

# Why Happiness at Work? Why Now?

## It Started for Me When ...

I was in my early twenties and I'd landed what I thought was a dream job. An interesting financial institution, well-paid and in a prestigious location.

I hated every minute of it.

As I walked up the marble staircase on the first day, I knew I should have been excited. Thrilled to be there, expecting to grab the world and launch a successful career. But my head, heart, and guts were all screaming that I was doing the wrong thing.

Every day my stomach lurched with the dread of going into work. My office was located in a small basement with no windows. My boss didn't know what he wanted and would tell me to do something only to contradict himself a few hours later. One day his boss sent us all a memo which said, "When I come out of my office I expect to see your heads bent. When your heads are bent you're working and when they are not, you're not. This is not a holiday camp." For the 11 months that I lasted in that role, I was miserable.

My unhappiness at work spilt over into my personal life too. I was permanently exhausted and moody. One day trying to keep a cool head, I went for a run at lunchtime. As I pounded round the square under the lime trees, this thought popped into my head. "I wonder if I could get a little bit run over by a bus? Because if I could get a little bit run over, I could take three weeks out and not have to be here." Once I'd had that revelation I knew I had no option. I had to find something else to do.

Hunting for the next job, reality set in. I wondered if it was ever possible to achieve happiness at work. I'd had an education I hadn't much enjoyed, so didn't really see why a job should be any different. Then I thought about

what it might be like to hate most of my daytime hours for the next 45 years of my life. It was too ghastly to contemplate.

But were my expectations unreasonable? Was it possible to be happy at work?

## Why Happiness at Work Matters

If you're not concerned about happiness at work, you should be. Because there are huge downsides when you don't have it and upsides when you do: you know that without me telling you. If you've ever hated your job I'd put hot money that you knew what the negative effects were in terms of your effort, energy, and enthusiasm. But what about the upsides of being happy?

If you're happy at work you:

- Get promoted faster.
- Earn more.
- Get more support.
- Generate better and more creative ideas.
- Achieve your goals faster.
- Interact better with colleagues and bosses.
- Receive superior reviews.
- Learn more.
- Achiever greater success.
- Are healthier.

This last benefit is a big one. The higher your happiness levels, the stronger your immune system. You'll be less affected by stress hormones, develop 50 percent more antibodies to flu vaccines, be less likely to get heart disease, diabetes or have lung problems. In fact happiness looks as if it makes the same difference to your health as smoking or not smoking does. And that may add more than a decade to your overall life span.

And here's what our research has found. When we compare the unhappiest and happiest people at work, we've found that if you're really happy, you:

- Are 180 percent more energized.
- Are 180 percent happier with life.

- Are 155 percent happier in your job.
- Are 108 percent more engaged at work.
- Love your job 79 percent more.
- Are 50 percent more motivated.
- Have 40 percent more confidence.
- Achieve your goals 30 percent more.
- Contribute 25 percent more.

Too good to be true? Got it all back-to-front? Maybe you're thinking that all these marvelous things lead to happiness at work. Not so. Happiness leads to all these positive outcomes, not the other way round.

Happiness pays especially when you're under pressure. It's a valuable resource which not only generates career success but differentiates you from your colleagues too.

Now you know why it's so vital.

## What Is Happiness at Work?

Philosophers, commentators, and religious leaders have been arguing for millennia about what happiness actually is. Is it an end in itself or a by-product of what you do? Does it disappear if you focus on it? Is it part of who you are, what you do, or where you find yourself in life? Is it about the journey and the goal, as Aristotle says, or the high points on the way, as Epicureans argue? Or perhaps it's using reasoning to overcome negative emotions like the Stoics believed? Maybe it's the more Buddhist way of detaching and getting over it?

There's one thing that happiness at work absolutely isn't – as pop psychology has it. It isn't about always smiling, thinking positively, or about being in a permanently sunny mood: that's patently absurd. Nor does it work.

