business behavior, and provides some conclusions to help the HR professional and others work toward environments more conducive to positive ethical business decisions.

### **Some Definitions & Theoretical Background**

Morality and ethics are intricately interwoven. Philosophical and other belief systems influence both. Defining each begins our examination of the central question we pose. Simplifying a dictionary definition of each, morals are a set of beliefs and values concerning what are good and bad, right and wrong. Ethics studies morals and develops principles about right conduct, particularly with reference to a specific culture, profession and/or mode of life.<sup>2</sup> A case can be made that beliefs and values are first individual and then later can become shared societal or organizational ethical codes. In the workplace, as individuals come together in efforts toward some identified organizational goals, they bring their individual moral beliefs and ethical principles to help them decide how to act. Each individual's motivation, priorities in life, and desire for consistent action to support their beliefs ultimately express themselves in behavior.

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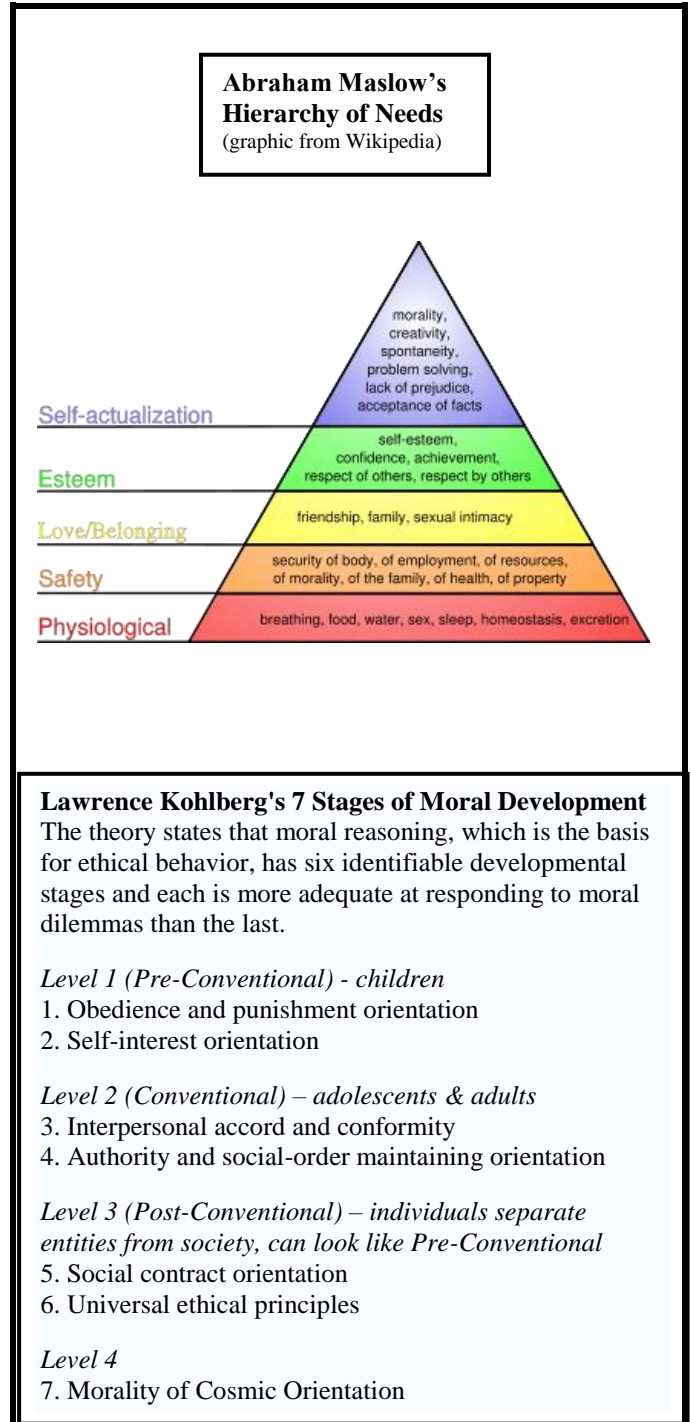
<sup>2</sup> Merriam-Webster's Collegiate Dictionary, 10<sup>th</sup> Ed. Merriam-Webster, Inc. Springfield, MA 1993

What questions do individuals consider when determining the right thing to do, especially relative to business decisions? They need to include the questions listed here and perhaps others as well, depending on the specific business.

