

The pursuit of happiness in the workplace

The realisation that happy employees tend to be more productive has encouraged academics to study job satisfaction in depth, writes **Della Bradshaw**

Forget spreadsheets, swot analysis and risk management, the latest topic on the business school agenda is happiness.

Those academics who research the topic prefer to classify it a bit differently, however. "Meaning" is the term used by Lee Newman, dean of innovation and behaviour at IE Business School in Spain. At Michigan Ross in the US, Jane Dutton, university professor of business administration and psychology, says it is about "human flourishing". Christie Scollon at Singapore Management University describes it as "subjective wellbeing". But however they describe it, they all agree that happiness makes good business sense. Moreover, employers and policy makers need to consider the happiness factor if they are to promote strong economies and profitable companies.

Andrew Oswald, an economist at Warwick University in the UK, points out: "When people become happier they somehow find more energy. We don't know how they do it."

According to Prof Scollon, a psychologist: "Research shows that happy people earn more money, are healthier (spend fewer days out of the office sick) [and] are more creative at problem solving." This means promoting happiness in the company makes commercial sense "even if you're a total Scrooge and only care about making money", she adds.

Like many apparently sudden trends in management thinking, business academics' interest in happiness has been decades in the gestation and originated in the development of "positive psychology" - a focus on wellbeing rather than mental illness - in the 1980s. Prof Oswald says Warwick has been studying the subject since the 1990s. "It's moved from being another strange thing to being relatively mainstream. It's just unstoppable."

Advances in neuropsychology have added rigour and clarity to the picture, while the integration of non-business academics, especially psychologists, into traditional business schools has led to a broadening of

interest among economists, says Christopher Hsee, professor of behavioural science and marketing at Chicago Booth, a psychologist by training.

"About 30 years ago psychologists and economists rarely talked to each other but now more and more people in economics realise psychologists have a lot to contribute in solving economic problems."

The combined interest of professors and students has helped drive enthusiasm, says Michael Norton, associate professor at Harvard Business School. "Teaching is dependent on what faculty are interested in and what students want to learn. I think there's just a confluence now."

But business has also been key in advancing the agenda. "Elite workers are extremely expensive to replace, so taking job satisfaction measures is not a soft-minded thing to do, it is a hard-minded thing to do," according to Prof Oswald.

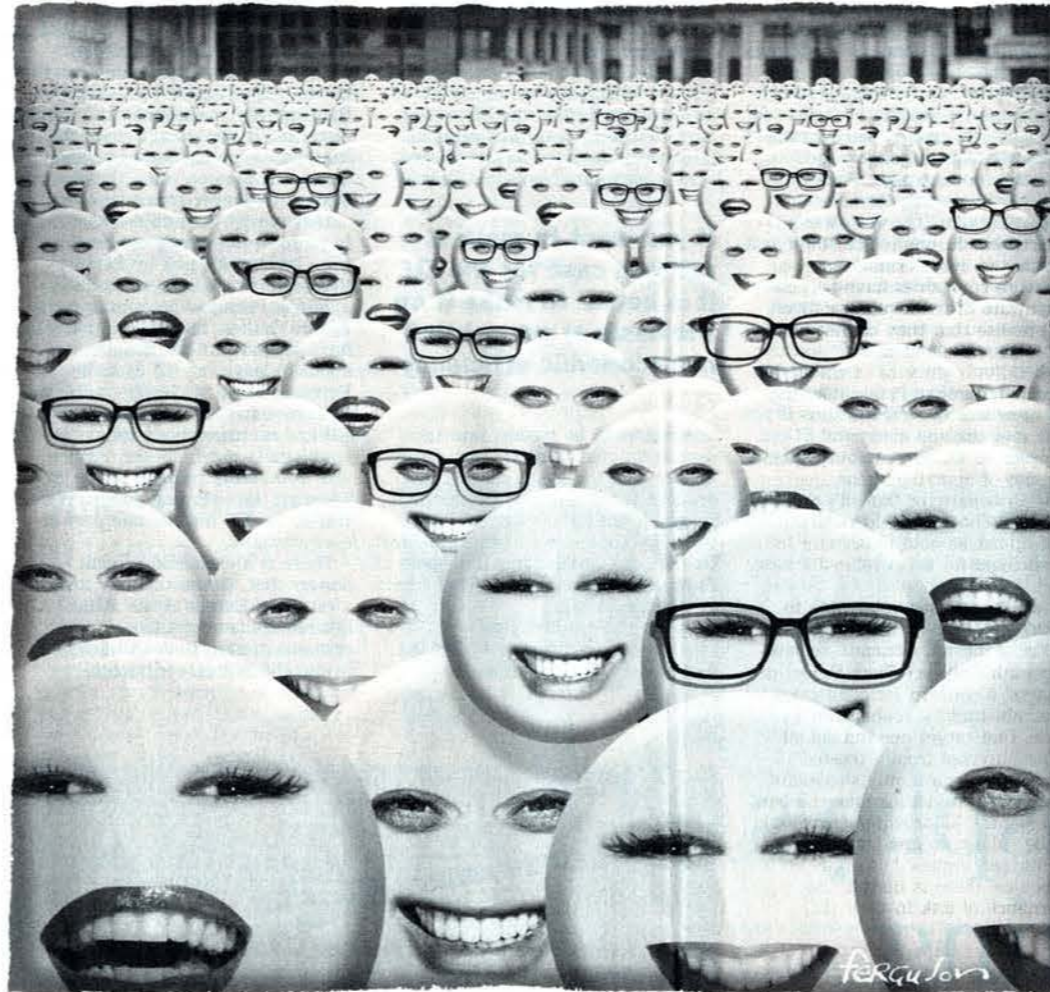
Indeed, Prof Newman believes it is companies that are the driving force. "We like to think that business schools are ahead of companies. But in this domain companies are ahead of schools."