Based on our research as well as years of consulting and coaching inside large and small organizations, we've found that happiness at work can't be tied to any one single approach. It incorporates everything I've just mentioned. And it's not something you do on your own, you need others to help you achieve it.

It involves a mix of high moments accompanied by some low ones, a journey in which you grow and flourish, and at the same time overcome your negative emotions. And you can do that best when you use insight

and reason to help you. Sometimes the tasks, resources, outcomes, and time-frames are clear and comfortable, sometimes they're not. But the tough stuff results in learning. Because that's when you have to struggle to perform at your best, or make a breakthrough in what you're doing. So you extend yourself and fulfill your potential. It's hard and takes time. But moving from struggle to success – and repeating that cycle – is how you grow, develop, and achieve more.

It's how you become happy at work.

## Happiness at Work: A Definition

Here's what we think it is.

*Happiness at work is a mindset which allows you to maximize performance and achieve your potential. You do this by being mindful of the highs and lows when working alone or with others.*

There are three important points to this definition of happiness at work.

The first key to happiness at work is your approach and being aware of it. And that awareness needs to extend not just to the lows, which are obvious, but to the highs as well. Being mindful allows you to have perspective on a situation, which means you'll manage it better.

Secondly, broadly speaking the “Western” cultural approach holds that life and work are all about the individual not the group, while the “Eastern” approach is exactly the opposite. Our definition of happiness focuses not only on the individual but also on their role within a group because that's where most work takes place.

Thirdly, it's important to recognize the “yin and yang” effect. Growth of any sort involves accepting that discomfort and difficulty are part of the process. Happiness at work doesn't mean that you have to feel good 100 percent of the time. Or that you shouldn't feel the usual negative emotions you do at work. Like anger, frustration, disappointment, failure, jealousy, or shock. Those are the emotions that will propel you to take different actions to get back on your happiness track. They're not to be avoided but actively explored on your career journey. Just like the times when you feel so stretched that you aren't sure how you'll cope. Those are the moments that help you achieve your potential. The times that you look back at with a sense of accomplishment and achievement because you know you can deliver.

For example, I took part as an expert in a BBC TV series called “Making Slough Happy.” Our aim was to see if we could improve the happiness levels of a small industrial town just outside London. The town’s only claim to fame was that a well-known comedy, *The Office*, was filmed there.

It was an awful project to deliver. The hours were immensely long and the pressure to perform was huge. Not to mention the tension both on and off camera. Yet on the last day, filming at the huge festival that everyone taking part had organized, I was really pleased I’d done it. I’d experienced the fact that happiness is about stretching yourself to achieve your potential and you only do that by doing difficult things.

So do the highs matter? Of course they do. The moments when you make a breakthrough, have a brainwave, connect with someone, or simply experience a strong positive emotion are important. These are the internal signals that you’re doing the right thing. You’re on track. And if you don’t have enough of them, it’s time to reconsider what you’re doing. Right now. If you continue to put up with what you’ve always had, that’s what you’ll always get. And if we all do that, nothing will change.

And the world of work needs something different.

## **Now’s the Time for a New Approach**

Over the past few years a plethora of happiness books has burst on to the market. Psychologists, philosophers, and even the Dalai Lama have been adding to the literature. And although many of them disagree about how to build happiness, everyone agrees it’s worth a go. But most of them were written when the world economy looked stable. When the money-go-round felt secure.

More recently confidence has been shaken and trust battered. Many of the global business values, theories, practices, and processes have been called into question. And more than ever leaders and employees are looking for answers to tough questions. Like: “What should our organization stand for?” “How do we reward employees?” “How do we find clarity in the complexity?” “What does sustainable mean in the largest sense?” “How do we build a future?” “What are we expecting from our people?”

The answers to these questions will shape the organizations that survive and thrive over the next decade and more. They’ll affect our working practice and the global economy as a result.

