

YOU DON'T HAVE TO BE GLAD TO WORK HERE, BUT IT HELPS

Why more and more companies are buying into the Happiness Movement

By Erik Jaques – April 2012 (<http://www.cnbc.com/story/you-dont-have-to-be-glad-to-work-here-but-it-helps/1587/1/>)

Given the economic climate, you might expect the pursuit of happiness in the workplace to be given short shrift by the nose-to-the-grindstone masses. Surely unbridled idealism, let alone motivational mantras, can wait for sunnier times: if you're lucky enough to be collecting a pay slip and can make out some semblance of a future, punch the clock, keep your head down and don't dawdle by the water cooler.

Not so, it would appear. Whether pitched at self-fulfilment or the company bottom line, 'happiness' as a construct is being bundled up and marketed to the business community more than ever. Legions of gurus, psychologists, motivators, 'happyologists' and other zany named practitioners are jostling to pep us up, change our mindset or begin conga lines down the giddy road to success.

By all accounts, us drones are in need of a pick-me-up. Global research firm Blessing White recently found that fewer than one in three employees consider themselves engaged with their work, with one in five actively disengaged. India has the most stimulated staff with 37%; China a mere 17%. Gallup chimes in with this gem: 72% of US workers sleepwalk through their day - a black hole of lethargy costing the country \$416bn (€315bn) per year in lost productivity. The figure stands at a similarly downbeat 60% for Europe.

At the same time, more governments are putting wellbeing on their agenda. In 2008, French president Nicolas Sarkozy asked several superstar economists, including Amartya Sen and Joseph Stiglitz, to advise on measures of quality-of-life and environmental sustainability, prompting a report that has been influential among policymakers worldwide.

In 2010, UK prime minister David Cameron asked the Office for National Statistics to measure happiness as part of a project to add nuance to the GDP, something US senator Robert Kennedy once said measured everything "except that which makes life worthwhile".

As more politicians try to divert attention away from their deficits - and more cash-strapped bosses count on barbecues to replace bonuses - workplaces are suddenly fertile hunting grounds for purveyors of happiness coaching. Take Good Think Inc, which is gaining a reputation for brightening the mood of everyone from Wall Street bankers to Zimbabwean CEOs. "The greatest competitive advantage in a modern economy is a positive, engaged brain," proclaims company founder and CEO Shawn Achor, who as a

researcher co-heralded one of Harvard's most popular courses, Positive Psychology. "Most people believe that once they become successful, they'll be happy, but recent discoveries in the field of positive psychology and neuroscience have shown that this formula is actually backward: happiness fuels success, not the other way around."

Achor says this is because our brains are more engaged, creative, motivated, energetic, resilient and productive, citing a decade of research indicating that happiness can raise nearly every business outcome: sales go up by 37%, productivity by 31%, accuracy by 19%; and there are a host of health and quality-of-life benefits.

He's not alone. Meta-analysis of 225 academic studies by researchers Sonja Lyubomirsky, Laura King and Ed Diener found strong evidence of directional causality between life satisfaction and successful business outcomes, whereas a 2004 *American Behavioural Scientist* study of 60 business teams found that those with buoyant moods and encouraging tendencies earned higher profits and better customer-satisfaction ratings.

Happiness doesn't happen overnight, however, and experts warn that attempts to engineer it through bolt-on initiatives are unlikely to wash. Alexander Kjerulf - founder and 'chief happiness officer' of Copenhagen consulting company Spoung and author of *Happy Hour is 9 to 5: How to Love Your Job, Love Your Life and Kick Butt at Work* - notes that imposing quick-fix rewards and motivational techniques is a pitfall managers will do well to avoid. Tools like promotions, bonuses, employee-of-the-month awards and free-pizza nights are "downright harmful to the drive, energy and commitment of employees... leaving them feeling manipulated, cynical and demotivated".

