



## **Employee confidence sags, honesty pays, more**

WASHINGTON (CBS.MW) -- Employees took a dimmer view in July of their companies' outlooks as a gauge of employee confidence fell, spurred mostly by a significant drop in feelings about job security.

The Gallup/UBS Employee Outlook Index, which measures beliefs about current and future prospects, slipped five points to 61 last month. The Index had a baseline of 71 when it was launched in April.

"These results reflect the general state of uncertainty that is prevalent in today's economy," Gallup Chief Economist Dennis Jacobo said. "Employees appear to be feeling the effects of the daily business news reports that are of concern to all Americans, from the boardrooms of Wall Street to the halls of Congress and the White House."

Over the past three months, employees' confidence in "present company conditions" steadily declined, sinking 12 points to 77 in July from 89 in April. Confidence in "future company conditions" fell 10 points to 64 in July from 74 in April.

While employees continue to view executives at their companies more favorably than corporate execs in general, overall confidence in senior management declined. In July, 83 percent of employees said the people in charge where they work are honest and ethical -- down from 87 percent in June. Only 48 percent believed most corporate execs are honest and ethical -- down from 54 percent in June.

## **Honesty is the best policy**

Corporate ethics scandals are taking their toll on the stock market, all right. But tainted companies are going to lose more than market cap -- they are going to lose customers.

Almost six in 10 Americans believe the recent stock market slide owes to corporate lying and dishonesty, a study this week found. Only 15 percent blame the economy and 10 percent said the threat of terrorism plays the biggest part.

More importantly, the poll conducted by public-relations firm The Cheronson Group found consumers willing to abandon unethical companies even if it means paying higher prices. Eighty-six percent would pay more for a product of similar quality from a company with a good reputation as opposed to getting a bargain from a disreputable firm.

"Dishonest companies will pay a price with investors and consumers," said Michael Cherenson, vice president of The Cherenson Group, based in New Jersey. "Companies with a reputation for honesty, however, will reap the rewards not only with its stock price, but they can actually charge more for its products and services."

### **Lining up for MBAs**

Maybe anticipating some job openings as more corporate execs are hauled off in handcuffs, students are stepping up their bids to get into Masters of Business Administration programs for the 2002-2003 academic year.

The Graduate Management Admission Council said 84 percent of business schools responding to its recent survey reported an increase in applications to their full-time programs. Almost half of private schools and a quarter of public schools reported more than a 21 percent jump in applications over last year.

"These numbers could not make it clearer. More people are committing to the MBA process in order to improve their competitiveness, security and marketability," said Dave Wilson, the council's chief executive. "The weakened economy and corporate uncertainty is a catalyst for young people to find avenues to distinguish themselves in a tight job market."

The No. 1 reason for pursuing an MBA degree, according to the 2002 GMAC Global MBA Survey, was "an opportunity to improve yourself, personally." Second was a desire to improve career options.

### **Humor me**

With all the gravitas that overhangs the corporate world these days, a little laughter might be just what the workplace needs.

Claire Berger, CEO of humor consulting firm FunnyWorks Inc., says humor is a valuable and essential -- yet often untapped resource -- for companies. People often shy away from bringing humor into their workplace for fear of looking foolish or unproductive, but Berger says the effect is just the opposite.

In her new book, "Funny Works! 52 Ways to Have More Fun at Work" (Seven Locks Press), Berger gives the top five reasons humor belongs in the workplace:

Laughter is medically proven to release physical and emotional stress. A good belly laugh aerobically exercises every large muscle in your body.

Humor improves the work environment. Unexpected fun brings unexpected results. "When workers fear a pink slip and instead receive a permission slip to have fun, outlooks and attitudes improve," Berger says.

Humor enhances interpersonal relationships. Cubicle walls crumble when people relate to each other with a renewed sense of humor. Management appears much more human when the laughter and sense of fun starts at the top, she says.

Happy employees are productive employees. Cold cash incentives are nice, but most professionals will tell you a positive, joyful work environment also holds an important appeal.

Freedom to think outside the box often produces profitable results. When you are allowed to bring your inner child to work, productive fun is guaranteed to follow.