

# *The Virtuous Organization:* The Value of Happiness in the Workplace

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## THE IMPORTANCE OF HAPPINESS AT WORK

Our culture is founded on the concept of the American Dream. We work hard our entire lives to attain it: the perfect spouse, the perfect children, the perfect career, the perfect automobile, and the perfect house in the suburbs. Work is the primary means by which we acquire the resources needed to realize this Dream. Pursuit of the Dream influences everything we do. We read about it in a vast array of life style magazines. We watch prime time television programs depicting it. We think about it. We covet it. Yet many who aspire to this ideal or even those near achieving it do not experience the happiness or feelings of success for which they long. People are still wondering, "What more can there be?" Or, with Peggy Lee "Is that all there is?" Something is missing in our lives.

Aristotle argued that the greatest human good is to live a good life. In a good society, all of its members flourish. "Happiness" is the modern word, usually translated from the original Greek (*eudaimonia*), used to describe the good life. It is accomplished by living well and doing well over time. The something that is missing in many people's lives today is happiness as Aristotle conceived of it, and the conduct of the modern workplace is a major reason why it is missing.

## Working in America

Every society has jobs that must be done in order for it to survive and to improve its members' lives. Consequently, work is an important source of peoples' well-being. Today, however, many American workers are spending much more time at work. Recent surveys have shown that over 25 million of the 130.5 million workers in America work 49 or more hours a week. Over 10 million spend 60 h or more at work. Although the average workweek now hovers around 34 h, a recent study conducted by the Organization for Economic Cooperation and Development shows that Americans still work longer hours than their counterparts in other countries. The average American worker spent 1,815 h on the job in 2002. Our closest national competitor was the United Kingdom at 1,707 h. German workers log an average of only 1,444 h annually. These figures are reinforced by Juliet Schor's research. In *The Overworked American* she estimates that the average employed person in America currently works 163 h more than he or she did in 1969. That is the equivalent of one month's additional work. These observations raise some key questions. Is all of this added work improving the workers' situation? Contributing to their happiness? Are people better off? Are they really achieving the Dream?

Other surveys show that as our work hours are increasing our leisure time is concomi-

tantly decreasing. Americans spend only about 20 h a week in pursuit of leisure activities. In 2003, American workers returned an average of 1.8 days apiece, worth almost \$19.5 billion, in unused vacation time to their employers. This lack of leisure time clearly gives workers fewer opportunities to recreate themselves and to seek new meaning in their lives. It also makes it more important for individuals to find fulfillment during the time they spend at work.

### **Productivity in the Workplace**

Since the U.S. economy took off during the early 1970s, national productivity has increased sharply. Whereas the national average annual productivity gain from 1870 to 2003 was 2.3%, from 1995 to 2003 productivity increases surged to a rate of 3.2% per annum. In *The New Ruthless Economy: Work and Power in the Digital Age*, international correspondent Simon Head attributes much of this productivity gain to extended use of two things: new technology, especially information technology, and corporate work practices based on scientific management and mass production concepts. The new bywords are “lean production,” reengineering,” and “enterprise resource planning” (ERP). The Federal Reserve Bank of Dallas’ 2003 Annual Report, *A Better Way: Productivity and Reorganization in the American Economy*, further documents Head’s contention. The practices implemented in the current workplace are based on the simplification, standardization, measurement, monitoring and control of job tasks, and they accordingly serve to strengthen hierarchical relationships between employees and their managers. That is, they enhance managerial power. One key result of the application of these managerial techniques is a speedup in the functioning of business processes that leads to increased labor productivity.

But there are several other less salutary outcomes as well. One is that the increased use of these practices renders many workers’ jobs “dumbed down”—Head calls it “skill-

debilitation”—and in effect dehumanizes them. In a speech at the University of North Carolina, Federal Reserve Chairman Alan Greenspan referred to this outcome as creating a widespread “perception that skills are becoming redundant at a rate unprecedented in human history.” Because these workers may be more readily replaced by machines or other workers—perhaps less skilled and likely lesser paid workers—their job security is undermined while their bargaining power in the workplace is being weakened.

