ORGANIZATIONAL HAPPINESS

THE HAPPINESS SWEET SPOT AND YOUR MOTIVATIONAL LANDSCAPE

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To my Angel!
You make me happy!
ABOUT THIS BOOK

This book is dedicated to leaders and organizational professionals. They are in the position to facilitate and catalyze organizational and business development and can spark action and change behavior. If you want to strengthen and improve the bottom line of your organization, you should move from strategy to action on organizational happiness and employee engagement.

This book is meant to be short, sweet, and to the point. I want to inspire you to take action. And I will do my best to give you a way to get on the fast track from strategy to action based on research, cases, and my experience from the last
twenty years as an executive and trusted advisor in different industries and different settings in many parts of the world.

This book will inspire you to take organizational happiness and employee engagement seriously. I will present the pillars for organizational happiness, explain why it is a competitive advantage, and help you build a business case, and I will give you a simple framework to work strategically with organizational happiness and employee engagement as an engine for high performance and sustainable success.

I believe that there is a lot of unused and unlocked potential in organizations and that organizational happiness and employee engagement is the key that can unlock that potential in an effective and sustainable way.

Organizations with happy, engaged employees simply create better results.
For happy employees in a society where people struggle with mental health, are stressed, and long for motivation, purpose, and meaning, this message will make sense, and they will be able to help others overcome these challenges. That is how I see myself making a little contribution to the universe—when I inspire action.

This book is structured so you can make it yours. Define your own Organizational Happiness Sweet Spot and go from strategy to action. Fast.

First, I will introduce the concept of organizational happiness and the science of happiness. Then I will apply it to business and give you the recipe for success, just to get you ignited. Then we dive into the “how” and “why” of each of the three pillars of organizational happiness. And at the end I will give you a way to measure, monitor, and follow up on your organizational happiness strategy.
Organizations are not problems to be solved, but mysteries to be embraced.

—David Cooperrider

I first met Lars nearly a decade ago in Central America. He had traveled from his home in Copenhagen to the University for Peace, headquartered in Costa Rica, for a workshop titled “Positive Leadership.” His background as a lawyer, CEO, international HR professional, C-level consultant, and author combined with his keen interest in working with organizations with a purpose resonated deeply with the work we do at the United Nations–mandated University for Peace via its Centre for Executive Education.

More than three thousand participants from all continents have gone through our on-site,
online, and customized programs since 2006, when our Centre for Executive Education was launched. But there is one question that is core to all of our workshops. In its simplest form, it is “What makes you happy?” Yes, all of us want to be happy. The United Nations recently recognized the importance of giving more visibility to this universal human desire, and March 20, 2012, was declared the first United Nations International Day of Happiness. The UN’s Sustainable Development Goals also explicitly refer to the importance of aiming to “ensure healthy lives and promote well-being for all at all ages” (Goal 3). In organizations, anyone who is not able to renew his or her energy and learn to appreciate the bumpy journey of professional life in the twenty-first century will at best be much less effective than their potential and at worst burn out. The effect is both personal and professional.

Lars’s book is timely, because there is a disconnect between the science of happiness and its implementation in organizations. Fascinating new research is emerging from the field of
positive psychology that helps unpack complex questions surrounding the conditions for happiness. A primary framework comes from Dr. Martin Seligman, widely viewed as the father of positive psychology. He asserts that happiness (he prefers the term flourishing) is about five elements, captured by the acronym PERMA:

- experiencing **Positive** emotions (**P**)  
- being **Engaged** with what you do (**E**)  
- building strong **Relationships** (**R**)  
- feeling that your life has **Meaning** beyond yourself (**M**)  
- having a sense of personal **Achievement** (**A**)  

In *Organizational Happiness*, Lars takes PERMA to the next level, discussing how it can be operationalized across organizations. To be relevant in the twenty-first century, he says, organizations must have clarity around their purpose. People within organizations need to identify their strengths and work in those areas, which will lead to deep engagement. Building an organizational culture that promotes positive relationships and cultivates compassion is critical. In this way, achievement, or bottom-line
results, becomes an outcome of organizational happiness, rather than the sole objective—a case in which the “means justify the end” rather than the other way around.