So how do we find the answers? We need to make a fundamental shift to work that brings together some of the key recent findings in organizational research, psychology, neurology, behavioral economics, psycholinguistics, and anthropology. To create new models, new practices, and a new approach.

To bring that about everyone's got to be involved. Regardless of sector, nationality, product, service, role, or status. The only way to do this is to galvanize people around something that's practical, that's compelling for individuals as well as organizations, and that produces real results. Results of real and long-lasting value.

## Understanding Real Value

All organizations talk about "added value" and look for ways to measure it too. But when you hear this term the only aspect that's being addressed is the financial one. It's part of what's been an obsessive focus on shareholder value. I know that executive directors have a fiduciary duty to deliver this. But it's idiotic to suppose that it's a strategy: it's not. It's the outcome of a strategy.

By the way, looking for value beyond financial value isn't new thinking. Frederick Taylor, one of the first and toughest of management consultants who founded the Efficiency Movement, in his 1912 testimony before US Congress cautioned against putting financial objectives at the heart of an organization's mission and purpose. He believed that sound financial performance is the consequence of good business. When even Jack Welch, the former General Electric Chief Executive who ushered in the reign of shareholder value, thinks that "shareholder value is the dumbest idea in the world," you know an era is under question.

Now of course capital matters. The question is what kind. Because the organizations and individuals who will be most successful over the next decade are people who'll be actively pursuing a new sort of capital. The kind of capital that has been overlooked in the past which benefits the many, not just the few: psychological and social capital.

## Myth 1: Financial Capital Is All That Counts

I'd like to be really clear about one thing. Financial value is crucial to every organization. But driving any workplace from this standpoint alone is

putting the cart before the horse. Look at it in simple accounting terms. If you've ever read a set of accounts, you'll know that goodwill is worth something. It's an asset. But the goodwill that's embedded within individuals and groups is also a valuable resource that needs to be accounted for too. And nurtured because it's precious. Financial value is reduced or increased as a direct consequence of the relationships that individuals have with themselves and with others at work. Moreover, it's something that every individual and their organization benefits from. People come first. For sound financial reasons: how they feel has a direct effect on the bottom line.

Here's how it works.



### Human capital

Human capital isn't new; it's a term that was coined by Adam Smith in 1776. What it refers to is an individual's skills, talents, education, experience, and knowledge which in today's economy need constant upgrading. Human capital is an essential component for delivering financial value because the sum of it enables any organization to deliver on its strategy. That means it's important for every workplace to constantly think about how it manages its human capital.

But you can't optimize human capital without two other things first. Social and psychological capital. Social capital leads people to want to be in a group and learn from it, while psychological capital gives them the wherewithal to do so.

### Social capital

Social capital is a multilayered and dynamic concept that takes time to build. It consists of:

- Relationships and connections you have with others.
- A group, community, or society that you belong to.
- Interactions that flow from all the various relationships.

High social capital means you have shared values, goals, aims, and aspirations which in turn lead to common ways of thinking, understanding, and acting. You know it's in place when you have good working relationships; that means you'll be willing to take a risk within a group, commit yourself to its members, and in turn you can rely on them for their support. And they on you.

But you'll only really contribute to that group when you have strong psychological capital.

### Psychological capital

Psychological capital encompasses the mental resources that you build when things go well and draw on when things go badly. These resources include resilience, motivation, hope, optimism, self-belief, confidence, self-worth, and energy. All of which are key elements of happiness in a working context.

If you don't have a high level of psychological capital because you aren't happy at work, you'll only be going through the motions.

Yet very few people are aware of this.

In doing over 80 interviews for this book, I've found only two people who knew the term psychological capital. However, I'm certain that within the next ten years everyone will be talking about, measuring, and managing it too. Because it makes such an enormous difference not only to how you feel, but also to what you do.

Despite the fact that standard economic theory takes no account of feelings, emotions really do matter. They affect your personal investment, effort, and therefore your output too. And that of those around you. Psychological capital matters particularly in a pressured and stressed service economy which requires motivation, creative thinking, and perseverance, all of which happier employees have more of.