### **Stress on the Job**

Another pervasive unfavorable outcome of employing these productivity-enhancing practices is a sharp increase in the levels of stress people experience at work. Indeed, the practice of having job tasks timed and monitored and their status communicated to management by means of signals such as green or red lights—a technique used on automobile assembly lines and in digital call centers—is frequently referred to as “management by stress.” The results are disturbing. For example, *Prevention* magazine found in a survey conducted in 1996 that the proportion of American workers experiencing high levels of stress on a weekly basis was a disconcerting 75%. This is up substantially from 55% who reported feeling “great stress” in the magazine’s 1983 survey.

And the effects of stress do not stop at work. They spill out into the rest of the workers’ lives. In a recent survey of British workers regarding job stress, eight million workers complained that the pressure of work gave them headaches, and 12 million said that they get bad tempered and irritable at home as a result of their workday experience.

Job stress is felt when the demands of the work exceed the workers’ belief in their capacity to cope. Contemporary theory states that stress on the job increases whenever something in the work environment thwarts workers’ abilities to achieve their personal goals. That is, when working conditions do not contribute to workers’ Aristotelian hap-

piness and, instead, threaten their sense of competency and self-esteem. According to these theories, two chief stressors stand out: job-specific factors and organizational factors. Job-specific stressors include long working hours, high workloads, conflicting or ambiguous requests for work to be done, and work versus family conflicts. Organizational stressors include job insecurity, interpersonal conflicts, major changes in working conditions—including installing new technology—and perceived injustices in the workplace. As related above, all of these stressors are to be found in the contemporary workplace.

One of the central dysfunctional outcomes of stress is dissatisfaction with one's job. In recent years, job satisfaction has continued to decline. A 2003 study by the Conference Board reports that less than 49% of workers are satisfied with their jobs. This was a drop from 59% reported in 1995. What does it mean when more than half of workers are dissatisfied with their jobs?

Meanwhile, headlines are filled with reports of executives receiving multi-million dollar pay packages and extravagant benefits, justified in large measure by the profits generated by productivity gains. The average worker, however, has not fared so well. Worker pay has not kept pace. During the last three years (2000–2003) corporate profits improved by over 80%, allowing senior executives to award themselves significant pay increases. In contrast, workers' wages rose by only about 5%. Pay is not the only motivator or satisfier, but it is nevertheless one of the key hygiene factors affecting workers. Importantly, notions of justice and fairness are also an integral part of the Dream and essential components of happiness. Perceived unfairness in pay is a demotivator.

## THE VALUE OF WORK

Work, at its core, is a search for "daily meaning as well as daily bread." So found author Studs Terkel in his classic 1972 book *Working*. By interviewing men and women from many

different walks of life—actors to office workers, teachers to waiters, hookers to sanitation truck drivers—Terkel was able to provide a panoramic snapshot of how Americans viewed their work. A grave digger, for example, explained why he took care to dig such straight lines and square edges: "A human body is goin' into this grave. That's why you need skill when you're gonna dig a grave." Work, for most of Terkel's interviewees, was a key source of pride and meaning in their lives.

Many organizations have ignored this fundamental lesson. When a workplace is designed and managed to create meaning for its workers they tend to be more healthy and happy. Healthy and happy employees tend to be more productive over the long run, generating better goods and more fulfilling services for their customers and the others with whom they interact and do business. These three things—health, happiness, and productivity—are the essential ingredients of a good society. Improvement in productivity alone, which is almost the sole emphasis of many organizations today, is not enough.

It seems clear that if there is any hope for people to find general happiness in their lives today, they must be happy at work. Work by itself, of course, cannot make a person happy, but a person cannot be genuinely happy if he or she is unhappy at work.

