

THE PROFITS OF **HAPPINESS**



Happy customers create profits. Happy employees create happy customers. Jay Cross investigates.

“**H**appiness is the meaning and the purpose of life, the whole aim and end of human existence,” said Aristotle. Take a deep breath, close your eyes, and think about that. Happiness is what it’s all about.

Now ask yourself how happy are you on a scale of one-to-ten? Right now. Got a number? Good.

Now answer a similar question: How happy are you with your life?

You can become a nine or a ten if you follow a few simple practices. Your boss would probably be delighted. Happy people perform better than neutral or unhappy people. Happy people are twice as engaged as the not-so-happy, and 50% more productive. They sell a third more and come

up with three times as many creative ideas and innovations.

You’d think that business would jump at something like this. But no, most businesses want nothing to do with emotions.

Businesslike is a synonym for *without emotion*. Picture Michael Corleone, Mario Puzo’s fictional Godfather, saying “This is business”, before having his brother shot and his brother-in-law strangled. Just business. Think of what is said when laying-off a long-time worker: “It’s nothing personal”. Business denies the existence of emotion.

DELIGHT AND ADD VALUE

The industrial revolution promoted the concept of organisations as machines.

Workers were cogs in those machine; interchangeable parts. Yet people are emotional beings. We are incapable of leaving our emotions at home when we're at work. When an organisation suppresses emotion, workers disengage.

Earlier this year, I joined two dozen management professors, business leaders, and agile software developers, on a mountaintop in Stoops, Switzerland. We noted that today's business model is broken. Workers hate their jobs. Investors are making meagre returns. Return of assets has declined every year for the last four decades.

Customers are angry with companies that don't care. Everyone is getting screwed. In Stoops, we concluded that businesses are living organisms, not machines. Corporations are networks of individuals who are perpetually learning. Chasing money for its own sake is wrong-headed and demoralising. Drucker was right: The purpose of business is to create and satisfy customers.

In sustainable organisations people focus on achieving this better and better. They are constantly delivering more value to their customers. Do this first and the money will follow. Steve Denning, author of *The Leader's Guide to Radical Management*, summarised our emerging belief that delighting the customer is the purpose of business.

What does it take to create happy customers? Happy employees. So, I set about researching that which makes people happy.

POSITIVE PSYCHOLOGY

In 1998, Martin Seligman, a psychologist at the University of Pennsylvania, was selected president of the American

Psychological Association. He urged psychologists to "turn toward understanding and building the human strengths to complement our emphasis on healing damage." That speech launched today's positive psychology movement.

Harvard researcher George Vaillant says, "When I met Marty Seligman [in 1977], he was the world's leading scholar on 'learned helplessness' and depression. He became the world's leading scholar on optimism." Psychology had long followed a diseased model. Psychologists strived to help the mentally ill to become normal. Kaplan and Sadock's *Synopsis of Psychiatry* contains thousands of lines on anxiety and depression and hundreds of lines on terror, shame, guilt, and fear.

This bible of psychiatry contains only five lines on hope, one line on joy, and no mention at all of compassion, forgiveness, or love.

Vaillant said: "As a psychoanalyst, I'm paid to help you focus on your resentments and help you to find fault with your parents. And, secondly, to get you to focus on your 'poor-me's' and to use up Kleenex as fast as possible."

Seligman championed positive psychology with the objective of helping normal people flourish. Positive psychology is now taught in hundreds of colleges and universities. Every month sees the publication of half dozen new books on flourishing, happiness, and well being. Scientific organisations like the National Institute of Mental Health have spent millions funding research. As a result, we've identified what makes people happy.

RESEARCH FINDINGS

Positive psychologists are not the only people writing happiness books. Self-

helpers, religious fanatics and faith healers are all selling the benefits of happiness too. According to professor of psychology Barbara Fredrickson: "The problem with being in this field is having to differentiate yourself from *Chicken Soup for the Soul*." Be careful who you believe.

The people I've read and pay attention to are Sonja Lyubomirsky, Martin Seligman, Chade-Meng Tan, Mihaly Csikszentmihalyi, Maureen Gaffney, Shawn Achor, Ed Diener, George Vaillant, Daniel Kahneman, Dan Gilbert, Barbara Fredrickson, Tony Schartz, the Dalai Lama, Daniel Goleman, Jonah Lehrer and Jon Kabat-Zinn. All of these experts agree that *happiness is a choice*.

Studies of identical twins have found that half of our happiness quotient is inherited. Circumstances account for 10%. The remaining 40% of happiness is up to you.

Dan Gilbert reports on two equally happy people. One wins the lottery; the other loses both legs. Six months later, who is happiest? They're equally happy again.

Circumstances don't count for much and memory is short. Once you earn a comfortable income, money doesn't make you happier. The guy driving the Ferrari is no happier than you are.

