

B. **Cynics** (1 in 10 employees): it is acceptable to tell a lie or be untruthful if it will give yourself an edge over fellow employees. This group however, does maintain that they are mostly/completely truthful w/colleagues & fellow employees. Much less likely to believe truthfulness prevails in the workplace with regard to the other constituents (mgmt, customers, etc). Cynics are much less likely than idealists to believe top mgmt is truthful w/mgrs, avg employees, customers, shareholders or press. Cynics drive some of the negative trends & thinking in the workplace.

Typical cynic more likely to be male blue collar, live in metro area in Northeast, relatively little education.

In internal relations, keep these 2 groups in mind -- one that will pretty much give benefit of the doubt & one which will almost never give it.

#### PERCEPTIONS OF MANAGEMENT IN KEY SITUATIONS:

**Immediate Supervisor:** Supervisor & employees see eye-to-eye on relative truthfulness & honesty of avg employee, whether it concerns relations with colleagues, supvr, customers, top mgmt.

- Employee relationships with supvr are a bit different. 30% of supvrs say there are circumstances when being untruthful or less than truthful is acceptable when dealing w/those who report to you. 1/5 employees agree with this. If it immediately affects relationship w/employees, supvr has a broader definition of what is acceptable truthfulness.

**Mid-level mgrs:** Most groups agree this group is most even-handed. Degrees of truthfulness don't vary from constituent group to constituent group.

- But these are not who avg employees have a lot of contact with, they are stuck in the vacuum but aren't the "bad guys" at the top. Avg employees don't have much to do with them so opinions about their truthfulness don't vary much.

**Top mgmt:** Perception of their honesty is mixed tho majority of employees see them as completely or mostly truthful with customers & middle mgrs.

- 1/3 of workers feel top mgmt is completely or mostly truthful w/media.
- These perceptions of honesty & truthfulness driven as much by ignorance of top mgmt as by anything else. Quite a few employees can't express an opinion of how mgmt deals w/various groups. Beyond the internal publics, most employees don't know how top mgmt deals with external constituency groups. Those most removed are the ones believed to be most kept in the dark by top mgmt.
- Would mgmt inform customers of a major mistake involving a product or service?
  - ¶ 2/3 of employees say yes -- definitely or probably.
  - ¶ 1/5 say definitely or probably not -- mgmt would try to cover it up.

## PRSA TOLD PEOPLE NOW AMBIVALENT, DISTRUSTFUL & WILL LIE; THE PLACE BEST ABLE TO CHANGE THIS IS THE WORKPLACE

What can we do about the decline of trust? Francis Fukuyama, sr social scientist, Rand Corp & author, *Trust: The Social Virtues & The Creation of Prosperity*, told the group's 49th annual conference it must be dealt with on 3 levels: government; corporate, i.e. the workplace; individuals.

- **Government's role:** Must distinguish between public & private trust. On the public level, gov't officials have to do what they say they will do. With regard to private trust, can do no more than not create further damage. Gov't cannot create private trust, but it can destroy it.
- **Workplace role:** This is the center of action of what can be done. Example is Saturn: High level of trust given to each employee. Every station on the assembly line has the ability to stop the whole line, which puts the ability to sabotage the plant in every employee's hands. But mgmt trusts employees not to abuse the privilege & thus demonstrates (symbolic communication) they care about employee & customer safety.
- **Individual's role:** Gov't & workplaces can't solve the problem alone. The bottomline is values, moral education. We want both individual freedom & a sense of community. We can't maximize both at the same time. They need to be balanced against one another.

### "AMERICANS TODAY WANT VERY CONTRADICTIONARY THINGS"

This is the challenge for pr -- dealing with publics that want utterly different, contradictory things.

- ¶ **"Family values":** A majority of Americans would say that the decline of the American family is a big social problem that we ought to do something about. But if you ask the same group of people if they would support a tightening of divorce laws so it's not as easy to divorce, they would not support that. Don't want any individual restrictions.
- ¶ **Cyberspace:** Most people using it are individualistic (don't want restrictions, want anonymity). They also want trust & a sense of community. Don't understand these 2 are not compatible.

By helping workplaces to get rid of hierarchy & "knowledge is power" games; by championing policies that make frontline team leaders & workers the centerpiece; by struggling against short-term profit motives to expand social responsibility & community relations programs, practitioners are attacking society's trust crisis.