Just as individuals need role models to guide their development, so do organizations. In our studies we have become acquainted with two companies that are addressing successfully the challenging situation outlined above. They strive to create a happy work environment, one that results in only moderate employee stress. For the most part their employees are happy at work and are healthy, productive and responsible citizens. The following section summarizes some of the attributes of these exceptional companies. Next, the concept of happiness, deriving from Aristotle, is discussed as it pertains to work. This is followed by a brief discussion of recent developments in positive psychology, a new approach to the science that helps people fulfill their

needs and helps promote happiness. In the concluding section some lessons gleaned for improving happiness in work are brought together.

## TWO COMPANIES WHERE HAPPINESS COUNTS

Near the corner of Valwood Parkway and Diplomat Drive in Dallas lies the headquarters of two companies in very different industries. One central commitment they share, however, is a passion for creating a healthy, happy and productive workplace. The Container Store (TCS) is a chain of 20 specialty retail stores that sells just about anything you need for organizing your home, office, car or indeed your life. TDIndustries (TDI) is a basically a construction company that works on new and existing commercial, industrial and large multifamily buildings. It provides mechanical and electrical construction and facility management services in areas such as heating, ventilation, air conditioning, plumbing, electrical, process and high purity piping, automation systems, and refrigeration. Periodically, Jack Lowe, Jr., Bob Ferguson, or Ben Houston—the senior executives at TDIndustries—and some of their “partners” meet informally with Kip Tindell, chief executive officer (CEO) and president, or Garrett Boone, chairman, of The Container Store and some of their associates to exchange ideas about their unique philosophies of management. All are fervent in their belief that success begins with a deep respect for their employees, and that this respect must extend outward to their customers, suppliers and community members.

One measure of the success of their commitment is how well both firms have placed in *Fortune* magazine’s “The 100 Best Companies to Work For.” TCS has ranked in the top three for the last five years; TDI has ranked in the top seven since 1998 when the rankings began. TCS has been ranked first twice; TDI reached second place in 1999. Both organizations show remarkable consistency of

**TABLE 1 FORTUNE: BEST COMPANIES TO WORK FOR RANK**

YEAR	THE CONTAINER STORE—TCS	TDINDUSTRIES—TDI
2004	3	7
2003	2	7
2002	2	4
2001	1	6
2000	1	4
1999	*	2
1998**	*	5

\*Was not evaluated.

\*\*1998 was the first year of rankings.

placement on this important indicator (see Table 1).

*Fortune* authors Robert Levering and Milton Moskowitz explain how the firms are evaluated:

“The most important factor in selecting companies for this list is what employees themselves have to say about their workplaces. Some 46,526 randomly selected employees from 304 candidate companies filled out an employee-opinion survey (the Great Place to Work Trust Index, an instrument created by the Great Place to Work Institute in San Francisco). Nearly half of them also gave us written comments about their workplaces. Each candidate company also filled out a questionnaire detailing its people policies, practices, and philosophies. We evaluated each company on both the employee surveys and the company questionnaires, with the employees’ opinions accounting for two-thirds of the total score.”

### The Container Store

Why has this small retailer performed so well in meeting the health and happiness needs of its employees? To begin with, TCS pays well. Sales people average over \$36,000, among the highest pay scales in retail. Ben-

efits are substantial. For example, the company makes a 100% match for an employee's 401(k), up to 4% of her or his pay. Domestic partners also receive benefits. But this is only a small part of the story. The deeper reason is TCS's culture of mutual respect. Ninety-four percent of the employees told *Fortune* that they felt they "made a difference" by working for the company. Ninety-eight percent said, "I think that TCS is a friendly place." The reason? Ninety-seven percent stated that "people care about each other here." Consequently they encourage their friends to apply. Over 40% of the company's new hires result from referrals made by existing employees.

**Education and communication.** The company is committed to employee education and communications. During their first year employees receive a venerable 235 h of formal training. The average for all TCS employees is 162 h per annum. Uniquely, after 10 years employees are encouraged to take a sabbatical. The company's books are transparent. Everyone knows where the company stands financially at any given time. In fact every employee is expected to know TCS's current sales information at the outset of every day. This is so that he or she can make better business decisions as the day progresses.

