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# Top Performers Have a Superpower: Happiness

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BY PAUL B. LESTER, ED DIENER, AND MARTIN SELIGMAN

**T**he toll that working through the global pandemic has taken on employees' job satisfaction and emotional well-being has focused business leaders on fostering workforce happiness as never before. While many — if not most — of us are motivated by genuine caring for the people who power our organizations, we also intuitively know that employee happiness should boost job performance. Still, two nagging questions remain: Which comes first, succeeding and then being happy, or being happy and then succeeding? And just how *much* does initial happiness matter?

The results of our recent research, published in the *Journal of Happiness Studies*, have gotten us one big step closer to answering those two questions. For our study, we followed almost 1 million U.S. Army soldiers for nearly five years. We first asked them to rate their well-being — their happiness, if you will — along with their optimism, and then tracked which soldiers later received awards based on their job performance. We collected our data in the midst of the wars in Iraq and Afghanistan, so the stakes were high: Some of those awards were for exemplary assigned job performance, while others were earned for extraordinary performance in heroic actions. Receiving an award in the Army, either for exemplary job performance or for heroism, is a relatively rare event. Of the nearly 1 million soldiers in our sample, only 12% received an award of any type during the five years that we ran the study.

While we expected that well-being and optimism would matter to performance, we were taken aback by just how much they mattered. We saw four times as many awards earned by the initially happiest soldiers (upper quartile) compared with those who were unhappiest initially (lower quartile) — a huge difference in performance between those groups. This gap held when we accounted for status (officers versus enlisted soldiers), gender, race, education, and other demographic characteristics.<sup>1</sup> In fact, happiness — and, to a somewhat lesser extent, optimism — were better predictors of awards than any demographic factor we examined.



THE

RESEARCH

The researchers followed nearly 1 million U.S. Army service members for five years, measuring their relative happiness and optimism using 25 questions drawn from PANAS and the Life Orientation Test. The questions were included on a larger survey taken by every Army soldier each year.

This well-being measurement combines individuals' own self-assessments and their reporting on the frequency of positive and negative emotions experienced, to yield the researchers' measure of happiness.

Even after the researchers controlled for previous performance and a range of demographic factors, soldiers who were the happiest and most optimistic went on to earn significantly more job performance awards across the next five years compared with those who were initially unhappy and pessimistic.

You might dismiss these results if you believe that military data somehow doesn't apply to the business world, but you would be wrong to do so. After all, the U.S. Department of Defense is the single largest employer in the world, dwarfing Walmart by nearly 1 million employees. It has nearly \$3 trillion in total assets (compared with Walmart's \$236 billion) and maintains over \$290 billion in inventory (compared with Walmart's \$44 billion). The U.S. military is not just "big business"; it is, in fact, the biggest business by an order of magnitude, so what we learn from the military can and often does apply to the business world. There are over 190 distinct job categories in the Army — from clerk to pilot, cook to commander — and most were included in our data.

In short, not only do happiness and optimism matter to employee performance, but they matter a lot, and both *predict* how well employees will do. Our military research, along with other behavioral science research spanning the past 40 years, highlights the competitive advantage that employee happiness offers businesses. There are some things about employee happiness that every business leader should know and be able to apply. And, as we emerge from a demoralizing global pandemic, we would all do well to take stock of how to influence the happiness and optimism of those around us in the workplace.

That raises the question, what really is happiness? The behavioral science literature often refers to happiness as *subjective well-being* because the meaning of happiness varies in different contexts. As with most concepts that emerge from psychology, definitions vary, but when it comes to happiness, they generally coalesce around three areas: a person's own assessment of their satisfaction with life; how much positive emotion (such as enjoyment, enthusiasm, inspiration, or pride) they experience; and how little negative emotion (such as hostility, irritability, fear, or nervousness) they experience.<sup>2</sup> We combined these three to yield our measure of happiness.

**What Do We Know About Happiness?**

Since the advent of positive psychology in 2000, there has been a tremendous amount of research in the field, with well-being mentioned in over 170,000 academic articles.<sup>3</sup> Some of that work has found that there is truth to the perception that some people just seem happier, and researchers

have looked closely at heritability (factors we're born with) and how our environment shapes our happiness. If we think of general happiness as a pie, then the research suggests that heritability accounts for about 40% of that pie while 60% is attributed to other factors, especially life experiences. Nearly the same can be said for the workplace: In a recent long-term study, researchers found that while heritability accounted for about 30% of job satisfaction at age 21, the importance of heritability dropped to less than 20% when measured again at ages 25 and 30. Thus, environmental factors within the workplace become *more important* over time.<sup>4</sup>

The relative importance of some of those environmental factors has shifted recently. The "World Happiness Report 2021" noted that within the workplace, happiness before the pandemic was largely due to employees' sense of belonging within an organization and among coworkers, the flexibility afforded to workers, inclusivity, and a sense of purpose to their work (in descending order of importance).<sup>5</sup> Things changed dramatically during the pandemic: Having a supportive manager became the largest predictor of happiness — nearly twice as important as the next ranked workplace happiness factor, purpose.

