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Leveraging the Science of Happiness in the Workplace

ABSTRACT

The Performance-Happiness Model was born out of positive psychology (PosPsy), a theory and research-based approach to old organizational behavior concepts. Martin Seligman (University of Pennsylvania) was the leader of this international movement that began in 1998, studying new core concepts of efficacy, hope, optimism, happiness, and resiliency. To Fred Luthans (University of Nebraska, Lincoln), this PosPsy research seemed to have genuine relevance to the workplace and the same broad appeal that bestselling management books had received (Luthans, 2002). Luthans espoused that one can actualize human potential through the synergistic integration of human capital, social capital, and psychological capital (PsyCap) (Luthans, Avolio, Avey, & Norman, 2007). Although his work and that of his colleagues related to PsyCap is compelling, it stops short of the discoveries from the newly researched topic of happiness at work. In *Happiness at Work: Maximizing your Psychological Capital for Success* (2010), author Jessica Pryce-Jones takes PsyCap to the next level. Pryce-Jones' research adds the constructs of pride, trust, and recognition to PsyCap and finds the right combination for people to achieve their potential.

Based on research with more than 3,000 respondents from 79 countries, Pryce-Jones arrived at the heart of what drives happiness and found that happiness drives performance. Happiness predicts employee time on task, intent to stay in job, sick time, motivation, engagement, satisfaction, self-belief, and respect for self and others—all of which contribute the success of any organization. The Performance-Happiness Model, developed based on the above research, has been successfully applied in more than 8,000 cases.

Introduction

The purpose of this paper is to offer an overview of research in positive psychology and its application in the workplace. The presentation will focus on happiness at work, the latest research and using the Performance-Happiness Model for improving workplace productivity by advancing individual employees and teams, thereby increasing an organization's bottom line.

Positive Psychology: Historical Overview

In the 1940s and 1950s, the mission of psychology was to help the mentally ill and make people's lives more productive and fulfilling as espoused by Carl Jung and Abraham Maslow. Then there was a shift to concentrating research on what was wrong with people.

In 1998, Martin Seligman was president of the American Psychological Association and took the focus of the profession back to exploring what was right with people, what makes life worth living, and it's focus was on strengths, not weaknesses (Seligman, 2011). Unlike the feel-good bestselling management titles, positive psychology insists on sound theory and research prior to application and practice (Luthans, 2002).

Positive psychology (PosPsy) is a theory and research-based approach to old organizational behavior concepts. Seligman was leading this international movement, studying new core concepts of efficacy, hope, optimism, happiness, and resiliency. To Luthans, this PosPsy research seemed to have genuine relevance to the workplace and the same broad appeal that bestselling management books had received (Luthans, 2002).

This new positive approach to psychology was heartily embraced. There have been numerous issues devoted to PosPsy in the *American Psychologist*. These issues focused on the evolution of positive psychology and included articles detailing the personal traits that contribute to positive psychology. The traits were subjective well-being, optimism, happiness, and self-determination. Editors Seligman and Csikszentmihalyi (2000) concluded that positive psychology would "allow psychologists to understand and build those factors that allow individuals, communities and societies to flourish" (p. 15).

Applications of Positive Psychology in the Workplace

Luthans researched the implications of positive organizational behavior (POB) and differentiated it from the Big Five personality traits (extroversion, openness, agreeableness, conscientiousness, and neuroticism). As he defined them, POB capabilities are states and therefore may be learned, developed, changed, and managed in the workplace; thus, they can be measured and researched. Luthans studied and developed theory on the importance of hope, optimism, subjective well-being (or happiness), resilience, and emotional intelligence. He found that through developing these states, leadership, employee development, and performance was enhanced (Luthans, 2002).

