

Ethical Determinants for Generations X and Y

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ABSTRACT. The present study examines student perception of protagonist behavior in three case vignettes. One demographic group consists of professionally employed MBA students who show characteristics of Generation X. The second cohort consists of Generation Y business undergraduates. Differences emerge between the groups. Even when they propose similar action, their respective rationale differs. Generation Xers show themselves to be astute pragmatists whose focus is on self rather than society. Yet the younger cohort, in its quest to find fulfillment, may give short shrift to some seasoned tenets of corporate conduct, including organizational mission, organizational politics, and organizational loyalty.

KEY WORDS: generations X and Y, student ethical dilemmas, workplace values clarification

Research avers that MBA's cheat more than other graduate students. Likewise undergraduate business students allegedly cheat more than their nonbusiness counterparts (McCabe et al., 2006). Such studies surmise that these students are simply emulating business practices. If such behavior becomes part of their habituated repertoire, they may some day join the ranks of those reviled for defiling their calling. Since MBA programs are seen as a passport to Wall Street, business schools must now endure guilt by association.

Reacting with defensive gusto to this professional degradation, Harvard Business School students recently waved banners heralding their "MBA Oath." They promised to eschew pursuit of their "own narrow ambitions" at the expense of others (Wayne, 2009). Across the land students move to recast the MBA as more than a speedway to surfeit. They willingly make public vows analogous to the

Hippocratic Oath of aspiring physicians. Schools are themselves also moving to the ethical fore. Over 55 institutions are participating in a Yale School of Management curricular pilot that grounds workplace behavior in a value-based framework (Sorkin, 2009).

While such students eschew Madoff-like machinations, do they show regard for the subtle nuance of ethics (Wood et al., 1988)? For many students, the folly of hedge fund managers is all too apparent, yet at the same time it is remote from the purview of their daily lives. As long as investors are making money and CEOs are staying out of jail, is stewardship peripheral rather than pivotal? In their personal lives, do students remain ethical agnostics whose mindset is denominated in dollars (Boyd and Yilmaz, 2007)? Avowing legality falls short of adopting ethics. Even when students act upon ethical premises, their value drivers may be generationally distinctive. Ethical notions evolve through time and espoused precepts can vary by age cohort. Demographic differences in attitude can result in customized definitions of appropriate conduct.

The observations in this article are culled from the iterative use of case vignettes in a classroom setting over the past 5 years. These vignettes are instructive since they depict actual student encounters with an ethical dilemma. By grounding an event in student-based experience, vignettes create a relevant context for audience discussion.

While such incidents lack the high drama associated with corporate titans, their very ambiguity provides fodder for values clarification. Three sample caselets are profiled in this article. They offer insight into the disparate mindsets of two student segments – Generation X MBA students and Generation Y undergraduate business students.

#1 – Socially sanctioned subterfuge

Alice is an undergraduate business student who has just returned from South America where she toured local villages near some ancient ruins. As she traveled through the countryside, she often remarked on how poor the villagers were and how many of them depended on the tourist trade to eke out a living. The destitute nature of the children was particularly difficult to see.

Some locals, including the children, had become quite adventurous in their schemes to profit from the wealth of their foreign visitors. When returning customer change after a purchase, these locals commonly dispensed counterfeit money. This region of the country was awash with such counterfeit currency but not all tourists were savvy enough to spot it.

Toward the end of her trip, Alice became privy to the extent of the problem. After one rather large purchase, she deliberately kept the counterfeit change rather than making a fuss about it. She proceeded on her way and turned the balance over to the first indigent-looking youngster that she encountered. The ensuing smile from the recipient conveyed his gratitude; the slight curl of his lip further indicated that he knew what his donor was doing. She did not want the money because she knew that it was technically worthless; he, however, could make use of it in an exchange transaction with another tourist who was less shrewd and wary.

Among the graduates, there is no approbation of the protagonist's conduct. By engaging in line extension, Alice chooses to be part of the problem. Another tourist will receive the counterfeit money down the road. Alice thus legitimizes the child's behavior. In elongating the deception, she tacitly endorses the scheme. She becomes a link in the chain of complicity. Might her response be tantamount to swindling an unsuspecting tourist herself? At the very least, she is continuing the cycle of poor choices. A more appropriate gesture would be to give the child some tangible item such as a loaf of bread. Ideally, Alice would have confronted the store owner in the first place.

Undergraduates, in contrast, filter perception through a distributive lens. Are resources fairly allocated among the respective parties? American tourists tend to be wealthy while the indigenous population tends to be indigent. It is time to reprise

Robin Hood. Imbued with a social conscience, the younger group inclines toward activism. Some of the more strident students brand the case protagonist a minimalist. They see her display of humanitarian concern as nothing more than perfunctory politesse – a feel-good gesture that requires negligible effort and outlay. The step taken is modest and skirts any attempt at problem resolution.