Organisations such as Google and Southwest Airlines are cited as examples of companies that adopted positive practices in their organisations. "They're constantly introspective about themselves," says Prof Dutton. "Their strategic success depends on it." Governments are also addressing the happiness agenda in France, the UK and the US.

The financial crisis and the subsequent recession have emphasised the need for this teaching, and redundancies and salary freezes have exacerbated the problems of unhappy workers. "Debt is very closely related with depression and mental illness," says Prof Oswald. "Fear of unemployment is a very real fear. Everything to do with fear seems to be debilitating."

While the study of happiness has been instrumental in addressing problems of organisational culture, there is a second wave of research - equally important - about the relationship between organisations and their customers. "Increasingly the marketers are thinking about the psychological triggers [for customers]," says Prof Norton. Price-cutting is an obvious trigger for happiness but others, such as those relating to environmental sustainability or social responsibility, are less well-defined.

One successful exponent cited by



James Ferguson

VIDEO INTERVIEW
 Andrew Oswald, the 'professor of happiness'
www.ft.com/bized-video

Prof Norton is BetterWorld Books, which donates some of the profit from the books it sells to local charities. "Because we know people care about these broader, nebulous issues, consumers can reward companies [for adopting them]."

Triggers for individual employees, too, are about more than just financial gain, he says. Indeed there is real evidence that doing things for other people makes you happier. Prof Norton cites his research in Europe with a company bonus scheme. A sample group from the company were told to spend their €15 bonus on other employees rather than themselves. Those that did so were much happier than the control group, he says.

What is clear is that the rigour of work done in the intersection between business, society and individual wellbeing is increasing.

"There is good science that grapples with the real issues," reports Prof Oswald. "I imagine 10 years from now it will inform how to treat employees and how to define work systems. Most of these systems [today] just come from guesses."

But there are still negative perceptions to overcome, says Prof Scollon. "The stereotypes of happy people are that they are dumb. We have sayings like 'ignorance is bliss'."

Whereas happy people, it seems, may be the most effective in the workplace.

Changing behaviour

Every MBA programme teaches students how to achieve competitive and technological advantage, but is that enough? No, says Lee Newman, dean of innovation and behaviour at IE Business School in Spain. "I think the next advantage will be the behavioural advantage."

IE has put its money where its mouth is and launched an Executive Masters in Positive Leadership and Strategy in April. The programme has five one-week modules taught over 13 months, and includes meditation and yoga as well as twists on more traditional subjects. Those teaching on the programme include a former banker and a Buddhist.

But the programme is not designed for ageing hippies and tree-huggers. Its students are senior managers, with an average age of 47 and about 20 years' managerial experience, says Prof Newman.

The teaching is integrated in the workplace over the 13 months to try to change behaviour. Prof Newman, a cognitive psychologist, believes this is more effective than the traditional one-week short courses, the lessons of which can be quickly forgotten.

"No one goes to a gym for two or three days and thinks they are physically fit."

In particular, the programme will focus on how to implement changes. "In business school we teach the 'whats' and the 'hows'," says Prof Newman. "But what is missing is the 'being able'." The implementation of positive leadership is a "win-win" situation, he adds: happier employees and a stronger bottom line.

Quick tips for managers

- Never underestimate the value of relationships, says Prof Dutton. "The more you build conditions for people to build high-quality connections, the more you will increase happiness."
- Adopt a strength-based management development programme, says Prof Newman. "When we're constantly having people work on their weaknesses, it doesn't feel good."
- Encourage managers to respect the work-life balance of their employees, says Prof Scollon. "The happiest people are the people with strong social relationships."