The levels of analysis have been at the subjective level (i.e., positive subjective experience such as wellbeing and contentment with the past, flow and happiness in the present, and hope and optimism into the future); the micro, individual level (i.e., positive traits and the capacity for love, courage, aesthetic sensibility, perseverance, forgiveness, spirituality, high talent, and wisdom); and the macro group and institutional level (i.e., positive civic virtues and the institutions that move individuals toward better citizenship such as responsibility, altruism, civility, moderation, tolerance, and a strong work ethic). (Luthans, 2002, p. 697)

Luthans believes that humanity needs a positive search for and understanding of what is good in people—at work and at home. Luthans views positive organizational behavior as a “step in the direction of not only new and exciting things to study and apply, but also the right way to move our field ahead in these unprecedented times in which we work and live” (Luthans, 2002, p. 704).

Wright’s 2003 essay called for more research on positive organizational behavior, serving as a reminder that too much research has focused on the more negative aspects of human nature. Advocating Barbara Fredrickson’s *broaden and build* theory of positive emotions, Wright stated, “through the impetus provided by happiness or joy, individuals are more easily able to transform themselves and become more creative, resilient, socially connected, and physically and mentally healthy” (p. 440). Wright concluded that the future success of positive organizational behavior was reliant upon the discipline’s ability to clearly articulate a mission that valued employee betterment as a viable goal in addition to how it may help a business’s bottom line.

Current Research: Happiness at Work

Luthans espoused that one can actualize human potential through the synergistic integration of human capital, social capital, and PsyCap (Luthans, et al., 2007). While his work and that of his colleagues related to PsyCap is compelling, it does not include the broader discoveries from the newly researched topic of happiness at work. In *Happiness at Work: Maximizing your Psychological Capital for Success* (2010), author Jessica Pryce-Jones takes Luthans’ research on PsyCap to the next level. Pryce-Jones’ research adds the constructs of pride, trust, and recognition to PsyCap and finds the right combination for people to achieve their potential.

Happiness at work is defined by Pryce-Jones as a mindset that allows individuals and organizations to maximize performance and achieve their potential. This happens during the highs and low—both when working alone or in teams. By mindfully making the best use of the resources you have, you overcome challenges. This not only builds your happiness but also that of others—who will be affected and energized by what you do (Pryce-Jones, 2010).

Based on research with more than 3,000 respondents from 79 countries, Pryce-Jones got to the heart of what drives happiness and found that happiness drives performance. Happiness predicts employee time on task, intent to stay in job, sick time, motivation, engagement, satisfaction, self-belief, and respect for self and others. The Performance-Happiness Model, which was developed based on the above research, has been successfully applied in more than 8,000 cases.

The Performance-Happiness Model

At the center of the Performance-Happiness Model is believing that you are achieving your potential. This is important because that belief makes you happy, and the statistics around happy versus unhappy employees are staggering.

Pryce-Jones' research (2010) shows that the happiest employees compared to their least happy colleagues:

- are 47% more productive;
- take on average 1.5 sick days per year compared to the United States average of 6 days per year (in the public sector the sick days range from 11 to 20 days per year);
- are 108% more engaged;
- are 50% more motivated;
- have 180% more energy;
- have 82% more job satisfaction;
- are 25% more efficient and effective; and
- have 25% more self-belief (pp. 28 – 29).

The five strong factors important to achieving your potential at work are the 5Cs: contribution, conviction, culture, commitment, and confidence. Three vital sub-themes giving additional perspective of happiness are trust, recognition, and pride.

Contribution

Contribution is the effort you make at work and your perception of it. People who are happiest at work contribute 25 % more than their least happy colleagues—making this the most important component in the Performance-Happiness Model (Pryce-Jones, 2010). Contribution can be looked at in terms of what you do and in terms of how others in the workplace interact with you. In terms of what you do, to be most able to contribute, you must have clear objectives, be comfortable raising issues important to you, believe you are secure in your job, and be achieving your goals. In addition, related to how others interact with you, you must feel appreciated at work, receive positive feedback, feel respected by your boss, and feel listened to.

To increase your level of contribution, start with the more concrete items, such as clear and actionable objectives and goals, and going on to achieve these goals. When these parts of contribution are in place, you are more likely to receive positive feedback from your boss, etc. If you think that you aren't getting positive feedback, respect or aren't listened to, make sure you are doing these things toward others. These happiness-making activities are contagious and their effects will spread (Pryce-Jones, 2010).