Not surprisingly, money matters to employee happiness too — but research has shown that is chiefly for those employees who indicated that money is important to them. In a recent study, the relationship between income and happiness was over four times greater for people who reported that money was important to them compared with those who cared much less about money.<sup>6</sup> Thus, for employees who aren't driven by money, income may merely be a hollow way to keep score.

Within the workplace, we know that happier employees are more likely to emerge as leaders, earn higher scores on performance evaluations, and tend to be better teammates.<sup>7</sup> We also know, based on substantial research, that happier employees are healthier, have lower rates of absenteeism, are highly motivated to succeed, are more creative, have better relationships with peers, and are less likely to leave a company.<sup>8</sup> All of these correlates of happiness significantly influence a company's bottom line.

Taken together, the data indicates that there is a lot of room for leaders and organizations to influence

happiness within the workplace. While happiness is influenced by heritability and drivers like finding a sense of meaning, a larger portion of the happiness pie may result from factors like workplace flexibility, reasonable pay, type of work, and managers who are supportive. That means it's possible for leaders to shape the workplace to make happier employees.

## What Can Business Leaders Do About Employee Happiness?

To begin, we suggest that leaders follow the science and take a structured approach to hiring for, promoting, and developing employee happiness. While the approach will vary based on organizational needs, leaders should commit to three actions.

**1. Measure happiness in both employees and job candidates.** In many ways, “hiring the happy” requires a bit of perspective. While we do not believe that happiness should be placed ahead of the knowledge, skills, or talent needed for a job, we conservatively advocate using measures of happiness and optimism as discriminators, or tiebreakers, because the risks are low and the benefits could be important. It is also important to use proven assessment tools and not rely on management intuition based on an employee's affect. Many organizations already use a variety of surveys to evaluate job candidates. Even if adding these questions about happiness and optimism to the applicant survey results in only a small increase in downstream productivity and profitability, most leaders would jump at this opportunity, because it costs almost nothing. While this will of course vary across organizations and sectors, most organizations are likely better off hiring someone who is already relatively happy and optimistic, because they will influence exceptional performance and reduce turnover. If you extrapolate our findings from the military study to a private sector context where 1,000 hires are going to be made, using well-being as a hiring criterion should lead to about 11 more exceptional performers than if the company simply hired personnel without considering well-being at all.

Beyond hiring, employee happiness should also be a consideration when measuring organizational performance. Yes, objective performance still matters greatly. But, while a high-performing division within a company may bring short-term profit, if that performance was driven by toxic leadership

and management practices, then those profits could evaporate quickly if employees were to leave in response. Unwarranted attrition is expensive. The U.S. military, for example, has caught on to this and has fired commanding officers who have fostered poor organizational climates, and at times it has done so preemptively, before a catastrophic event could occur. After all, it costs several hundred

### WHY FINDINGS FROM A STUDY OF THE MILITARY MATTER TO ALL EMPLOYERS

The findings from our study are broadly applicable because the sample we used was not drawn from a specific functional area, such as salespeople or IT professionals, as is often the case in the published research on happiness in the workplace. Rather, while some soldiers in our study worked in typical Army jobs, such as those found in the infantry, many more were office workers, truck drivers, police officers, medical professionals, logistics experts, pilots, engineers, and strategists, among others. Thus, our measurement of so many professions at this scale and in a single study is unique and makes our results highly applicable to the business world. In short, happiness mattered across the work spectrum. The sample matters for other reasons, too. Because it was huge and ran for five years — at nearly 1 million people, it's the largest long-term well-being study ever done — we could perform more detailed analyses with the data and show that the findings held true regardless of demographics, as described above.

Unlike most research studies, ours did not simply examine performance in the aggregate. Rather, we examined the influence of happiness on *exceptional performance*, given that we homed in on only 12% of our total sample — those who had received an award for their exemplary performance at work. Unhappy soldiers did earn performance and heroism awards, but only one-fourth as many as those who were initially happy. The implication for business is that happier employees receive a disproportionate amount of recognition for exceptional performance and become the organization's superstars. The Pareto principle asserts that 80% of outcomes arise from 20% of causes. If we apply it to our research, we can see that using happiness and optimism (which predicted awards just about as well as happiness) to help identify, hire, and retain employees will likely lead to the emergence of a few more superstars — and will likely have a significant impact on the bottom line.

Finally, the awards included in the study varied in type, organizational meaning, and impact level, demonstrating that the link between happiness and performance held for many different kinds of accomplishments. The rigorous scrutiny and documentation that precedes the bestowing of a military award further strengthens the case for these awards as highly reliable indicators of performance. And, perhaps most important, none of the earned awards were tied to monetary compensation. In the U.S. Army, if you earn a Silver Star for heroism in combat or a Meritorious Service Medal for successfully leading a training battalion, you don't get a \$10,000 bonus. In other words, the awards reflect performance driven by intrinsic motivation, not by explicitly extrinsic financial rewards.