- Who are the stakeholders and how will they be affected by this decision?
- What are the short and long term implications of each option being considered?
- Who stands to gain from each of these options? Who loses?
- If this becomes front page news, are you comfortable having your name linked to it?

In other words, what motivates the decision for each of us?

Over the last 70-plus years, many psychological studies have been devoted to the question of motivation. Ground breaking work of Abraham Maslow in the early 1950's described a hierarchy of needs that would influence or drive human behavior to meet those needs. Just a few years later, Lawrence Kohlberg posed a theory of seven stages of moral development. (See the sidebar for more information.) Kohlberg's perspectives were challenged by the work of Carol Gilligan. In the 1980's, she proposed that women view issues through different values lenses than do men; her work suggested modifications to Kohlberg's described stages. All three theorists spoke in generalities about motivation that could encompass everyone everywhere.



Frederick Herzberg applied Maslow's hierarchy of needs to the workplace. In 1968, he published a simple explanation of workplace behavior motivations. Herzberg divided behavioral motivations into those basic factors that people expect work to provide (adequate pay, safety,

opportunity to belong) and those that can be considered motivators (the ones that speak to individuals' inner needs). As HR professionals and business managers know, motivators and motivation issues play a critical role in performance management and business success or failure.

In the following decade, Morris Massey, a professor of business, proposed that an individual's value system and motivations were shaped by big picture social, economic, cultural circumstances operative in the first 12 or 13 years of life alongside a person's familial experiences. Thus, our generational "bias" becomes an unspoken foundation for what *we* think matters and it tends not to change unless powered by some "significant emotional experience."<sup>3</sup>

With value systems and motivation at the heart of ethics and divergent value systems seemingly inherent within the four generational groups, the existence of varied ethical perspectives among co-workers is not a surprise. The question for HR professionals and managers everywhere becomes *how* do companies build an effective means of ensuring sound and ethical business decisions in today's workplaces. Wikipedia Encyclopedia<sup>4</sup> defines business ethics as a "form of the art of applied ethics that examines ethical rules and principles within a commercial context, the various moral or ethical problems that can arise in a business setting, and any special duties or obligations that apply to persons who are engaged in commerce." In short, how can we solve actual business dilemmas using an organized, perhaps even formal, mutually agreed upon ethical frame of reference? And, how do the different perspectives of

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<sup>3</sup> According to Massey, significant emotional experiences (SEE) carry such intensity that they can challenge and alter our worldview. To qualify as an SEE, the experience must result in some physical, emotional, or perhaps spiritual trauma that lingers and affects our behavior thereafter (for better or worse). For example, an SEE can be health-related such as a cancer diagnosis, paraplegia, or a heart attack; emotional events might be a messy divorce, a child gone astray, or a significant betrayal by someone trusted.

<sup>4</sup> While some in the older generations may object to the use of this resource as a 'scholarly' reference, the authors have intentionally chosen to leave it in as a living example of the very issues this paper addresses. For more traditional resources and information on Maslow, Kohlberg, and others please refer to the following: "A *Theory of Human Motivation*" by Abraham H. Maslow, 1943 in *Psychology Review*, 50, p. 370-396; *Theories of Development* by W.C. Crain, Prentice-Hall 1985; "Key 51," *Management*, by Patrick Montana, Ph.D., Prof of Management, Hofstra University in Barron's EZ-101 Study Keys, Barron's Educational Series, New York, 1991.

these four demographic groups affect the ethical frame of reference? Finally, can we find congruence among the values and priorities of these various groups—at least enough to help develop an agreed upon ethical frame of reference for business needs and success?