Undergraduate reaction includes some sense of national obligation as well. To the undergraduates, the world stage is more important than dyadic exchange. Country concerns supersede the sanctity of individual transaction. For a distribution criterion, these students opt for need rather than equity. When they discern scarcity, they see business – and businesspeople – as instrumental in remediating disparity.

#2 – Ruminating on a raise

Sheila is quite content with her present circumstances as a broker for a Boston firm. She enjoys the city and has no intention of leaving the many close friends she has in the area. Moreover, she is almost halfway through the MBA program at a local university.

While applauded for leadership potential in her most recent performance review, Sheila nonetheless views her near-term advancement opportunities as constrained due to soft market conditions. Mindful of the ever-increasing layoffs sweeping the brokerage industry, she is dubious about her prospects for enhanced remuneration yet reluctant to raise the issue directly for fear of precipitating some kind of political backlash.

Accordingly, she decides to contact her mother's brother who runs the trading division of a rival brokerage firm in San Francisco. Sheila has requested that he draft a letter offering her a job post in his office at a salary significantly superior to what she now earns. Her uncle has complied with Sheila's request. He would like to see his niece working in his San Francisco office even though he knows she has no intention of doing so.

Sheila is about to show the letter to her Boston boss. While emphasizing a preference to stay in her present position, she will also indicate how pleased she is to receive this external validation of her market worth. Sheila hopes that this strategy will induce her boss to increase her pay package.

Both student sets advise Sheila to complete the MBA. Later she can leverage the degree. In the meantime, she should focus on additional opportunities for development within the firm. If she must ask for an increase, her request can then be predicated on the merit of her job performance. For both groups, the deleterious consequences of her presumptive act far outweigh the benefit of any monetary increase. After all, she is completely comfortable in Boston. Why the forlorn feint when she is happy with her lot?

While undergraduates and graduates concur in their conclusion, they offer variant rationales in support of their position. With their call for caution during a downturn, graduates differ from pre-millennium MBA's who were less likely to push for prudence (Boyd and Kainen, 2005). In today's stormy seas Generation Xers cling to a financial anchor. The specter of recession tempers any thoughts of an adventurous sortie. Bluffing is high risk and can cause a self-inflicted wound. Even if Sheila's strategy succeeds, she will be compelled to show better performance. Can she meet these elevated expectations?

In particular, two problems surface for the older cohort. The first is a quandary Sheila poses for her boss. Solicitation of a counteroffer carries an implicit threat to quit. Rather than advancing her career prospects, Sheila may be endangering them. Her boss may believe that her compensation is already adequate. Moreover, if he grants the request, he might engender concern among her peers that they are no longer competitive. His favorable response could seed a ripple effect. Thus, the expected counteroffer might never come. Whatever the outcome, he will probably lose trust in Sheila's loyalty. He may harbor the impression that she will bolt once she completes her subsidized degree. She will be considered a fidelity risk.

Second, Sheila creates a problem for her peers. Even if the ploy is successful, she may unleash rancor from her colleagues. Should her deception be discovered, she could lose the trust of her network. Associates may regard her as an opportunist rather than a team-player. She will be vulnerable to political backlash. Trust is hard to build and easy to break. Sheila should proceed from the premise that sooner or later behavior will be revealed. Deeds have a way of surfacing for scrutiny. Some students especially

incensed with Sheila's behavior long to turn the tables on her. Would she like to work for a company where the boss lied to employees? Her actions bespeak a lack of integrity and a dearth of self-confidence. They are not suggestive of a leader profile. This is not a proud way to achieve a raise. Any kicker will feel less rewarding than remuneration justifiably earned.

Undergraduates are just as repelled as their graduate counterparts. However, their prime contention is the unfair effect on others – rather than the looming danger to Sheila herself. The first way is through unfair advantage of colleagues. Any largesse extended Sheila might foreclose options for her Boston colleagues. Her positive outcome is likely to hurt others – especially if the boss chooses to accommodate Sheila's request and as a consequence is forced to dismiss one of her peers. The second way is through unfair advantage of her uncle. Rather than chastising him for nepotism, they fault Sheila's use of him for potential gain. Her action is manipulative if she has no intention of working for him. She could hurt his reputation since he crafted the letter. She compels favoritism from a favorite uncle.