In other words, organizations do better when employees feel good about themselves and the colleagues they work with. Like financial capital this takes time, effort, and energy to build. Unlike financial capital it endures much better when institutions and markets crash and burn.

## **Myth 2: Happiness is Job Satisfaction or Engagement in Another Guise**

Of course there are a few overlaps and similarities between these concepts. But there are a couple of important differences between happiness and



everything else. Before I get to them, let's briefly define and discuss some terms.

### Job satisfaction

Most job satisfaction theories propose that it comes from one of three components. These include who the employee is, what their working environment is like, or what kind of conditions they work in. There are a couple of problems with all of them. Firstly, all the approaches were developed in a working world which was much more static. The very institutional and context-specific notion of how job satisfaction arises is much less relevant in a world where more and more people work when they want, where they want, and how they want.

Secondly, because job satisfaction is about making sure that you have the right person in the right place, there's very little room for maneuver. The only way to improve matters is to "fix the environment or fire the employee." It's an ideal approach for a command-and-control structure, but it's a very disempowering way of measuring or managing individuals because there's so little an employee can do. And it's very expensive.

### Engagement

Engagement in its purest sense refers to the relationship you have with your working environment and the strength of your connection to it. Thought to be the opposite of burnout, it's been broadly defined as "vigor, dedication, and absorption" and has been widely used by organizations and consultants for improving retention. But there are issues with engagement as a concept: it's even been described as "not theoretical, valid or unique." At its best engagement has been researched through using the concept of flow at work (which you can read about in more detail in Chapter 5).

But here's the central issue: in crunching through all our statistics – and we now have over 300,000 data points – we can see that engagement relates to 10 percent fewer items than happiness at work does. However, there are two more important details to draw your attention to. Firstly, engagement doesn't link to all our five components in as strong a way as happiness does; we can tell that because we've run sophisticated statistical modeling tests to check. These have revealed that although it's something that matters – who doesn't want to feel engaged at work? – it's not as "large" a concept as happiness at work is. This leads to the second point:

those modeling tests reveal that engagement – and job satisfaction – is something which happiness appears to encompass.

### Happiness: the crucial differences

There are three key differences which tell us why happiness at work is so important.

#### *Happiness is DIY*

The starting point of happiness at work is that it's self-initiated: we know that you want to make your working world better and enjoy contributing to it if you are given that opportunity. It doesn't work from the top-down: being happy at work operates best from the ground-up because you know most about managing and affecting your world. We know this because it's what our research statistics clearly indicate and that's backed up by our work inside organizations. Happiness is strongly linked to the idea of agency, but that's not widely accounted for in the satisfaction or engagement approaches.

Moreover, because the focus is on the individual rather than the workplace, it's easier, cheaper, and more flexible for organizations to implement.

#### *Happiness is strongly connected to productivity*

Unlike job satisfaction or engagement, we've found – and this is really crucial – that happiness at work is strongly related to productivity. And it's the only concept that is linked to productivity both consistently and progressively. That means the happier you are, the more productive you are. In other words, more job satisfaction doesn't mean more productivity and in the same amounts. Nor does more engagement.

Happiness does.

#### *Happiness is a bigger concept*

If happiness indicates job satisfaction and engagement but they don't work the other way round, the automatic implication is that they are both smaller concepts. That's backed up by statistical modeling that we've done which shows that happiness encompasses both job satisfaction and engagement and includes them within it. And because it's a broader concept, happiness gives you richer and deeper insights.

*Job satisfaction or engagement vs. happiness?*

Be honest: would you rather be satisfied, engaged, or happy at work? You decide.

