And the pursuit of happiness

A global movement to maximize well-being is moving into the workplace—and it could give CEOs more to smile about.

John Helliwell has spent four decades charting the mechanics of economic growth and international trade. He is one of Canada's most eminent economists. But on a Friday evening earlier this year, the University of British Columbia professor emeritus appeared to be on the verge of making a fool of himself. Helliwell was raising his arms before an assembly of about 100 members of the Vancouver Board of Trade, and inviting them to sing a children's song with him.

"The more we get together, together, we'll be!" he belted out, waving his hands like Raffi. "Come on now!"

A split second of excruciating silence ensued. Papers shuffled in some unseen corner. Someone coughed. Yet when Helliwell launched into the second verse, he was not alone. A hundred voices belowed with him:

"The more we get together—the happier we'll be!"

It turns out that members of the Board of Trade are among a growing chorus of businesspeople enthusiastically singing Helliwell's happy refrain. In fact, the board has even appointed a CHO—Chief Happiness Officer. All this is remarkable not because of the moments of campfire-song conviviality being generated in lecture halls and boardrooms across the continent, but because it's part of a movement, led by people like Helliwell, that seeks to change the way we run companies, countries and perhaps even the global economy. The movement's goal is simple: to maximize human happiness.

This was once the territory of psychologists and New Age self-help gurus. Not any more. In recent years, economists have mined surveys and socioeconomic data to produce reports that suggest much of what they believed about human happiness is wrong. Early interest in the subject emerged following the publication of a 1974 paper by University of Southern California economist Richard Easterlin, who found that general feelings of well-being were flatlining even as America's GDP went through the roof. Further research shows our mothers were right: It takes more than money to find inner bliss.

The happiness crowd is gaining influence. In the United Kingdom, economist and parliamentarian Lord Richard Layard used happiness studies (which showed that the unemployed really don't enjoy being jobless) to fuel the government's reforms of the unemployment benefit system. In Bogotá, Colombia, former mayor Enrique Peñalosa drew on happiness theory to justify massive investment in parks and an all-out war on cars. In November, scholars from Bhutan will entertain delegates to the Gross National Happiness Conference to follow their mountain kingdom's lead and replace GDP with GNH as the measure of success. Canada
is not immune: In September, Harvard economist Rafael Di Tella was invited to lecture the Bank of Canada on how monetary policy might boost happiness.

It's hard to argue that blissfulness is not a desirable condition. But Helliwell is proving that it is also good for business. That's because work satisfaction is a key component of general life happiness. This should be no great surprise—we spend as much as half our waking hours on the job. What's surprising is just how much a day at work can be worth to the average employee.

Using Canadian survey data and some mind-numbing arithmetic, Helliwell and UBC colleague Haifang Huang were able to put a cash value on the effect of job satisfaction on general happiness. That number varies along a bell curve. But take, for example, a single employee who rates her job satisfaction a nine out of 10, and who makes $65,000 a year. Imagine some work-culture corrosion triggers a one-point drop in her job satisfaction. It would take an extra $30,000 a year to compensate for the negative effect this would have on her general happiness.

Helliwell's research offers clues on how to keep the happy boat afloat. It shows that the greatest determinant of workplace happiness is not pay, workload or perks, but a feeling: trust.

The more people trust their managers, the happier they are. In fact, a one-point jump on this trust scale can have the psychological benefit of a 40% wage hike. Feelings of trust between co-workers are nearly as important. So, work isn't much different from the rest of life: The more connected we feel with others, the happier we are.

Why should managers give a damn about happiness? Well, research on social capital suggests that happiness pays big dividends, since trusting employees are more engaged, more likely to cut managers some slack and more likely to put their heart into their work.

"More trusting employees are simply more productive," explains Helliwell. That assertion is backed up by dozens of studies linking job satisfaction to better attendance, job performance and discretionary effort—all those extra tasks we perform not because we have to, but just because we feel like it.

According to the Gallup Organization, which has polled more than 10 million employees, fully engaged workers are in the minority. "Most people come to work and do the minimum required.... We're talking about half the people in the world," says Gallup chief scientist James Harter, co-author of *12: The Elements of Great Managing*. Gallup surveys found that people work harder and smarter when they are emotionally engaged—when they feel respected, cared for and trusted at work.

"But this trust isn't built just by talking about it. It's built by experience," says Helliwell. "It's not good enough to simply enrol the employees in team-building boot camp. "Trust is built on a credible assumption of goodwill."

Few organizations in Canada have been as successful at putting happiness theory to work as Vancouver City Savings Credit Union. Each year, Vancity employees vote on the organization or project that will be the recipient of the credit union's annual fundraising efforts. The company coaches employees to screw up the courage to criticize their colleagues and managers. And it commissions yearly external audits aimed at measuring employee engagement. Last year, three-quarters of Vancity's employees reported that they trusted their managers.

When the credit union launched a new Care Days program—which gave employees the green light to use some of their sick days to help family members with medical emergencies—employee absenteeism actually dropped. "People are choosing to reward the organization for the trust we give them by not abusing that trust," observes Karen Hoffmann, Vancity's vice-president of governance.

The high value we place on trust may actually reflect theories of evolutionary genetics. Our ancestors fared much better against monsters and marauders—and thus were more likely to pass on their genes—when they cooperated with each other. Our brains still pump out feel-good neurotransmitters like serotonin when we choose to work well together.

Nobody has studied the relationship between Vancity's culture of trust and its bottom line, but the company is the biggest credit union in English Canada and is frequently rated one of the country's top employers—lending some boardroom cred to Helliwell's favourite song.

—Charles Montgomery