Betty Murray is an information systems director at the Dallas headquarters. She is also a part-time yoga instructor who teaches a free session once a week to any local TCS staff who want to participate. About 25% now join her in the relaxation, bending and stretching sessions. "It's good mental practice that can be applied to physical purposes," she explains. Yoga is just one of the stress reducers the company offers. Also available are stretching classes, monthly chair massages, and an online exercise and nutrition diary that's personalized to every employee.

While many companies require employees to consult large policy books when decisions need to be made or to follow predetermined scripts, TCS depends on just

six Foundational Principles to guide everyone every day. These are, in summary:

1. "Fill the other guy's basket to the brim. Making money then becomes an easy proposition." TCS encourages employees to use their imagination to craft creative and mutually beneficial relationships with its customers, vendors and employees by doing everything possible to "fill their baskets to the brim."
2. "Man-in-the-desert." Based on the observation that a thirsty man reaching an oasis needs more than just a drink of water, TCS employees are implored to "astonish" their customers. They work not just to fulfill their customers' immediate needs but also, by exploring the broader context of those needs, to exceed their customers' expectations.
3. The exceptional human being formula. "1 average person = 3 lousy people. 1 good person = 3 average people. And, 1 great person = 3 good people." Therefore, a great person is equivalent to about 9 lousy ones. TCS seeks great people and pays them well based on the belief that the company realizes on average three times the productivity that average employees generate. TCS accordingly can afford to pay them about twice as much as the going rate.
4. "Intuition does not come to an unprepared mind. Your need to train before it happens." This is why TCS is so committed to education and training. It is crucial for developing each employee's ability to create unique solutions to customer's needs and to solve other stakeholder's problems.
5. The merchandising formula. "The best selection [of products] anywhere + the best service anywhere + the best—or equal to the best—pricing in our market area." TCS focuses on excelling on all three key customer buying factors—selection, service and pricing—simultaneously.

6. "Air of excitement!" Three steps into the door customers or visitors should sense that they have arrived at a different place, one that adds drama and fun to the serious business of satisfying their needs.

Living by these principles engenders respect on the part of employees, customers, vendor and others. Respect begets trust and vice-versa. CEO Kip Tindal explains:

"TCS' [Foundational Principles] empower our employees to serve the customer in the true sense of the word. Employees are trusted to make whatever decision necessary to help a customer. Even if it's replacing a customer's bag of merchandise at no charge that she left in the parking lot of our store—as one of our Chicago area store employees did—without even talking to the manager. Or, there's the time when one of our employees accidentally ripped a customer's car seat loading product and immediately dipped into the cash register to pay for the repair—again without manager approval. And I just love the story of our employee who was approached in an airport by a stranger and asked to deliver her husband's left-behind wallet in the destination city simply because she had a TCS shirt on and the customer knew a TCS employee was someone she could trust."

TCS was one of 14 companies that Dr. Leonard Berry identified as providing exemplary service through values-driven marketing practices. In *Discovering the Soul of Service*, he writes "TCS is one of America's most successful retail chains because it has employees who delight in helping customers solve problems—and who possess the freedom and confidence to do so. TCS has been notably successful in attracting exceptional employees who share the strong customer-

focused values of the owners. The quest for excellence pays off in human terms, as well as financial terms. Employees love working in this company that celebrates excellence, and customers love the experience of shopping in the stores."

## **TDIndustries**

"We are committed to providing outstanding career opportunities by exceeding our customers' expectations through continuous aggressive improvement." This is TDI's vision. Every employee is exposed to it from his or her very first moment on the job. The fact that the company lives the vision every day is one of the reasons, one partner told *Fortune*, "this company makes you feel like a human being again."