Conviction

Conviction falls next in line of importance to create happiness at work. It is what keeps you going if your feeling of contribution wanes. Conviction is your motivation to perform whatever the situation, and it comes from inside you. It is closely tied to feelings of autonomy, mastery, and purpose (Pink, 2009). The components of conviction include motivation, believing that you are effective and efficient, knowing that you are resilient, and believing that your work has a positive impact on the world (Pryce-Jones, 2010).

Culture

Culture is the environment in which you work—something you have much less control over than contribution and conviction. However, culture makes a big impact on how happy you are at work as it governs how people behave. According to Pryce-Jones, it is on a fixed-fluid continuum, with some elements set in stone or harder to change and other elements perhaps changing from day to day. Fixed

elements include agreeing with the values your organization stands for, believing that the organization acts fairly, and thinking that you have control in your daily activities. More fluid elements are liking your job, genuinely relishing the work you do, and liking your colleagues. It is important to note that culture can negatively or positively affect your health and well-being.

Commitment

Commitment comes from believing you are doing something meaningful, understanding and being in alignment with the vision of your organization, being engaged in your job—feeling like you are in the “flow,” and feeling strong moments of positive emotion on a regular basis (Pryce-Jones, 2010). All four of these elements build a sense of happiness and well-being and contribute to your feeling of achieving your potential. This relates strongly to Frederickson’s *broaden and build* theory where positive emotions and experiences make way for further positive emotions and experiences. Feeling as though are achieving your potential is critical to happiness at work.

Confidence

Confidence is the last of the 5Cs in terms of statistical importance. But it’s one on which all the others depend. . . . If you’re in the category of people who have the highest levels of happiness at work, you’ll have a whopping 40% more confidence than your least happy colleagues. (Pryce-Jones, 2010, p. 127)
In addition, people with greater confidence have 25% more self-belief, get 35% more done, and have 180% more energy (Pryce-Jones, 2010). So you can see how important confidence is to contribution, conviction, and commitment.

Luthans et al. (2007) defined confident people as having the ability to summon the motivation and cognitive resources and invest the effort necessary to accomplish goals, even as obstacles may arise.

According to Luthans et al. (2007), confident people have five characteristics:

1. They set high goals for themselves and self-select into difficult tasks.
2. They welcome and thrive on challenge.
3. They are highly self-motivated.
4. They invest the necessary effort to accomplish their goals.
5. When faced with obstacles, they persevere. (p. 38)

Collective confidence (or efficacy) moves a business forward and ties its multiple units and functions together for a greater outcome and competitive advantage. Without high levels of efficacy, businesses will stagnate. Progress toward goals will stall as employee motivation wanes and he or she shies away from taking risks. These businesses will not be able to function in challenging, stressful, or fearful times because of their lack of efficacy.

Trust, Recognition, and Pride

As Pryce-Jones was analyzing her first big data set, she says she had a major wow moment—it was clear to her how important trust, recognition, and pride are in that they are elements of each of the 5Cs. They are completely interwoven. Trust and pride work together as feelings you have for your organization. Recognition is something that you receive from your organization. Without trust, pride, and recognition, each of the 5Cs is lowered.

Trust in your organization comes when your goals and values are in alignment. Trust enables you to have the confidence to take (calculated) chances or risks to meet your goals. It increases contribution, as there is open sharing of knowledge. Trust is critical to your fit within the organization’s culture and contributes and feelings of wellbeing. Trust between you and your organization is critical to your ability to have high levels of each of the 5Cs and to achieve your potential.

Recognition keeps you motivated. It increases trust and pride as well as the 5Cs. It can come from within your organization or from the outside. It’s important to get it and to give it. People like different forms of recognition; some like it in public, others in private. Some like symbols of achievement; others

prefer a handwritten note, phone call, or personal visit. It is important to provide recognition in a manner that the person you are recognizing is comfortable with. It is also important to be specific about what you are recognizing someone for and how, specifically, it made a difference to you/your client, etc. This makes the recognition meaningful.