Motivational guru Dan Pink, a bestselling author who was once Al Gore's chief speechwriter, agrees, venturing that we're all out of whack when it comes to genuinely geeing people up for the long haul. "We have in our businesses a set of 'if then' motivators, which are great for mechanical, algorithmic, rule-based work - turning a screw the same way on an assembly line, adding figures to a column - but these are not so great for creative or complex work," he says. "We are much better off paying people enough, giving them some amount of autonomy, helping them get better at something that matters and make a contribution."

Such inclusive, emotive approaches are proving increasingly attractive to modern-day workers disoriented by rampant consumerism and techno-mania, not to mention bewilderingly ill-defined job functions and criteria for success.

"As a culture, we have always paid lip service to the importance of family and spiritual values [but in] practice, our priorities and behaviour have often belied this professed belief," says Sheila Keegan from business consultancy Campbell Keegan, which has been researching wellbeing, happiness and wealth in the UK for 25 years. "Now that most of

us have more than is sufficient for our needs, we are left with the question: 'What am I doing this for? If it does not make me happier, then why am I bothering?'"

Simply throwing money at the problem is not always the answer, either: according to Richard Layard, author of *Happiness: Lessons from a New Science*, perceived happiness remains constant, despite real income per head in developed countries more or less doubling in the past 30 years.

Of all the business leaders trumpeting the happiness imperative, few are doing so more loudly than Tony Hsieh, CEO of Zappos, the world's largest online shoe emporium. Not only does Hsieh believe he's meshed profits with contagious passion and high spirits, he's also alighted on a second career cheerleading and helping to define a genuine movement.

Step through the doors at Zappos' Las Vegas HQ and it is sensory overload: a hearty welcome from Zappos' 'mayor' is delivered in front of banks of eccentrically themed workspaces; herds of reconnoitering business folk amble by dazedly on guided tours; and at any moment, someone - possibly you - may be roped into some raucous cowbell-led parade around the place to celebrate some winning outcome or other. Hsieh sits in the midst of it all in a cubicle draped in jungle vines and festooned with inflatable monkeys. At his behest, all staff enjoy free lunches, no-charge vending machines, a company library and naps in specially designated pods. Managers, meanwhile, are required to spend 10%-20% of their working hours 'goofing off' with their cohorts outside the office.

The Zappos philosophy took root after Hsieh sold LinkExchange, an internet advertising cooperative he co-founded, to Microsoft for \$265m. As the company scaled, so Hsieh's enjoyment of his environment diminished, to such an extent that he dreaded getting out of bed in the morning. Unwilling to put up with the situation any more, he walked away. "Technically I didn't have to work again for the rest of my life, so if I was going into an office again it had better be with people I enjoyed being around," he says.

By the time he joined Zappos in 1999, six months into its inception, he was ready to lay down an entirely new law. A big fan of the rave scene and its communalised, explosive joy, Hsieh is adamant that one of the best predictors of employee engagement is the number of friends they have at work and their overall level of social interaction. At Zappos this draws on social media in a big way - 500 of 1,500 employees are on Twitter (including Hsieh, who boasts almost two million followers).

Hsieh distils his happiness manifesto down to four core components: perceived control, perceived progress, connectedness and vision/meaning. Actual happiness manifests as either Rock Star (intense pleasure, difficult to sustain), Flow (time flies, 'in the zone'), or Being Part of Something Bigger Than Yourself (the longest lasting, 'so figure this one out

first and others will come'). With a turnover of more than \$1bn in 2009 and a \$1.2bn acquisition by Amazon the same year, it would appear that the formula works.

At Zappos, culture is king and the workforce is meticulously assembled to match personalities and attributes. All staff go through two interviews - one for their professional ability and one for personality, the latter throwing up such curveballs as "What is your theme song?" and "How weird are you on a scale of one to 10?"

Every single hire goes through a four-week training programme encompassing two weeks staffing the phones in the customer-service centre. Non-committals are weeded out at the end of the first week with the offer of payment for their time and a bonus of \$2,000 to quit.