TDI's stock is held by its employees. The 30 top managers and the company founder's widow own about 25% of the stock; lower-level employees own the rest. No one owns more than 9%. Differences in ownership appear to have little effect on the respect accorded to each of the partners. Ninety-one percent of the company's employees responded in the *Fortune* survey that they were treated as full members regardless of their position. Consistent with TDI's open book policy, a monthly business meeting is held to inform all partners about the company's financial condition and results. Health insurance premiums for a generous care plan are indexed to income: the more an employee makes, the more he or she pays. An entry-level worker can cover his or her family for about \$25 a week. Employees get two weeks of paid personal time off after one year's service. They receive an astonishing 12 weeks at full pay after three years. New hires are given free work boots. Education is a paramount concern at TDI. In addition to their participation in numerous in-house education and training programs, employees are allowed 100% reimbursement of tuition, fees, and books at any state-supported college.

In *Fortune's* 2003 survey 85% of TDI partners agreed with the statement "Manage-

ment is honest and ethical in its business practices." With respect to fair treatment of employees regardless of age, 90% agreed the company was fair; with respect to race, 85% agreed; sex, 92% agreed; and sexual orientation, 91% agreed. These results compared very favorably with all of the other companies the magazine surveyed. Nevertheless, managing partner Jack Lowe, Jr. is not satisfied. "Of course, if 85–95% of our Partners agree with these statements," he observes with both pride and concern, "it is equally true that about 15% disagree. And that means we have work to do!"

***Servant leadership.*** TDI conducts all of its business based on a deeply held philosophy of servant leadership. Robert Greenleaf, who originated the idea, describes the concept as follows:

"It begins with the natural feeling that one wants to serve, to serve first. Then conscious choice brings one to aspire to lead. The difference manifests itself in the care taken by the servant—first to make sure that other people's highest priority needs are being served. The best test, and difficult to administer, is: do those served grow as persons, do they while being served, become healthier, wiser, freer, more autonomous, more likely themselves to become servants? And, what is the effect on the least privileged in society, will they benefit, or at least, not be further deprived?"

In 1971 TDI's founder Jack Lowe, Sr. stumbled upon Greenleaf's classic essay "The Servant as Leader." Greenleaf was inspired by Hermann Hesse's novel *Journey to the East*, in which a young man named Leo accompanies a band of men on a long journey sponsored by "The Order." Leo performs all of the group's necessary menial chores. All during the journey he sustains their morale with his joyfulness, uplifting spirit and jubilant singing. The trip proceeds well until Leo

mysteriously disappears. Upon his exit the group almost immediately falls apart, and the journey is quickly abandoned. Years later one of the party is admitted into "The Order" only to discover that the person whom he had previously known as Leo the servant was in fact the head of the organization and revered as its great and noble leader.

The senior Lowe was entranced by the tale and the essential lesson Greenleaf drew from it: leaders are first servants of those they lead. That is, the best leadership is provided by those with both a compelling vision and a desire to serve others first. Jack Lowe, Sr. acquired copies of the essay for all of his employees. (Greenleaf phoned him at the time to find out why a small company in Dallas was the largest purchaser of his essay. Soon thereafter they became lifelong friends. Jack Lowe, Jr. currently serves as president of the Greenleaf Foundation.) All TDI employees at the time, most of whom had not even graduated from high school, were invited to read through the essay and, then, to gather at the Lowe's house—Mrs. Lowe served breakfast—to discuss its meaning for their work and personal lives. This became a monthly ritual and, with appropriate changes has become a corporate tradition.

In the ensuing years, the company has grown to about 1,400 employees. Jack Lowe, Jr. and other top managers now meet at the corporate headquarters with every partner at least once every two years in small group sessions of about 25 called "Partner Roundtables." They enjoy breakfast, and for about 3 h discuss anything that is on their minds as well as give and receive input on specific issues that have arisen. During these meetings TDI's culture and the vision and values philosophy is thoroughly reviewed and debated. Other ideas for managing—such as those of Peter Drucker and Meg Wheatley—have been added, but the spirit remains the same as it was during the original Lowe home sessions. In addition, at least once a month every partner meets with others in his or her department and/or in company wide sessions to discuss how they can work together to make the company better and

enrich each other's personal lives. Today any TDPartner who supervises at least one person must go through training in servant leadership, and every new employee is given a copy of "The Servant as Leader" essay and expected to read it.