### **Who's Who in the Generations**

Many books, papers, and articles have been written about the four different generations currently in the workplace over the past few years. Different forces and events shaped each generation and left imprints which express themselves in these generations' approaches to work. Here is an overview of the terminology for the purposes of this paper. Please keep in mind that, obviously, not everyone fits one definition exactly.

#### *Traditionalists*

Sometimes called Radio Babies<sup>5</sup> or Matures, these workers were born before 1946 and number 75 million. Shaped by the Great Depression and World War, these people tend to be conservative with an approach that work and duty come before play and pleasure. They have a tremendous respect for authority, following rules without questioning the reasons behind them. Loyalty and patriotism run deeply in this group.

The Traditionalists prefer face-to-face communication, although a surprising number use technology to communicate with grandchildren (Gen Xers), great-grandchildren (Gen Yers), and others. These workers came up through the school of hard knocks, many with limited formal education.

Some interesting perspectives on Traditionalists: The structure of DNA had not yet been discovered; big names in sports were Shoeless Joe Jackson and Joe DiMaggio; the automobile was a luxury item that only few possessed; telephones were rare; they may not have had indoor plumbing as children.

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<sup>5</sup> Tara Weiss, *Forbes.com*, Feb. 27, 2007

## *Baby Boomers*

Approximately 78 million Boomers exist, born between 1946 and 1964 and sometimes referred to the Me Generation because of their intense focus on themselves. They lived through the Vietnam War, the Civil Rights movement, and Watergate. “Never trust anyone over 30” sums up their original, youthful attitude toward authority. Boomers tend to be work hard / play hard people driven to achieve even in the face of great obstacles.

Generally, Boomers had a good education that included college. They want inclusive, participative workplace communications that allow everyone to be heard; interestingly, they are highly sensitive to political correctness which can act as a barrier to clear communication. Technology can be a double-edged sword for this generation. The Internet, cell phones, and other devices allow them to communicate more which they love and at the same time fuel their driven personalities, skewing their work/life balance to more and more work.

Boomers grew up with “all the modern conveniences” other than computers. Telephones and cars were a birthright. Sports “superstars” – before the concept really existed - included “Broadway” Joe Namath and Mohammed Ali. Man landed on the moon. President Kennedy and Martin Luther King were both assassinated during their formative years.

## *Generation X*

Also called “Xers,” these workers were born between 1965 and 1980 (different writers give differing end dates). Numbering about 45 million, these children witnessed the fall of Communism, played in the first wave of widespread personal computers, and often lived as “latch-keys” while their Boomer parents worked long hours and the divorce rate in the country climbed to a new high of 50% of marriages ending.<sup>6</sup>

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<sup>6</sup> Census Bureau

Also called “Slackers,” this group views education as a means to an end and often find work to be an unpleasant, necessary challenge.<sup>7</sup> They tend to be very self sufficient, pragmatic, skeptical, flexible, and entrepreneurial. They want achievement, yet fear being labeled as “strivers”. They do not do well with rigid structures.<sup>8</sup>

Xers are more comfortable with computers and a cell phone than a land line. Michael Jordan was the man of the hour for them in sports. Television gave birth to MTV while Punk rock and grunge music grew up.

### *Gen Y*

Born after 1980, these children of Boomers or young Xer parents came of age in a fully computerized society, including the World Wide Web. They also go by two other names, “Millennials” or “Nexters.” They grew up steeped in school shootings and AIDS awareness programs, repeated corporate and governmental scandals, and the first taste of international terrorism on U.S. soil.

The 80 million or so Millennials tend to be very well educated, often having graduate degrees. They are confident and tolerant and cannot imagine living in a world without civil rights laws. They tend to be socially and politically conscious at a young age. Communication by Instant or Text Messaging is the norm. However, they can also have unrealistic ideas about their “worth” in the marketplace; on more than one occasion, one of the authors of this paper has personally heard goals such as “company president by age 26” *in a company which they do not own*. A very salient point to remember about Gen Y: They can multitask and need multiple stimuli even while working.

