What the ‘We Want More’ Workforce Means
Ethics Matter for Your Business

It isn’t easy to be an “enlightened” CEO these days. Not only must we adjust to a new hybrid workplace of remote workers, technology-driven communications and shifting supply chains, but we must also adjust our work culture to embrace the demands of a workforce that isn’t like any that came before.

Today’s workforce is made up of four generations: Boomers, Gen Xers, Millennials and Gen Zers. The outgoing generation of senior executives — those creating and setting the tone for their company’s cultures — are a dwindling generation of Traditionalists and Boomers. The new workforce of X, Y and Z have a different view of their work and the role it plays in their lives.

Generation X, Millennials (Generation Y) and Generation Z:
• are hard workers (50% of Millennials have a side job) but value leisure time as critical to having a meaningful life;
• desire a holistic existence, strongly endorsing work-life balance;
• are stressed — according to a recent Gallup poll, even pre-pandemic 61% of women and 52% of men felt stressed on a typical day;
• want “purpose” and
• are mobile — it has become a career goal to diversify one’s work experience across roles, companies and geography. A Gallup poll says nearly half of all U.S. employees are considering a job change.

Creating a culture that attracts and retains this workforce requires a new perspective, new balance and even a new approach to organizing and managing your workforce. What keeps employees in place? A strong ethics culture AND engagement!

Gallup research indicates that employees who call themselves “engaged” are significantly less likely (30%) to be looking or watching for new job opportunities compared to those who are “actively disengaged,” where the number increases to 74%. What is the cost of disengagement? It is estimated that lost productivity due to disengagement is costing employers 18% of annual salaries. The cost to replace a worker is half to two times that annual salary.

Bottom line: Your ethics culture matters!

Does your company’s culture meet the expectations and needs of the new workforce? Research by the Walker Center for Applied Ethics at Marian University in 2021 shows that only 56% of Indiana employees feel their employers have a strong/strong-leaning ethics culture — lower than we would hope. One thousand employees across the state and from a breadth of companies by size and sector completed a 45-question survey to assess their experience with ethics at work. From that study, we learned that Millennials and Gen Zers are more than four times as likely to feel pressure to compromise and three times as likely to observe misconduct than employees over 55. And they are two to three times as likely to leave in the near term.

Your employees want a different workplace … perhaps their standards are higher, with a broader view of what it means for their company to be ethical.

According to our research lead by the Ethics & Compliance Initiative, high-quality ethics culture correlates with increased employee and customer engagement and as a result, improved long-term performance. A company’s ethics culture is the sum of its values in action, i.e., consistency of performance and action with its values (even under pressure) and organizational justice. A strong ethics culture features:
• a culture of speaking out and speaking up;
• a culture where reporting is encouraged and retaliation punished;
• a culture of collaboration and transparency, employee accountability; and
• leaders who act consistently with the company’s values, all the time.

Most Millennials — a total of 75% — would take a pay cut to work for a company with strong corporate social responsibility (CSR); so too would 55% of employees overall. A significant 65% feel CEOs should hold themselves accountable to the public and not just their boards of directors and shareholders — CEOs must lead … and lead with facts. They must act with empathy. CEOs must provide trustworthy content.

Traditional measures of loyalty, i.e., the number of years an employee stays, is no longer relevant — longevity should no longer be an expectation. With today’s mobile workforce, the goal of management should be to keep the good ones as long as possible and let them leave with a good impression that brings others to our doorstep. “Loyalty” should be measured in “good impression” currency, not years. A current or former employee willing to refer candidates to your doorstep is the pot of gold. Is your company’s ethics culture worthy of that version of loyalty?

The Walker Center for Applied Ethics has recently introduced the Ethics Culture Assessment to allow you to understand your starting point, highlight your strengths and focus your efforts to improve quickly and anonymously. Learn more at www.ethicscentermarian.org.

1. 2016 Cone Communications Millennial Employee Engagement Study
2. Source: 21st Annual Edelman Trust Barometer, January 2021

AUTHOR: Elizabeth Coit, MBA, is the executive director of Marian University’s Walker Center for Applied Ethics. She can be reached at (317) 955-6727 or ecoit@marian.edu.