Servant leadership is at the heart of TDI's business theory, which is based on a metaphor of the construction industry in which they work. A building is erected in steps. Accordingly, so too must an ethical corporate culture. Servant leadership in TDI's practice is the essential process for preparing a firm, bedrock site upon which to build. This provides the necessary grounding for laying down a foundation of trust. Trust, then, undergirds four key ascending pillars: continuous learning, shared commitment, authentic diversity, and strategic planning. These pillars, in turn, support a canopy community of powerful trusting partners. The partners work together to delight their customers. Satisfied customers result in business success, which further reinforces the community of powerful, trusting partners. This virtuous cycle may be summarized: servant leadership → trust → continuous learning, shared commitment, authentic diversity, and strategic planning → powerful trusting partners (i.e. all employees) → delighted customers → business success → → more powerful trusting partners → → more delighted customers → → more business success, etc. The cycle is reinforced by constantly maintaining a culture of trust, service, quality, and learning. By means of meetings, surveys and many different communication techniques TDI communicates and tests its business theory and other basic elements of its values and vision as it affects all partners. For example, annually all partners are required to rate their supervisors anonymously in the areas of communication, servant leadership, productivity, people building, motivation and quality. The results of this survey and others are fed back to relevant parties and summaries are discussed during the frequent corporate meetings.

Consistent with the servant as leader concept TDI has always maintained an open door policy and encourages any partner to

visit any member of the leadership team at any time and to discuss anything that concerns them. And this is not hard to do. At TDI, everyone works out of the same standard open cubicle space, including the CEO. Jack Lowe, Jr. jokingly refers to this as the company's "no-door" policy.

**Trust.** Establishing a culture of trust has enabled TDI to deal effectively with several major challenges. A touching illustration took place in the late 1980s, when the company faced its first financial loss in over 30 years. The construction market had essentially collapsed and every major bank in Texas, including TDI's bank, had failed. As a result TDI owed a demanding Federal Deposit Insurance Corp. (FDIC) about 16 million dollars which it didn't have. The leaders did everything they could to keep the company afloat at the time, but to no avail. Bankruptcy was in the offing. After several unsuccessful efforts to borrow the money or raise capital, TDI's leadership, as a last resort, asked its partners to consider investing their own retirement funds into the company. This was a lot to ask. Each participating partner would be risking a large proportion of his or her personal resources to help the company return to solvency. Almost every partner, however, said "yes." Collectively, they contributed over \$1,250,000 from their retirement accounts (about 30% of their aggregate accumulated funds at the time) and invested it back into the company. In less than a year TDI recovered. Subsequently, the FDIC was paid back in full.

Partners participate actively in the design and conduct of their own training. When the company wanted to develop materials in such sensitive areas as harassment, use of corporate resources, and how a manager should deal with an employee who has made a significant mistake, self-selected teams were formed to study each problem and formulate solutions. The teams became so captivated by the issues and their importance to the company that they decided to write scripts depicting good and bad prac-



tices. Other groups were equally energized. As a result, the teams decided—with management’s full support—to act out the scripts and to video each session. Also caught up in the excitement, management sponsored an “Academy Awards” session at one of the company’s Friday morning meetings. A variety of awards were given in such areas as best script, best production, most humorous, best actor, best actress and the like. The awards session was a fun-filled event complete with ribbing and jousting, but it also was a highly effective means to communicate the company’s culture and values. The videos are still used for training, and partners still take delight in pointing out one of their own in the role of an actor. Today a TDI manager may well learn lessons on how to manage by viewing a video written, produced and acted by one of his or her own employees.