The world is changing at an increasingly fast pace, affecting how we communicate, how we bank, how we vacation, and certainly how we make purchasing decisions. The effect on the business world is profound. But despite technological advances and how they influence human behavior, we can confidently say that the question “What makes you happy?” is not going to become obsolete and will in fact become increasingly relevant.

Organizational Happiness offers insights into what leaders of organizations need to do to be able to attract, motivate, and retain people who are looking at work as much more than a paycheck. The trend toward a younger workforce—made up of millennials—looking for more purpose and autonomy in their work is one that every mature organization is going to need to address. In the United States, millennials had
become the largest generation as of 2015, and that change happened earlier in many countries. As a Gen Xer who works mainly with millennials, I once underestimated how challenging it is to create a happy workplace. Today, I think that building a workplace environment that allows millennials to flourish is not just a “nice to have” but is critical to having a flourishing organization.

Over the years, Lars has become a friend, a collaborator, and a trusted advisor. His work embeds the University for Peace’s motto “Developing leaders who can change the world.” I’m grateful for our relationship and many exchanges of stimulating ideas. I’m sure you’ll share that feeling of gratitude when you read his book. It takes a lifetime of experiences, reflections, and research and synthesizes them into a very valuable manual for all organizations.

It’s time to take happiness seriously.

Mohit Mukherjee
Founding Director
UPEACE Centre for Executive Education
INTRODUCTION

We need to talk about organizational happiness. We need happy organizations, happy people, and happy nations. A happy organization is a high-performing organization. Because a happy person is healthy and productive, the business case for organizational happiness is a “no-brainer.”

So, even if you don’t think ensuring happiness is part of your job as a leader, make it your responsibility because it’s good business. Organizational happiness will be your competitive advantage—no doubt about it.
But I believe we need to look at people and organizations from a different perspective and recognize that for most people, “the pursuit of happiness” is very real and relevant—it’s their life and it’s our life.

I think part of an organization’s role and responsibility is to facilitate and create an environment and leadership culture that makes happy employees. I don’t think happiness is a private, individual thing. It’s certainly a responsibility for our society and nations, but organizations should take responsibility for the happiness of people, too—and not just as part of a corporate social responsibility strategy.

Organizational happiness can be difficult for some leaders and professionals to address. I find in my experience as an advisor and HR professional that we often find it easier to talk about “employee engagement,” “motivation,” or “staff satisfaction” than about “organizational

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1 The United Nations’ Sustainable Development Goals are easily linked to happiness for individuals, organizations, and society.
happiness”—which from my perspective is what employee engagement, motivation, and staff satisfaction are all about.

The Happiness Sweet Spot and your Motivational Landscape—the frameworks and enabling tools in this book—give you a way to work with organizational happiness and employee engagement so that you have a competitive advantage. It is my hope that this will show you a compelling and easy path.

So why is it that you have not done this already?

As leaders, we experience an overflow of information. We get confused, and there are academic supporting arguments for any direction you might want to take or any decision you make. Right or left. Right or wrong.

I have seen this materialize in what I would call “paralyzed leadership.” There is always doubt, a second opinion, and a reason to wait. We sit on our hands.
Making decisions is not easy. As a leader you have already delegated most of the decision-making, or your organization has already made the easy decisions.

That means you are left with the tough decisions—the ones that, if you seek advice or ask around, will always generate a “second opinion.” This makes you lose power and speed.

At the same time, the world and the dynamics in our markets are moving so fast that if you don’t move, you are toast.

Recent research\(^2\) has shown that when you ask CEOs if they have doubts about making the right strategic decisions or doubt their own abilities to make the right people decisions, the number who say yes is rising dramatically with the speed of change and information (over)flow. When asked, “Do you ever doubt yourself?” in a

\(^2\) The CEO Report: Embracing the Paradoxes of Leadership and the Power of Doubt (Heidrick and Struggles) is a good place to start if you want to dive into this subject.
2015 survey, 71 percent of the respondents said yes.