Hsieh has documented his *modus operandi* in a bestselling book, *Delivering Happiness*, and in 2008 launched Zappos Insights, an evangelical training arm that he estimates will one day account for 10% of all revenue. Rates are from \$40 for a monthly online subscription to \$4,000 for a two-day quarterly 'boot camp', including meetings with top management and dinner at his house. Already clients from 30 countries have signed up, ranging from start-ups to stalwarts such as Procter & Gamble, sunglasses maker Oakley Inc and mobile-service provider Verizon Wireless.

"So many people, when they go to the office, leave a little bit of themselves at home and they have to put on this different persona," says Hsieh. "There's a lot of talk about work-life separation or balance and so on, whereas our whole thing is about work-life integration - at the end of the day it is just life, so you might as well enjoy all of it."

But while Zappos' methods may come across as off-putting *outré* to the average executive, Hsieh insists that its template is eminently transferable. "One of which college freshman were asked to rank their happiness. Twenty years on, researchers followed up to find that those scoring in the top 10% reported average salaries of \$62,681, compared with \$54,318 for the bottom 10%. But the next-to-happiest group was earning the most: \$66,144. The results were matched by similarly long-running studies in countries such as Australia, Germany and Britain.

"Happiness has benefits, but negative emotions are also important," says Sonja Lyubomirsky, a professor of psychology at the University of California, Riverside and author of *The How of Happiness*. "You don't want to be overly happy if you are monitoring a nuclear power plant."

She contends that stress, anxiety and even sadness are all essential emotions and that ideally the emphasis should be on the route to happiness, not the eventual emotive payoff. "Don't just bombard your employees with demands saying: 'You should be happy! Be happy! Be happy!' Encourage them to do whatever you find brings them happiness," she advises.

Chip Conley, founder and co-owner of San Francisco-based boutique hotel chain Joie de Vivre, operates in this very realm. Back in 2001, the flamboyant hotelier, then serving as CEO, was staring oblivion in the face: dotcom anguish was proving hard to shake, 9/11 had hit the tourism market hard and a backbreaking recession loomed.

Out of desperation, he hit the self-help shelves, randomly picking up a book by the American psychologist Abraham Maslow on the 'hierarchy of needs'. Maslow categorises human wants in pyramidal form - physiological fundamentals such as breathing and sex are at the bottom and the need for self-actualisation through concepts such as morality or problem-solving are at the top.

Conley set about applying this philosophy to every aspect of Joie de Vivre's operations. Staff were given far more responsibility in their daily jobs and they were encouraged to contribute to the chain's strategy in a "significant" and "intimate" way at an annual meeting.

In addition, cultural ambassadors were created to define the company's image and atmosphere.

Conley's epiphanic journey has seen him emerge as something of a guru for transformational, motivational business insight, channelling his thoughts into a series of bestselling books, the most famous being *Peak: How Great Companies Get their Mojo from Maslow*.

An enlightening success story from his book describes how, after learning that housekeeping staff were motivated by their sense of community, he ran an experiment to give them more of a sense of calling. Conley asked them to do a "half-assed" job and then invited them to hear customer feedback. This direct engagement instantly created meaning and resulted in more focused, engaged performances.

Since ripping up the rulebook, Joie de Vivre Hospitality - the parent company for all aspects of the business - has evolved into a 2,900-person operation presiding over 31 hotels (making it the second-largest boutique chain in the US), 18 restaurants and seven spas.

"It is all about understanding people," says Conley. "People's basic motivation at the bottom of the pyramid basically is money - make enough to make a living. That's not the primary reason people leave their job. They leave because they do not feel recognised. The most neglected fact in business is that we're all human. I like to remind people of that."

Even so, there is no shortage of voices wondering if the aggressive pursuit of happiness is not just another 21st-century existential fad - and if the whole happiness-in-the-

workplace bandwagon will grind to a halt when another, tastier motivational carrot comes along or the economy perks up.

Hsieh dismisses the suggestion outright, adamant that this is not about quick fixes, silver bullets or easily digestible panaceas. "It is a long-term investment. Trying to build an enduring company is a different goal to just trying to maximise stock price for this year. The payoff is usually not in the current quarter, or current year. The payoff is usually several years down the line."