**WHY EMPOWERING PEOPLE TO WORK TOGETHER IS THE ANSWER:**

**Human Capital** Modern wealth is increasingly dependent on human capital, not just on machines & technology. It's a social collaboration of a lot of people -- no economic activity today is simply carried on by individuals. So *interdependence* is what we need -- while demands for more & more *independence* is what we're getting.

**Economic Efficiency** "If you live in a society in which people trust each other on the basis of truth telling, reliable behavior, keeping promises, living up to expectations people have of you, then that society will be more economically competitive & more economically efficient than a society in which there is a high level of dishonesty & lack of trust," Fukuyama's studies find.

**Transaction Costs** Possible to run a modern economy in a society without any trust, but it requires rules, formal organization, authority, litigation, enforcement. These are all transaction costs, which are not necessary in a trusting society. We have to pay these costs now, which we didn't have to pay earlier in the history of our economy, when trust was greater.

**WARNER ETHICS STUDY PROBES DISHONESTY IN THE WORKPLACE**

A challenging study in many respects: "How do you get individuals to tell the truth about lying in the workplace?" asks Tom Miller of Roper Starch Worldwide, which did the research for sponsor Manning, Selvage & Lee.

- Not only American workers but Americans as a whole have become more cynical about truthfulness in our society.
- Cynicism about business leaders has also continued to grow. In the early 1970s only 1/4 thought biz execs tended to be less honest than others in society, now it's risen to 1/3.
- Most fascinating is that expectations of truth & honesty from org'ns has declined at the same time. 84% 12 yrs ago, now just 65%.
- Perceptions of business as well as expectations of business practices have moved in a negative direction in last 10-20 yrs.

"It's not just leadership & its ethics that are increasingly being questioned, it is unfortunately virtually everyone around us."

Not just a phenomenon of America's elites, political leaders, media leaders, business leaders. Perception of growing dishonesty is much broader-based than that. Number of people who feel they are quite often or almost always misinformed or overcharged by auto mechanics is up 16 pts; by auto dealers & lawyers has doubled in 17 yrs. Trend to distrust is up across the board.

**RESULTS:** 1. There's no doubt that the paycuts, downsizing, restructuring of the past 10-12 yrs have definitely exacted a price in loss of trust.

2. Mixed picture about how honest average employees are:

- ¶ 11% say the avg employee is completely truthful w/fellow employees
- ¶ 6% say not at all or quite untruthful w/colleagues
- ¶ 49% say avg employees are mostly truthful
- ¶ 24% say fairly truthful, not out & out liars

BUT 3/4 of all workers say the avg worker does indeed hedge the truth in certain circumstances. This level of cynicism we can all agree on. Very few differences between demographic variables -- age, job, gender.

3. How many believe avg employees, mid-level mgrs or top mgrs are mostly or completely truthful with their customers -- the people who keep them in business & pay all of their salaries? Perceptions of levels of honesty w/customers, & indeed with all the other constituents, is pretty much the same across the board -- there's no holier-than-thou attitude among employees of different levels. [See findings, end of p. 4]

"I think that frankly 20-something people, the so-called Gen-Xers, get a bad rap. There's a lot of talk about this group being particularly skeptical, cynical, disillusioned, apathetic & whatnot, & I must say that our research really does not point that out, at least not in any convincing way. In fact I sometimes think what's really going on is that we Baby Boomers, as we age, get more persnickety & start acting like our parents did when we were in our teens & 20s."

4. However there is something of an us vs. them mentality among avg employees. They tend to be more honest w/their colleagues & peers than w/top mgmt. Not a huge difference, but there is some difference between how people treat colleagues & how they treat people they report to.

5. Very strong differences in beliefs of employees in for-profit vs. nonprofit sectors. Is this an accurate representation, or self-righteousness? NPO employees feel they are considerably more truthful w/colleagues, mgmt, media, customers/constituents than do employees who work in for-profit businesses.

**2 KEY GROUPS OF EMPLOYEES REGARDING PERSONAL PSYCHOLOGY:**

"Personal psychology & attitude really drive people's perception of honesty & truthfulness. It's not demographic, gender or age, it's what goes on inside your mind that really differentiates attitudes in this critical area."

A. Idealists (1 in 3 employees): determined in 7 hypothetical situations it's NEVER okay to tell a lie. Idealists cut across all social groups, not defined by income, education, job level, region, place or type of work.