

The single greatest competitive advantage in the modern economy is a positive and engaged workforce. That is not conjecture. That is now a confirmed scientific fact.

After spending over a decade at Harvard University, I started a small research based consulting firm called Good Think Inc. to bring academic research to companies. A few months later, the global economy collapsed.

This provided us a unique window into studying what causes some people or teams to thrive in the midst of challenge, and others to underperform. In my research and consulting in 42 different countries during the worst economic downturn in recent history, I have discovered that most companies and schools around the world follow the same implicit formula: If you work hard, you will become successful, and once you become successful, *then* you'll be happy. This pattern of belief explains what most often motivates us in life. We think: If I just get that raise, or hit that next sales target, I'll be happy. If I can just get that next good grade, I'll be happy. If I lose that five pounds, I'll be happy. And so on. Success first, happiness second.

The only problem is that this formula is scientifically backwards.



More than a decade of groundbreaking research in the fields of positive psychology and neuroscience has proven in no uncertain terms that the relationship between success and happiness works the other way around. Thanks to this cutting-edge science, we now know that happiness is the precursor to success, not merely the result. And that happiness and optimism actually *fuel* performance and achievement—giving us the competitive edge called "the happiness advantage."

The "happiness advantage" is the discovery that nearly every single business outcome improves when a brain is positive as opposed to negative, neutral, or stressed.

Waiting to be happy limits our brain's potential for success, whereas cultivating positive brains makes us more motivated, efficient, resilient, creative, and productive, which drives performance upward. This discovery has been confirmed by countless scientific studies, as well as in my own work and research on 1,600 Harvard students and dozens of Fortune 500 companies worldwide.

Take, for example, the meta-analysis of happiness research that brought together the results of over 200 scientific studies on nearly 275,000 people—and found that happiness leads to success in nearly every domain of our lives, including marriage, health, friendship, community involvement, creativity, and, in particular, our jobs, careers, and businesses. Data abounds showing that happy workers have higher levels of productivity, produce higher sales, perform better in leadership positions, and receive higher performance ratings and higher pay. They also enjoy more job security and are less likely to take sick days, to quit, or to become burned out. Happy CEOs are more likely to lead teams of employees who are both happy and healthy, and who find their work climate conducive to high performance. The list of the benefits of happiness in the workplace goes on and on.

1 Lyubomirsky, S., King, L. A. & Diener, E. (2005). The Benefits of Frequent Positive Affect: Does Happiness Lead to Success? Psychological Bulletin, 131, 803-855.

At this point you might be thinking: Maybe people are happy *because* they are more productive and earn higher pay. As psychology graduate students are taught to repeat ad nauseam: "Correlation is not causation." In other words, studies often only tell us that two things are related; to find out which causes which, we need to look at it more closely and find out which came first. So which comes first, the chicken or the egg? Does happiness come before success or success before happiness?

One way psychologists attempt to answer this question is to follow people over long periods of time. One study, for example, measured the initial level of positive emotions in 272 employees, then followed their job performance over the next eighteen months.² And they found that even after controlling for other factors, those who were happier at the beginning ended up receiving better evaluations and higher pay later on. Another study found that how happy individuals were as college freshmen would predict how high their income was nineteen years later, regardless of their initial level of wealth.³

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2 Staw, B., Sutton, R., & Pelled, L. (1994). Employee positive emotion and favorable outcomes at the workplace. Organization Science, 5, 51-71.

3 Diener, E., Nickerson, C., Lucas, R. E. & Sandvik, E. (2002). Dispositional affect and job outcomes. Social Indicators Research, 229–259.

Another way to answer the chicken and egg question is to examine what happens right after you prime someone for positivity. Well it turns out that happiness gives us a real chemical edge on the competition. How? Positive emotions flood our brains with dopamine and serotonin, chemicals that not only make us feel good, but dial up the learning centers of our brains to higher levels. They help us organize new information, keep that information in the brain longer, and retrieve it faster later on. And they enable us to make and sustain more neural connections, which allows us to think more quickly and creatively, become more skilled at complex analysis and problem solving, and see and invent new ways of doing things.

We even quite literally see more of what's around us when we're feeling happy. A recent University of Toronto study found that our mood can actually change how our visual cortex—the part of the brain responsible for sight—processes information.⁴ In this experiment, people were primed to think of positive or negative experiences, then asked to look at a series of pictures. Those who were put in a negative mood didn't process all the images in the pictures—missing substantial parts of the background—while those in a good mood saw everything. Eye-tracking experiments have shown the same thing: Positive emotions actually expand our peripheral line of vision.⁵

Think of the edge all this gives us in the workplace. After all, who wouldn't want to see out-of-the-box solutions, spot opportunities, and better see how to build upon the ideas of others? In today's innovation-driven knowledge economy, business success in practically every job or profession hinges on being able to find creative and novel solutions to problems.