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<sup>7</sup> John Manteiro, New York State Personnel Council, Oct. 25, 2006

<sup>8</sup> Barbara Brown, Ph.D., Virginia Hospital & Healthcare Assn., April 28, 2006



This group also wants balance in their lives - they expect to achieve and still leave work at 5pm. Saturated in a wide range of media influences from birth, their newscasters are Jon Stewart and Stephen Colbert on Comedy Central. Forget MTV, they get their own personalized music selections on their Apple iPod. They live in the true “15 minutes of fame” YouTube and MySpace world. Wealthy individuals travel in space with their private funds. Sports superstars for this group include Tiger Woods and Lance Armstrong, both of whom do far more than just play sports.

### **Workplace Collisions, Workplace Common Grounds**

Differences abound. Perspectives vary. All this is true. Yet, our workplaces have always been filled with people who have distinct perspectives. In a climate more attuned to the necessity of ethical decision making, what can we do to help build stronger internal alliances among employees who will, in turn, support one another to figure out and then do “the right thing”? After identifying differences, how can we help bring people together?

In our survey of many sources, the most frequently mentioned topics where the generations collide and thus potentially hinder ethical business decision-making include the definition of “good work ethic,” issues regarding respect, communication, and the use of technology.

The most common complaint among generations revolves around the issue of “work ethic.” Traditionalist and Boomers often criticize the younger two groups for their “lack of work ethic.” Much like the Supreme Court said once about pornography, the attitude seems to be “I know it when I see it.”<sup>9</sup> Research by Gravett and Throckmorton<sup>10</sup> strongly suggests that the problem is actually one of perception and understanding, not a lack of willingness to work hard.

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<sup>9</sup> Justice Potter Stewart, *Jacobellis v. Ohio* (1964).

<sup>10</sup> Reference footnote 1, not limited to the page mentioned.

Traditionalists define work ethic as being present for long periods of time; think of this as BIC – butt in chair – where no BIC is synonymous with not working. Boomers combine some BIC with collaboration, teamwork, and meetings as evidence of work ethic. Neither Gen X nor Gen Y orient toward work in those ways. Rather, they focus on working hard in an autonomous manner and having a positive impact on the business and the bottom line while maintaining a full, balanced life outside of work. By their own admission, these two younger groups must clearly understand the relationship between a project and organizational success before they buy in; once they buy in, they give it their all. In other words, while all four groups want to achieve results, their methods vary wildly.

Issues related to “respect” impact the ability of employees to work together ethically. The older groups expect respect because they have paid their “dues” – put in the time. The younger groups feel disrespected because while they have not put in the time, they do believe they make a strong contribution and know that the passage of time alone is not essential to success nor to providing real value to the organization. In addition, actual buying power (if not salary) seems to be decreasing and many new workers feel less hopeful about longer term economic success. *The Seattle Times* recently ran an article about the economic reality for Gen X and Y in which it noted that “inflation-adjusted earnings for men ages 25 to 34 with a high school diploma dropped from \$42,630 in 1972 to \$29,647 in 2002.” College graduates have also experienced a slide in earnings while taking on massive debt for their degrees.<sup>11</sup> Younger employees change jobs often to gain new knowledge and offset the increasingly unaffordable cost of living. Then, the cycle of gaining respect in a workplace starts anew for these workers. Jennifer Deal of the Center for Creative Leadership notes that workplace conflicts “have

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<sup>11</sup> *Seattletimes.com*, January 28, 2007

everything to do with the natural desire of older people to maintain their clout and the desire of younger people to increase their clout.”<sup>12</sup>

Collisions over communication skills and styles coupled with technology usage are common. As noted above, the older two groups want to discuss work issues in person. The younger groups very comfortably use email, voicemail, and other methods while working out business solutions. Many studies have shown that non-verbal cues such as tone, facial expressions, and body language make up anywhere from 60-90% of human communications. Thus, the use of technology impacts the greatest percentage of what is understood in workplace communications and effectiveness. Many Gen Yers use so much text messaging that they may not even know how to write business English, as evidenced by the growth in business writing classes and coaches. As management of businesses migrates to the younger workers, the overall shift in business communication methods will be very interesting to watch.