#3 – A fast farewell

John Young, who recently received his Bachelor's degree in accounting, has just been offered an interview trip to a company in southern California. That very morning John had accepted a position with a firm in his home state of New Jersey. However, it has been a blustery December in New Jersey, and John has never visited southern California. John wants to keep his career options open, and he has always been prone to "California Dreaming." Although content with the terms extended by his New Jersey employer, he is ready to pounce on any opportunity that suits his fancied life style.

Graduates seem bound by a sense of propriety. They adhere to a mental template of professional conduct. If they deviate from the protocol, they expect to be inexorably haunted. Generation X remains susceptible to a sense of loss aversion. When they burn bridges, they scorch themselves. Distrust negates networks. Generation Xers fault Generation Y perennials for reflexively gyrating among jobs consonant with their life style. This peripatetic generation

is apt to come and go based on personal whim rather than commitment to assigned tasks (Pham, 2008). Loyalty to company ranks below loyalty to family, friends, community, and self (Hira, 2007). This cohort does not expect to clock decades in one firm – nor do they wish to (Johnson, 2005). As a result, they have fewer occasions to develop tacit knowledge and their knowledge inventory will remain lean. According to Generation X, their younger colleagues would be better advised to adapt their mindset to the corporate setting (Yahoo! Hot Jobs and Robert Half International, 2008). MBA's prefer to stay in harbor rather than seek a new port. Graduates embrace the mentality of “earn your spurs.”

For its part, Generation Y sees no manipulative implications in its methods because “everybody” engages in these tactics to secure a job. Ever open to possibility, the younger group is ready to act precipitously. They exclude history or current context from their purview. Their tabula rasa youth renders them free of external constraint. A peer-based norm countenances opportunism. The lack of fit between personal and organizational ethics fosters turnover intent (Ambrose et al., 2008). When John Young backs away from his New Jersey commitment, the firm can just go to the next person on its list. If there is any hint of indiscretion here, it is easily rationalized by saying: “It is nothing compared to what others are doing” (McCabe, *op. cit.*). Such preconceived notions perpetuate a free-agent mentality.

The notion that they are expendable entities bolsters the penchant to roam. In an era when they are apt to be downsized without warning or mercy, they are acutely conscious of their LIFO status.

There is little employees can do to protect themselves from the whims of an employer. A recent survey found scant inclination on the part of Generation Y to linger at entry-level (Pham, *op. cit.*). They hold an a priori assumption that the psychological contract is null and void. Hence, the utility of departure often appears more attractive than the utility of dependence (Bigliardi et al., 2005; Trevor and Nyberg, 2008). At-will employment deprives them of security but it does absolve them of liability.

In addition, Generation Y harbors some residual resentment about the lot they have been bequeathed. Compared to their predecessors, they will be hard-pressed to secure a future. An economics study based on census data concludes that this generation's adjusted income level will fall below the generation before it (Nader, 2003). They may not be entitled to entitlement programs like social security – and yet they believe they should be. Their tenuous legacy impels them toward immediate gratification. The leitmotif is one of *carpe diem*. Fulfillment of this personal satisfaction entails more than monetary return – though they are mindful their foreseeable future is held hostage to a deluge of debt. They have a wish and a right to enjoy the fruit even if they have not yet done the labor.

Summary

Based on this study, Generation X subscribes to some time-honored precepts of organizational life. Among them are rewards commensurate with achievement, rank predicated on progressive advancement, and

TABLE I
Ethical referents among business students

Vignette	Behavior	Decisional factor
#1		
Graduate	Unethical	Protection of transactional process
Undergraduate	Ethical	Provision for social betterment
#2		
Graduate	Unethical	Prevention of personal risk
Undergraduate	Unethical	Preservation of peer options
#3		
Graduate	Unethical	Primacy of professional conduct
Undergraduate	Ethical	Perversion of psychological contract

regard for political norms. Their younger organizational colleagues, though, focus less on compliance with preconceived protocols. Instead, they direct attention beyond the company itself. At times they evince a myopic tendency toward self-gratification, while in other situations they trumpet the supremacy of social betterment. Regardless of the posture that prevails at a particular moment, invariably they are loath to surrender their soul to any corporate goal (Table I).

Though they suggest generational differences in perception, three caselets of themselves cannot certify such demographic predilections exist. However, they can serve as suggestive vehicles to spur self-examination by generational groups. Generic assumptions can affect perceptions of ethical and unethical behaviors encountered in the everyday work environment. Such ethical enigmas will enliven class debate and engender self-awareness. As Generations X and Y co-mingle in professional settings, they must work to ensure that their differences do not derail organizational discourse. And from an ethical perspective, both groups must prospectively probe all their deeds, small and large. If they do, they will be less likely to lapse into misdeeds.

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