⁴ Schmitz, T. W., De Rosa, E. & Anderson, A. K. (2009). Opposing influences of affective state valence on visual cortical encoding. Journal of Neuroscience, 29, 7199–7207.

⁵ Gallagher, W. (2009). Rapt. New York: Penguin, at 36.

For example, when researchers at Merck first began studying the effects of a drug called Finasteride, they were intent on finding a cure for benign prostatic hyperplasia, otherwise known as an enlarged prostate. During checkups with the research subjects, though, they learned that many of the participants were experiencing a weird side effect: They were regrowing hair. Fortunately, the Merck researchers could see the billion-dollar product hiding in the unexpected side effect, and Propecia was born.

The Happiness Advantage is why cutting-edge software companies have foosball tables in the employee lounge, why Yahoo! has an in-house massage parlor, and why Google engineers are encouraged to bring their dogs to work. These aren't just PR gimmicks. Smart companies cultivate these kinds of working environments because every time employees experience a small burst of happiness, they get primed for creativity and innovation. They see solutions they might otherwise have missed. Famed CEO Richard Branson has said that, "more than any other element, fun is the secret of Virgin's success." This isn't just because fun is, well, fun. It's because fun also leads to bottom-line results.

But you don't have to be a chief executive, or powerful enough to make sweeping policy changes, to capitalize on the Happiness Advantage. Even the smallest moments of positivity in the workplace can enhance efficiency, motivation, and creativity. One way to do this is to provide frequent recognition and encouragement to those around you. This may sound simple (or silly), but studies have shown that managers who do so see a substantial increase in their employees' productivity. And not just by some small amount; one study found that project teams with encouraging managers performed 31% better than teams whose managers were less positive and less open with praise.⁶ In fact, when recognition is specific and deliberately delivered, it is even more motivating than money.⁷

⁶ Greenberg, M. H. & Arakawa, D. (2006). Optimistic managers and their influence on productivity and employee engagement in a technology organization. As cited in: Robison, J. (May 10, 2007). The business benefits of positive leadership. Gallup Management Journal.

⁷ For more on what best motivates us, see: Deci, E. L. (1996). Why We Do What We Do. New York: Penguin.

Recognition can be given in traditional ways—a complimentary e-mail, or a pat on the back for a job well done. But you can also get creative with it. One of my favorite examples is the one business consultant Alexander Kjerulf cites about a Danish car company that instituted "The Order of the Elephant." The elephant is a two-foot-tall stuffed animal that any employee can give to another as a reward for doing something exemplary. The benefits come not just in the delivery and reception of well-earned praise, but afterwards as well. As Kjerulf explains, "other employees stopping by immediately notice the elephant and go, 'Hey, you got the elephant. What'd you do?', which of course means that the good stories and best practices get told and re-told many times."

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Just as important as what you say to employees is how you say it—the best leaders know that delivering instructions in an angry, negative tone handicaps their employees before the task is even underway. One study done at the Yale School of Management paints this picture perfectly. Student volunteers were put in teams to do business tasks together, with the goal of earning money for an imaginary company. Then in came the "manager" who was actually an actor instructed to speak in one of four ways: with "cheerful enthusiasm," "serene warmth," "depressed sluggishness," or "hostile irritability." Of these four groups, which two do you think not only became more positive themselves, but proved far more effective than the other groups, winning their companies more profit in the end?

8 Kjerulf, A. (2006). Happy Hour is 9 to 5. Lulu Publishing.

9 Barsade S. G.(2002). The Ripple Effect: Emotional Contagion and Its Influence on Group Behavior.

Administrative Science Quarterly; 47, 644-675.



Now think about which of these four tones you use most often. It might surprise you; we're often entirely unaware of the messages we're sending. Last year during a lecture I was giving, one woman in the audience sat scowling at me the entire time. But then afterward, she was one of the people who waited in line to tell me personally how much she loved the presentation. I was shocked. Then I thought about how much negativity she was probably spreading to her employees on a daily basis, without even knowing it. So the next time you interact with a colleague or direct report, make an effort to adopt a more positive tone and facial expression. This does not mean you should be inauthentic, smother your true feelings, or paint an awkward smile on your face. But the more you make a genuine effort to avoid slipping into an apathetic or irritable tone, the more your team's performance will benefit.