Though the biggest accomplishment of this study might be linking happiness to exemplary performance, it also replicates several findings from previous research. While replication may not be headline grabbing and is rarely rewarded in academia, it is foundational to science. At this moment, the behavioral science field is facing a crisis in replication, calling into question the validity of many long-standing leadership, management, and behavioral theories that are taught at most MBA programs. Indeed, the Open Science Collaboration found in 2015 that less than 40% of seminal behavioral science experiments could be replicated.<sup>1</sup> Conversely, our findings are highly accurate, represent long-term results, and encompass many jobs.

thousand dollars and years of effort to recruit and train a nuclear reactor engineer, and much more to do the same for an aviator. Losing even a few to unhappiness borne from toxic leadership is expensive and creates personnel shortages that increase the risk to those who remain. Attrition and talent shortages in a corporation have similar negative effects. Thus, we advocate treating happiness as an objective performance outcome of the organization, as well as a leading indicator of leadership success. In our study, we used one of the gold-standard measures of well-being, the Positive and Negative Affect Schedule (PANAS), which has been used in thousands of published studies to examine happiness in a variety of contexts. It takes about 10 minutes to complete it.<sup>9</sup>

**2. Develop happiness in your workforce.** Given all the training and development requirements placed on most organizations, the thought of actively trying to develop happier employees may initially seem daunting, time consuming, and expensive. However, the academic literature repeatedly shows that training initiatives targeting employee well-being do not require a significant time investment, are cost effective, and carry a high ROI.

Here are three examples of simple exercises, each backed by rigorous evidence of effectiveness. In the first, the Gratitude Visit, participants prepare and present a 300-word testimony of gratitude to someone who changed their life for the better. In the second, Three Good Things, participants write down three things that went well each day and what caused those things to go well, for one week. The third, Using Signature Strengths in a New Way, calls on participants to complete an online strengths survey and then use one of their top strengths in a new way each day for at least a week. Research testing these approaches found that the Three Good Things and Signature Strengths exercises significantly increased happiness and decreased depression over six months, while Gratitude Visit did the same over one month.<sup>10</sup> Of course, such workplace happiness initiatives work best when people *want* to become happier, are willing to put some effort into the process, and believe that those efforts will pay dividends.<sup>11</sup> That aside, the costs are quite low, the interventions can occur at any level of an organization, and they don't require outside consultants.

For organizations willing to make a larger investment, there are of course turnkey, validated programs shown to improve employee well-being. During the height of the wars in Iraq and Afghanistan, for example, the U.S. Army invested heavily in resilience initiatives such as Comprehensive Soldier Fitness, which was demonstrated to improve the psychological health of service members.<sup>12</sup> The program included extensive training for a large cadre of instructors, resulting in an overall ratio of about 1 trainer for every 100 service members.<sup>13</sup> Likewise, the Enduring Happiness and Continued Self-Enhancement (ENHANCE) program was shown to improve happiness, with effects lasting for over six months. ENHANCE is a 24-hour training package that can be delivered in person or online and focuses on identifying core values, cultivating mindfulness, establishing positive social relationships, dealing with negativity and adversity, and other areas.<sup>14</sup>

Our recommendation: First, measure well-being. Next, start with the easy exercises to demonstrate that the company values employee well-being. Then start investing in the more formal programs over time as happiness increases.

**3. Retain employees who are happy.** The pandemic has reminded us of some tough realities, namely that organizations can contract in turbulent times just as fast as they expand when the economy is booming. Clearly, our military study shows that organizations should *want* happy employees, because they perform significantly better than those who are unhappy. But it turns out that organizations also need happy employees, because happiness is in fact *contagious*. For example, researchers examined 20 years of data from 4,700 participants in the long-running Framingham Heart Study and discovered not only that happiness can spread across a social network, but also that happy people are much more connected to other happy people within the network. Perhaps the most striking finding of this study was that the effect of happiness extended for three degrees of separation from the focal person (so, friends of their friends' friends).<sup>15</sup> Another important finding from this study is that like happiness, *unhappiness* is also contagious. This contagion effect places leaders in a precarious position, especially if they are presented with the difficult scenario of being able to retain only one of two employees. With

performance and other factors held constant, they should keep the one who is happiest.

## Lead by Example

Our work with the Army over the past decade consistently uncovered a foundational truth: Employee well-being initiatives work best when confident leaders present the material and when senior leaders place significant emphasis on the overall effort.<sup>16</sup> Thus, leaders must be willing to invest their efforts into making the initiatives successful by not only advocating for them — for example, by securing resources for a program and promoting positive strategic messaging — but also by participating in the training and incorporating it into their own behaviors. If leaders want to improve employee happiness, they must model that which is taught so that it becomes integral to the organization's lexicon and culture. We learn best by watching others, so let your employees learn to be happy by watching you.

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