### **Myth 3: You're Born Happy or Sad and There's Nothing You Can Do**

Twin studies show that our genes are responsible for a hefty 50 percent of our emotional experience and about the same chunk of our personalities too. We know that because David Lykken and Auke Tellegen, famous for their research in Minnesota, worked with 69 pairs of identical twins who were raised apart. They were all asked about their happiness twice over a nine-year period. What the researchers found was not only were their scores closely related, but also one twin's score pretty much predicted another's. So they concluded that a lot of who we are and what we feel is gene-driven and responsible for a happiness "set point."

Except that new and exciting neuroscience showing how malleable emotions are made David Lykken completely shift his thinking.

He said, "It's now clear we can change our happiness levels widely." Because there is now a lot of data which show that emotional levels fluctuate, sometimes quite extensively, over time. Think about quitting one job and landing another. You'll be delighted to be leaving one place and starting somewhere fresh and you may well experience what's called the honeymoon effect. Weeks or months later that may be followed by what's called the hangover effect – the point at which you realize what you're truly facing. This fluctuation suggests less of a fixed happiness point and more of a range.

That's backed up by research which began in Germany in 1984; studies were started to investigate what happens to happiness over the long term. People were asked to rate their happiness at various times and over the years those data have been compared and contrasted. What's interesting is that there have been substantial changes in some participants' happiness over 15–20 years – both positive and negative. That's backed up by further research into people who become disabled: unsurprisingly, their happiness levels don't get back to what they were when they were able-bodied.

What about the positive end of the spectrum? A recent study in the USA asked students to practice deliberate strategies to increase their overall happiness. Researchers wanted to take personality into account and see

which had the stronger effect: who they were or what they did. And they found that “doing” greatly outweighed “being.” Interestingly, the most important happiness-boosting behavior was finding support, while the second was helping others.

All this research points to the fact that we have a happiness range rather than a set point. Some peoples’ ranges will be more extensive (anyone who is bipolar can confirm that), while the range itself will depend on your usual levels of optimism or pessimism. But the exciting thing is that you can take action to manage that range and you don’t have to stay miserable because you are “born like that.” Simply by changing behavior and doing things differently you can have a big effect on how happy you are and push yourself up to the top of your range. Increasing your level of happiness at work is just about analyzing then applying the right personal strategy for you.

That means your happiness at work doesn’t have to be a haphazard by-product of what you do but something that you can get more of if you choose to. That’s why understanding what affects it, why, and what you do to manage it are so important.

### **Are You Leading the Life You Choose or Managing the One You’ve Got?**

That’s the question that Commander Dr. Mike Young of the Royal Navy asks. From time to time maybe you can only manage the life you’ve got at work. But over a long period, is that enough?

Now let’s assume that you’re an average person who’s working from the age of about 20 to retirement at, say, 65. And let’s also assume you take three weeks holiday a year. I know this number might shift depending where in the world you’re located – just go with it for a moment. Then let’s imagine you work about a 40-hour week, a number that looks conservative from our database. That means over a lifetime, you’ll probably spend at least 90,000 hours at work. This figure doesn’t take into account those emails answered during evenings, weekends, or holiday; or time spent thinking about work issues when you’re at home – either on purpose or by accident; or the occasions you get in early and stay late. The fact of the matter is, workplace issues probably take up many more hours of mental engagement than you realize.

Those long hours had better add to your overall sense of purpose, well-being, and happiness rather than subtract from it. Because you won’t get

them back once they're gone. If you're going to make sure you get the best out of what you put in, you'll need to reflect on how you want to spend those 90,000 hours.

So that you are as happy as you can be at work.

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## Top take-aways for Chapter 1

This chapter:

- Starts with the big personal benefits for happiness at work which include faster promotions, more pay, greater creativity, better feedback, and better health. And more happiness with life as well.
- Suggests that financial value is too limited a measure of success in times of economic and financial uncertainty.
- Sets out that a new focus on psychological and social capital could fundamentally change the way we work and what we value.
- Shows that happiness is different from satisfaction and engagement.
- Demonstrates that we have happiness ranges which can be maximized rather than set-points which are fixed.