The paths to the future are made, not found.

To be successful, we need to turn strategy into action. Now. Fast.

I believe that as leaders, we need to be able to reduce complexity and use simple tools with simple rules\(^3\) and heartfelt values and beliefs—so that we dare to lead.

The research, the academic work, and the case studies are already there. I want to give you a framework to work with organizational happiness: the *Happiness Sweet Spot*. And I will give you a way to measure, monitor, and follow up on organizational happiness and employee engagement. That is your *Motivational Landscape*.

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\(^3\) An inspiring book on this topic is *Simple Rules: How to Thrive in a Complex World* (2015) by Donald N. Sull and Kathleen M. Eisenhardt.
The Happiness Sweet Spot and your Motivational Landscape make up an enabling platform and a framework within which to work with organizational happiness, to operationalize your strategy, and to get you from strategy to action and behavior. It’s simple, powerful, and fast. Some leaders call it “a strategy for people decision-making.”

The Happiness Sweet Spot is a powerful and unique idea, because it presents what we already know in a simple model that works and is easily actionable. That’s it!
Happiness as Organizational DNA

_Happiness? At work? Are you kidding me?_

For many leaders and organizations, happiness is an alien concept or a word that belongs in the “private sphere” of the individual employee. You can be happy at home.

But we are all in pursuit of happiness every day, and an exceptional energy is unleashed when we find the key to unlocking engagement and motivation and take happiness in our organization seriously.

Therefore I think it is time to start talking about organizational happiness as a real competitive advantage.

Sometimes we shy away from such a discussion because it is too “touchy-feely.” It “feels” like it’s not about business models, business cases, and organizational development. But it is exactly that. We shy away because we
fear it makes us look too soft, unprofessional, or not serious enough to do real business.

Some organizations already take organizational happiness seriously and have a strategy for happiness. A well-known example is Zappos, an online shoe and clothing retailer based in Las Vegas, Nevada. Zappos has contributed on a large scale to building tangible business cases for happiness.⁴

Tony Hsieh, the author of Delivering Happiness: A Path to Profits, Passion, and Purpose, became involved with Zappos in 1999, about two months after the company was founded. Under his leadership, Zappos grew gross merchandise sales from $1.6 million in 2000 to more than $1 billion in 2008 by focusing relentlessly on customer service—and organizational happiness.

Like Hsieh, I think most organizations have an enormous potential to do better. And I think we should take organizational happiness

⁴ Hsieh, Delivering Happiness.
seriously and talk about it as one of the top-three most important strategies for success in our organizations. Because it’s the key to unlocking potential in the most effective way. It will give you a unique competitive advantage. And your business reasons for investing in organizational happiness are significant.

My own journey with taking happiness seriously really started in 2010 with an academic interest in the science of happiness in connection with implementing strategies for employee engagement. I started reading everything I could find on the topic.

In June 2011 the author Shawn Achor wrote an article for the *Harvard Business Review* titled “The Happiness Dividend,” and in 2012 *HBR* dedicated an issue to happiness called The Value of Happiness.\(^5\)

That really got me inspired, and I dived into the science of happiness with the purpose of

\(^{5}\) *Harvard Business Review*, January/February 2012.
understanding it and helping organizations apply it in an operational way.

In 2014 Mohit Mukherjee⁶ and I started an initiative called “Just Do Happy” to help facilitate ambitious organizations creating real strategies for organizational happiness. I also posted a LinkedIn article that year on “5 Reasons Why Happiness and Well-Being Will Be Relevant for You in 2015.” It got a lot of attention in only a few days.

![JUST DO HAPPY](image)

That told me that leaders and organizational professionals were curious about the subject. But still, in 2014 organizational happiness was perceived and implemented as celebrating successes, doing a lot of high-fives, and having a soccer table in the office.

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⁶ Mukherjee is founding director of the UPEACE Centre for Executive Education in Costa Rica.
In 2015 we launched the Happiness Sweet Spot\textsuperscript{7} to inspire leaders and organizations and offer a framework and a structure for working seriously with organizational happiness. This has allowed us to meet many amazing, inspiring people, and I have had the privilege of helping organizations work on making happiness a strategic part of creating a high-performing organization with a competitive advantage.