Engaging employee teams to solve important corporate problems has become a standard operating practice at TDI. CEO Lowe, who graduated *magna cum laude* from Rice University, doesn’t believe he has all the answers. For example, for years he managed the company’s healthcare plan only to have the total cost continue to go up every year. So he brought together a diverse group of partners to form a Healthcare Quality Team. With considerable pride and humility Lowe reports that once the team took over ownership, TDI saved millions of dollars while at the same time improving all employees’ overall coverage and the perceived fairness of the premium system.

Jack Lowe, Jr. reflects:

“Until someone has been in our work environment, where the individual is valued, encouraged, challenged, guided, given freedom to perform and is loved, it is difficult to comprehend the power of the trust that exists here. People often comment that TDIIndustries ‘feels’ different the minute they walk through the door. As our attorney expressed recently, ‘If all businesses were like

TDIndustries, the world would only need half the attorneys, judges, and courtrooms.’ When you search for good, you’re more likely to find good. When you expect the best of people, they rise to your highest expectations!”

## HAPPINESS

Aristotle, too, sought for the good. He taught that human living is best characterized as a longing and desire for a good life. People want to do good things, to live well, to do well. He and other early Greek philosophers insisted that human life is by nature an interpersonal and political affair. An individual is not a separate, exclusionary self that is somehow distinct from other selves or from his or her social and political environment. Rather, a person is a complex self, a self that is at once an individual constituted by his or her decisions and choices, and also a social being constituted by his or her interpersonal and political relationships. “My good,” therefore, is inextricably interwoven with the good of others and of the community as a whole. Consequently, an essential theme in the Greek’s teachings was that in order to achieve the good life people need to live in a good society, one that nurtures and supports them and helps them flourish. This precept still holds. Today, as recounted above, large numbers of people in our society spend a considerable part of their lives working in organizations. Because we are now spending so much time at work and devote so much of our energy and attention to it, our organizations have become the source of many of our interpersonal, social and political relationships. Aristotle’s argument must now be expanded to include: “In order to achieve the good life people must work in good organizations.”

No one can work and mature in an organization without internalizing aspects of it. Organizations are in large measure our keepers and our experience in them serves to shape who we are. As we have seen, on the one hand working in organizations can be

overly confining, as appears to be the case with the more than half of American workers who are dissatisfied with their jobs. The work reductionist techniques of simplification, standardization, measurement, monitoring and control employed by many organizations serve to isolate the individual from others in the workplace and often to minimize his or her unique human contribution to the job. On the other hand, working can be made uplifting—as appears to be the case with companies like TCS, TDI and other of the best places to work. Both TCS and TDI pursue quality with empathy. They work hard to be more efficient and to provide the highest levels of service, but they do it in a way that not only preserves but also enhances their employees' dignity. If workers are going to enjoy the good life, to be truly happy, they need to work in good organizations like these.

Happiness is a holistic ideal. It speaks to the whole person, one whose whole life is complete in the sense that his or her reasonable desires are fulfilled over his or her lifetime. He or she is secure in the sense that others will rally around to aid in the event that misfortune strikes. Both TCS and TDI have many heartwarming stories to tell about how their employees gave of themselves to come to the aid of an employee or close relative who was seriously ill or suffered from some natural disaster such as a flood or tornado.

Happiness, according to the Greeks, is not primarily rooted in receiving sensual pleasure, honors or money; although these may be a contributing part of a greater pattern of positive factors. Rather, happiness derives from three key defining characteristics:

1. *Freedom.* Happiness mostly results from an individual's ability to make choices. Happy people are those who can think independently and are free to choose. Accordingly, they control a large measure of their own fate. That is why TCS, TDI and other best places to work give their employees a great deal of autonomy and discretion.

(Consistent with his times, Aristotle believed that children, slaves, and women could not achieve true happiness because they lacked the freedom necessary to control their lives. Overcoming this has been one of great struggles of humankind ever since. Companies like TCS and TDI with mature diversity policies have helped in the struggle.)