On the other hand, these four groups also have many things in common which can allow them to forge successful, productive business relationships that lead to ethical business decisions. Research has shown that regardless of age, people value achievement, competence, balance, and responsibility. They tend to trust the people they work with directly, more than the organization as a whole or “upper management.” And, everyone wants credible, trustworthy leadership.<sup>13</sup> Gravett and Throckmorton find that Traditionalists and Gen Y both want to be valued for their experience and ideas. Boomers, Gen X, and Gen Y are all looking for career development and to enjoy work/life balance. And, everyone wants to make a difference; they just use somewhat different language to express that desire.

## **Implications for HR and Ethical Business Management**

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<sup>12</sup> *Leading Effectively*, e-newsletter, Jan. 2007

<sup>13</sup> Jennifer Deal, CCL

In researching and writing this paper, we determined that an overwhelming amount of information exists on these topics. We have included a variety of some of the many valuable reference materials available in a list at the end of this paper. As we look specifically at how organizations can nurture employees to make ethical decisions both individually and in team settings, we urge you to consider the issues and ideas outlined below.

- Begin a conscious, internal campaign to position ethics as the #1 value and consideration for the organization and its employees.
- Above all, do not pigeonhole your employees by the demographics noted above. They are provided as a touchstone. Manage people respectfully, taking the time to understand individual motivations and ask them for input regarding how they work best. Insist on respectful behaviors at work—not just because the law demands it but more so because company success requires an environment that lets all people do their best.
- Identify clearly the priorities of the company, department, and/or organization and link these to individuals' work. Ensure that the stated priorities and values cohere with the implicit priorities and values in executed business decisions. Take time to clarify for all employees the critical need to support these priorities and values in the business decisions each makes. Whenever reasonable, learn the motivations and values of employees - focus on the congruence between individual and organizational goals.
- Focus on the business results you seek and not on the operational methodology, provided that it is ethical. Both the ends and the means need to stand the ethical test. These groups all want to achieve, they just go about it differently – look for commonality among employees and remember that many dimensions deserve to be respected (age, innovation, technological savvy, alternative work experiences, and more)

- Consider creating parameters for the definition of what it means to make an ethical business decision and include examples; invite input for a wide range of staff on different language and methods of promulgating these expectations. Publicize the process and the results. Establish ongoing training and support sessions to make the ethical guidelines real and relevant to all.
- Remember that while Boomers were steeped in the civil rights movements and its resultant federal and state legislation, younger employees view these laws differently. Given the media climate of their youth, they have different boundaries about what is and is not acceptable behavior in the workplace. Be aware that this can cut both ways and every right carries with it a responsibility.
- Although perhaps obvious to some, embracing diversity of opinion and methodology; supporting flexibility in policies, and cultivating an open mind to new ideas can be quite helpful in getting the best performance out of a person.
- Err on the side of more communication using more types of media. Face to face meetings for Traditionalist and Boomers, email blasts for the younger set . . . be creative.
- Look for ways to build relationships among people of different generations. Can you pair a Traditionalist with a Gen Yer on a project? They share some traits. Both have a sense of duty beyond themselves and a strong need for social interactions. Plus, the business benefits from knowledge transfer between an employee with a desire to mentor and pass along information and an employee with a desire to learn more and achieve quickly.

### **Where Do We Go From Here?**

Ethics in business, like myriad other organizational issues and needs, requires effective human interaction, a willingness to share ideas and expertise, and patience throughout the

process to arrive at a good conclusion. The more a business can cultivate an environment of respect for both the staff members and the needs/goals of the business, the more likely it is that they can develop stronger collaborative relationships and a shared ethical frame of reference. Within such a shared context, employees of whatever age and whatever generation will confidently bring issues to one another, scrutinize options, and make decisions that honor the people and the organization.

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*This paper was originally published in 2008 by the Society for Human Resources Management (SHRM) on its website. The authors have secured rights to publish the paper on their individual sites. Both authors served as volunteer resources on the SHRM Ethics Panel for several years.*

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