This work has generated multiple insights into developing tools and models for implementing strategies for organizational happiness.

We learned that happiness is in our organizational DNA. It means that we believe in happiness as the engine and driver for everything we do as an organization and everything we are. It’s in our DNA.

The metaphorical term organizational DNA is based on the biological and chemical term DNA.

\textsuperscript{7} See www.TheHappinessSweetSpot.com.
DNA is the molecule that encodes the genetic instructions in living organisms. Everything that a cell is and does comes from its DNA. The DNA informs and directs everything that happens to each cell in the body and through these cells directs what happens to the entire organism.

When we work with organizational happiness and employee engagement, the first question is “How do we do it?” That is the theme of this book.

The second question when we implement strategies is “How do we know if our strategy is working as intended?” Your yearly employee engagement survey will not tell you that. It’s a snapshot of old data and not an up-to-date key performance indicator (KPI) of organizational happiness and employee engagement.

And a feeling is not enough. You can’t rely on gut feelings only and out-of-date data when you make decisions about people and are monitoring one of your most important strategies for success.
Therefore, we developed a simple tool: Your Motivational Landscape measures happiness and engagement as a KPI for our partners on a regular basis (one to four times a month) with a pulse survey using ten simple and relevant questions.

At the end of the book is a list of resources that you can turn to for inspiration if you want to explore or dive into the science of happiness and the three pillars of the Happiness Sweet Spot. This literature and these cases have also served as background for this book.
CHAPTER ONE

THE SCIENCE OF HAPPINESS
It's difficult to talk about organizational happiness without grounding it in some of the academic work and research that makes it legitimate to refer to happiness in organizations as a premise for high performance and success.

In the past two decades the study of emotion, emotional intelligence, and related topics has grown significantly.

One of the emotions that psychologists have studied most intensively is happiness. Organizational psychologists, economists, and neuroscientists have joined in learning more about it. These disciplines have distinct but intersecting interests: Psychologists want to understand what people feel, economists want to know what people value, and neuroscientists want to know how people’s brains respond to rewards and so on. Having three separate disciplines all interested in a single topic has put that topic on the scientific map.
Papers on happiness are published in the journal *Science*, people who study happiness win Nobel Prizes, and governments all over the world are rushing to figure out how to measure and increase the happiness of their citizens.

Gross National Happiness (also known by the initialism GNH) is a philosophy that guides the government of Bhutan. It includes an index that is used to measure the collective happiness and well-being of a population. Gross National Happiness was instituted as the goal of Bhutan’s government in the constitution of Bhutan enacted on 18 July 2008.

Also, in 2011, the UN General Assembly passed Resolution “Happiness: toward a holistic approach to development” urging member nations to follow the example of Bhutan and measure happiness and well-being and calling happiness a “fundamental human goal.”
From an organizational point of view we are talking about “The Happiness Dividend,” the Happiness Sweet Spot, and the business case for organizational happiness (chapters 2 and 3).

A lot of the research confirms things we already know or at least does not surprise us: People who are in good romantic relationships are happier than those who aren’t. Healthy people are happier than sick people. People who participate in their community are happier than those who don’t. Rich people are happier than poor people. And so on.

Why is this interesting for organizations? Because happy people are more creative and more productive.

In the introduction I promised that this book would be a guide from strategy to action, so I will not spend a lot of time on the academics. I will just conclude that the science of happiness is a real thing. And it makes sense for individuals,

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8 Achor, “The Happiness Dividend.”
organizations, and nations to pursue happiness, because it leads to wealth, health, innovation, and productivity.

All that means that there is a great case to be made for organizational happiness in business. But also, we simply need more happy people and happy societies on our earth, in my opinion. It will make a better world.

And you have a sweet spot right there.
It is good from three perspectives.

This universal sweet spot is not the subject of this book. The universal happiness sweet spot is for policy makers and corporate social responsibility professionals.