Pride increases the motivation to accomplish the organization's goals. It comes when you feel a sense of belonging and a sense of contributing to a greater good. This is different from hubris, or too much pride in oneself. It pushes you to higher levels of confidence, commitment, and conviction.

The Significance of the Performance-Happiness Model

The Performance-Happiness Model is significant and matters to an organization's success because one can measure the levels of the 5Cs, trust, recognition, and pride, and by building them, help individuals achieve their potential. This, in turn, will translate to higher potential of their organization, team, department, etc. The bottom line is that better performance leads to better business outcomes.

The iPPQ (iOpener People and Performance Questionnaire)

The measurement tool for the elements of the Performance-Happiness Model is the iPPQ, created by the iOpener Institute for People and Performance. The iPPQ is a research-based assessment tool used by businesses and organizations in both the public and private sector. The assessment measures an individual's levels of the 5Cs, trust, recognition, and pride. The results give a coach or mentor an indication about where to focus their work to increase levels of the 5Cs, trust, recognition, and pride to help individuals achieve their potential. iPPQs also can be done with a combined report for entire organizations, teams, departments, divisions, or any other subset of an organization.

Steps for Improving Performance and Happiness in an Organization

1. Assess whether your organizational goals (e.g., sales, production, customer retention, employee retention) would be more likely to be achieved if there was less sick time, more engagement, more motivation, and greater productivity.
2. Get a clear picture of sick time taken by your employees.
3. Assess employee turnover in all areas throughout your organization.
4. Assess the level of PsyCap and happiness in your organization by having your employees take the iOpener Institute for People and Performance Questionnaire (iPPQ). The short version is free, with personalized results and suggestions, and is available at www.iopener.com/ippqreport.
5. Consider a combined report for your entire organization, teams, departments, divisions, or any other subset of your organization (contact me for more details and a sample report at chris@capiche.us).
6. Work with your human resources department if you have one, and hire an expert in organizational development, training, or coaching to design a program to address your specific needs. The return on investment will manifest in greater profits and happiness—a combination that will please employees, clients, and shareholders.

Summary

The workplace is changing, and today's employees are loyal to themselves. How do businesses create organizational commitment leading to sustainable growth and competitive advantage? How do businesses foster pride, trust, engagement, and job satisfaction? By helping their employees achieve their potential through increased PsyCap and happiness. Most organizations are ignoring a significant renewable resource that they currently possess—the psychological capital of their current workforce (Luthans et al., 2007, p. 47). For organizations to develop a more competitive advantage, they must provide training, programs, and a culture to increase managers' and employees' PsyCap and happiness. If an organization cannot include all employees in the training, it should start with management, as research shows that

leaders who possess greater levels of PsyCap positively influence PsyCap levels of their followers (Hodges, 2010).

While larger businesses can often achieve economies of scale in training programs, the return on investment is substantial even for small organizations. Given the research on a variety of business sectors and sizes, it is likely that the return on investment in PsyCap would be substantially higher than from traditional investments in financial and economic capital. The ROI and increased employee performance has been demonstrated in a variety of business sectors and with a variety of employees. For example, the Silicon Valley engineering managers who participated in PsyCap micro-interventions resulted in an ROI of 270% for the firm (Luthans et al., 2006). A study of 79 police leaders and their 264 direct reports demonstrated that leader PsyCap positively related to the performance of followers, and leaders who possessed higher levels of PsyCap directly enhanced follower performance (Walumbwa, Peterson, Avolio, & Hartnell, 2010, p. 956). Studies with university students, insurance processors, and engineers and managers at a Fortune 100 firm have also shown increased performance (Luthans, Norman, Avolio, & Avey, 2008). Organizations are overlooking a valuable resource that can give them a competitive advantage: their current workforce. By investing in their current workforce, organizations can realize increased work performance, commitment, and job satisfaction within their existing workforce. They will see fewer sick days and more time on task. This equates to positive organizational change, a competitive advantage, and higher profits.

“Organizations that capitalize on the inimitability of the human, social, and psychological capital of their valuable employees and leaders are likely to enjoy long-term competitive advantage” (Luthans, et al., 2007, p. 103).

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