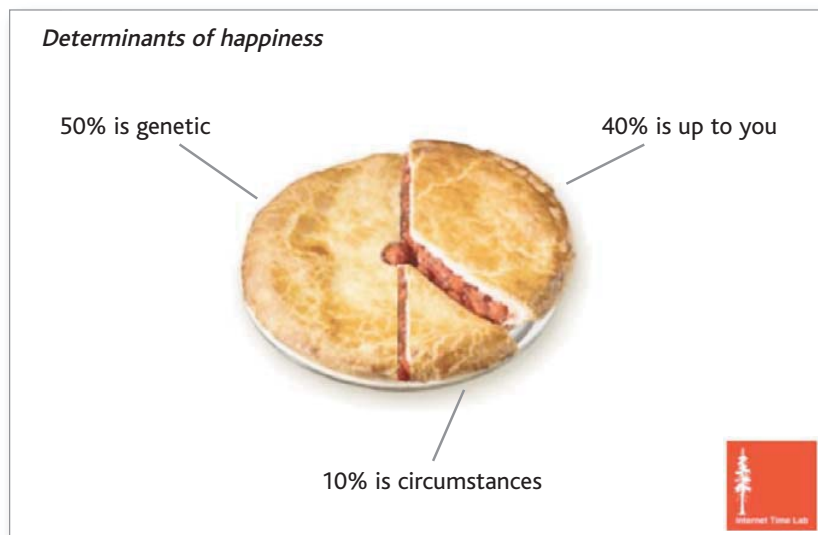
What can you do to exercise your 40% control over happiness? It boils down to these five things: joy, flow, dent in the universe, interaction with others and mindfulness.

Joy is a stand-in for all positive emotions. So are gratitude, serenity, interest, hope, pride, amusement, inspiration, awe and love. These reinforce one another. They are contagious. The expression of positive emotions makes or breaks a team, be it a marriage or a collaborative work group. If positive emotions expressed in a group do not outweigh the negative emotions by at least three-to-one, the collaboration is headed for divorce.

Flow is enjoying peak performance while working on what you enjoy. Flow occurs when you are challenged to do your best. You become so involved that time stands still. Only 40% of workers achieve this. The state of flow states is more likely when you are exercising your signature strengths¹.

Dent in the universe is Steve Jobs' term for embracing a noble cause. It is your calling to do something larger than yourself. My calling is to make people happier – millions of them. Mostly, people in the rat race we call business.

A famous example is when Steve Jobs recruited Pepsi executive John Scully by asking: "Do you want to sell sugar water for the rest of your life, or do you want to



come with me and change the world?" Happiness comes from achieving accomplishments in your progress toward your larger goal.

Interaction with others is essential. You must nurture active, mutual relationships with family and colleagues. Hermits are not happy. Be compassionate. People who love one another are very happy. Expressing appreciation reminds you of the richness of your ties to others. Expressing gratitude contributes to your happiness. This can be as little as telling someone you are grateful by email.

Mindfulness is paying attention. It is the opposite of mindlessness. Savour the good things in life. Count your blessings. Be open. Favour positive emotions over negative. Express your joy in life. Mindful people are in control of their emotions. They can rise above the innate fight-or-flight response. Meditation leads to mindfulness but this is not the only way to get there.

You don't have to work in all five of these areas to become happier. Tackling just one can make you happier. Different people prosper by taking different paths. The path to happiness involves changing the course

of your life. This is hard but achievable (see *boxout*). The happiness payback is enormous.

Workers who thrive have higher morale, they are more productive, hatch more great ideas, sell more, work better with customers, and have fewer sick days. They are more energetic, emotionally intelligent, forgiving, less likely to be depressed, anxious or lonely, more socially connected, enjoy better quality sleep, experience fewer headaches, stay more engaged in the face of difficulty, rise above obstacles more easily.

Happy people report more job satisfaction, greater likelihood of working actively toward new goals, more likely to succeed, more likely to recommend their organisation to others. They are better at their jobs. Interested?

I write on importing happiness into business. I am currently recruiting business partners to assess the impact of increasing happiness in the workplace. Email me if you'd like to join the project.

¹ Go to <http://authentic happiness.org> to identify your signature strengths. Apply them in your work. You'll be happy you did.

The path to happiness involves changing the course of your life. This is hard. You'll probably want to do it with the support of others. Researcher Sonja Lyubomirsky describes what it takes:

1. You must resolve to undertake a programme to become happier.
2. You must learn what you need to do.
3. You must put weekly or even daily effort into it.
4. You must commit to the goal for a long period of time, possibly for the rest of your life.

The happiness payback to individuals and organisations is colossal.

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THERE IS MORE TO LEARN

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...And new upgrade options make it more responsive and reliable than ever.

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