My focus and mission is to make it happen in organizations—to go from strategy to action. From words to behavior.

For that, a good, simple model is the PERMA model, developed by Martin Seligman.

The five elements of the PERMA model can help people reach a life of fulfillment, happiness, and meaning. I will use that model as a scientific reference for building your organizational happiness strategy and establishing your Motivational Landscape. The model can be applied to organizations when we know the correlation between happiness and employee engagement and performance.
The organizational perspective is what we offer with the Happiness Sweet Spot framework and the three pillars of organizational happiness.

I describe the model in detail in chapter 3, but in short, it establishes that happiness in organizations happens when a heartfelt purpose, strengths-based leadership, and a culture of compassion come together in a sweet spot where the full potential of the organization is unleashed.
The PERMA Model

Psychologist Dr. Martin Seligman, widely viewed as the father of positive psychology, asserts that happiness (he also uses the terms well-being and flourishing) is about five elements, which can be captured by the acronym PERMA:

- **Positive** emotions—feeling good
- **Engagement**—being completely absorbed in activities
- **Relationships**—being authentically connected to others
- **Meaning**—purposeful existence
- **Achievement**—a sense of accomplishment and success

**A New Theory of Well Being**

![PERMA Diagram]
He describes and elaborates on the model in his 2011 book *Flourish*.\(^9\)

Martin Seligman’s research and case studies are relevant in an organizational context.

In the next section, I elaborate a bit more in depth on each of the five areas.

People are still people when they go to work. And we saw from research that happy employees perform better and produce better results. So, it is quite interesting to dive into what makes people happy and put it in an organizational context. That is what we do in the Happiness Sweet Spot model.

**Positive Emotions**

Focusing on positive emotions is about how to create an environment that enables

- time for self-reflection;
- sharing of experiences (and knowledge);

\(^9\) Seligman, *Flourish.*
• a sense of belonging and connectedness (to individuals, the team, and the organization); and
• feelings of joy, hope, and contentment.

Positive emotions help facilitate a change in mind-set and are conducive to building trust, teamwork, and a feeling of oneness.

Engagement

Engagement is about giving all employees the opportunity to fully participate in the direction the team wants to go by

• connecting it with your own and the organization’s purpose or “why”;
• building on strengths and strengths-based leadership;
• creating a feeling of psychological safety that enables the building of a productive environment, where all have a feeling of being heard and can contribute to solutions; and
• facilitating greater collaboration and a sense of “We are a team” culture.
Relationships

We will look at how to move beyond job titles and see unique individuals. Relationships act as an engine for success by

- catalyzing the strengths of the individuals and the dynamic of their team relationships;
- creating connections beyond people’s professional roles, encouraging greater connectedness and a desire to support and encourage each other; and
- fostering a willingness to go the “extra mile” for the team and individual team members.

Meaning

Meaning is about joining and blending—resonating with—the purpose of an individual with that of the team, and ultimately with the purpose of the organization. Meaning

- is more than the answer to “What’s my job?”
- is entwined with purpose—both the organizational purpose and the personal why of our employees; and
• leads to asking, “How can I add value?” while feeling challenged and having a sense of working toward a common goal for a higher purpose.

**Achievement**

Recognizing successes is about

• appreciating that the success of the individual feeds the success of the team;
• setting goals and communicating clearly about them;
• identifying collective targets;
• being aware of the implications for each individual;
• realizing that when we support each other, we each have success; and
• knowing that it adds to the momentum of change and creates value.

These five elements can help people reach a life of fulfillment, happiness, and meaning. Whether at work or in another setting, people need to feel good, engage, belong, understand why, and make a difference. This makes sense and is something we can work with in an organizational context. And we already know
from science—including economists’ statistics—that it leads to high performance and great results.

The organizational perspective is what we offer with the Happiness Sweet Spot framework and the three pillars of organizational happiness.

Later in the book, I use the PERMA model as a scientific reference to help you build your organizational happiness strategy and establish your Motivational Landscape.

First, I will dig deeper into and explore the business reasons for making organizational happiness a priority.