This isn't only true in corporate settings. In environments thought to be even more stoic than corporate America—like the military—leaders who openly express their positivity get the most out of their teams. In the U.S. Navy, researchers found, annual prizes for efficiency and preparedness are far more frequently awarded to squadrons whose commanding officers are openly encouraging.¹⁰ On the other hand, the squadrons receiving the lowest marks in performance are generally led by commanders with a negative, controlling, and aloof demeanor. Even in an environment where one would think the harsh "military taskmaster" style of leadership would be most effective, positivity wins out.

Sure, there will always be naysayers and skeptics who admit that happiness may make work more enjoyable, but resist the notion that it can give us a real, measurable competitive advantage. This is too bad. Maybe they think focusing on happiness in a serious business setting is unnatural, or a waste of time and effort, or maybe they believe that encouragement and recognition should be used as rewards for high performance, not as tools for driving it.

10 Bachman, W. (1988). Nice guys finish first: A SYMLOG analysis of U.S. Naval commands. In: Polley, R. B., et al. (Eds.) The SYMLOG Practitioner: Applications of Small Group Research. New York: Praeger. As cited in Goleman, D. (1998). Working with Emotional Intelligence. New York, Bantam, at 188.

And for some leaders, positivity simply comes less naturally than it does for others. As a London bank executive once told me: "That's a great idea. I'll never do it."

To help these people capitalize on the Happiness Advantage, I often recommend that they keep one thing in mind: the number 2.9013. This may seem random, but a decade of research on high and low performance teams by psychologist and business consultant Marcial Losada shows just how important it is. Based on Losada's extensive mathematical modeling, 2.9013 is the ratio of positive to negative interactions necessary to make a corporate team successful. This means that it takes about three positive comments, experiences, or expressions to fend off the languishing effects of one negative. Dip below this tipping point, now known as the Losada Line, and workplace performance quickly suffers. Rise above it—ideally, the research shows, to a ratio of 6 to 1—and teams produce their very best work.

This is not just some arcane mathematical formula, either. Losada himself observed countless examples of it in action. For instance, he once worked with a global mining company suffering from process losses greater than 10%; unsurprisingly, he found that their positivity ratio was only 1.15. ¹² But after team leaders were instructed to give more positive feedback and encourage more positive interactions, their teams' average ratio increased to 3.56. And in turn, they made giant strides in production, improving their performance by over 40%.



¹¹ Losada, M. (1999). The complex dynamics of high performance teams. Mathematical and Computer Modeling, 30, 179–192; Losada, M. & Heaphy, E. (2004). The role of positivity and connectivity in the performance of business teams: A nonlinear dynamics model. American Behavioral Scientist, 47(6), 740–765. Fredrickson, B. L. & Losada, M. (2005). Positive affect and the complex dynamics of human flourishing. American Psychologist, 60(7), 678–686. For more on Losada's fascinating work and his collaboration with Barbara Fredrickson, see Fredrickson's book Positivity, 120–138.

¹² Losada, M. (December 9, 2008). Work teams and the Losada Line: New results. Positive Psychology News Daily. Retrieved at http://positivepsychologynews.com/news/quest-author/200812091298.

Though originally skeptical, the company's CEO couldn't help but exult in the "notable transformation." He confided to Losada: "You untied knots that imprisoned us: Today we look at each other differently, we trust each other more, we learned to disagree without being disagreeable. We care not only about our personal success, but also about the success of others. Most important, we obtain tangible results."

It takes about three positive comments, experiences, or expressions to fend off the languishing effects of one negative.

Losada's mathematical ratio joins the increasingly long line of evidence in support of the Happiness Advantage—just one more way that groundbreaking science has triggered a revolution in the workplace.

The science is clear. Happiness is not only a choice, it is a work ethic. I

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ABOUT THE AUTHOR

Shawn Achor is one of the world's leading experts on human potential. Trained by some of the foremost pioneers in the field of positive psychology, he helped design the famed "happiness" course, the most popular at Harvard University at the time. Shawn has now lectured in 45 countries on how happiness affects performance. He is the founder of Good Think Inc., a consulting firm that uses research to enhance individual achievement and cultivate a more productive workplace. Achor's lectures on the science of happiness have received attention in *The New York Times*, the *Boston Globe*, and the *Wall Street Journal*, and on CNN and NPR.

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