2. *Knowledge.* Happiness requires information, knowledge and the ability to reason. If workers are allowed to make important decisions they need to know about the business, how the world works and something about human psychology. Importantly, they need to know how to make intelligent decisions by means of practical reasoning. This is one reason why TCS and TDI have open books and provide transparent information to their employees. It is also the justification for these companies' exceptional commitment to communications, education and training.
3. *Virtue.* Happiness requires moral character. Interestingly, neither TCS nor TDI have formal ethics or character development programs, yet each has been given prestigious ethics and related awards. Ethics and character building permeate everything they do. Moral training comes in large part from the corporate visions and foundational principles that all employees learn, assimilate and continue to practice. This moral guidance, coupled with the responsibility to make decisions, helps develop the moral character and intellectual expertise necessary to make good decisions. Making good decisions results in authentic and justifiable pride—self-esteem, self-respect, self-approval, self-admiration, self-actualization. All of this is essential for reducing the negative effects of stress, for enhancing one's ability to cope and strong feelings of self-efficacy. For

Aristotle this type of pride was the “crown” of the virtues because “it enhances them and is never found apart from them.” Importantly, exercising the virtues is a person’s route to true happiness.

Aristotle wrote over 2000 years ago. In recent years a group of psychologists, stimulated in part by his thought, have sought to bring more modern tools to bear on the pursuit of happiness.

## POSITIVE PSYCHOLOGY

In January 2000, a special issue of *American Psychologist* was dedicated to furthering the concept of positive psychology. According to the authors, since the development of psychology and psychiatry at the beginning of the 20th century, the primary focus of these disciplines has been on recognizing and healing the symptoms of mental disorders. This focus on healing has been somewhat successful in relieving suffering but has done little to reduce the growing number of people with depression or other psychological problems—some of which derive from job-induced stress or dissatisfaction. In effect, our society has generated stress and its related disorders faster than it has discovered cures or preventive measures.

The positive psychology movement’s aim is to help people embrace and enjoy life as they live it. These psychologists are trying to help individuals find genuine happiness in their everyday lives and not waste their lives dreaming of something they never seem to achieve. In his book *Authentic Happiness*, Martin Seligman (who with Mihaly Csikszentmihalyi edited the special edition) tells us that if we can discover a calling or something that links us to a greater good we tend to be happier. Organizations like The Container Store and TDIndustries have done just that. They have given their employees an opportunity to spend their days not only earning a good living but also feeling as if they are contributing to the “greater good.”

The goal of positive psychology is to help transition the discipline from relying primarily on a healing perspective to one that emphasizes prevention. It is focused at three levels: subjective experiences (feelings), individual traits, and institutions or organizations. At the subjective level the new approach to the science seeks to place more value on enriching human experiences such as “well-being, contentment, and satisfaction (in the past); hope and optimism (for the future) and flow and happiness (in the present).” Flow is used here in Csikszentmihalyi’s conception to mean that people have a continuing sense of absolute involvement in what they are doing and are focusing their total attention on the activity. This high level of active participation results in a loss of self-awareness. Flow, then, is a condition—frequently of exhilaration—that people feel when they are thoroughly involved in their jobs. At the level of the individual, positive psychology seeks to develop positive traits such as “the capacity for love and vocation, courage, interpersonal skill, aesthetic sensibility, perseverance, forgiveness, originality, future mindedness, spirituality, high talent, and wisdom.” Finally, at the organizational or group level positive psychology “is about the civic virtues and the institutions that move individuals toward better citizenship: responsibility, nurturance, altruism, civility, moderation, tolerance, and work ethic.”

Contributors to the special issue contend that psychologists should devote more of their efforts to helping people fulfill their personal and communal needs and desires and to leading more successful lives. That is, psychologists should help people achieve happiness. To attain this state people must live in good communities and work in good organizations. They must be able to recognize and experience—perhaps even cherish—feelings of well-being, contentment and satisfaction with their pasts. They should feel happiness in the present and be optimistic about their future. That is, they must develop the character traits associated with Aristotelian pride. A positive psychology develops ways and means to help people

experience worthy emotions like personal happiness, both within themselves and within the broader social context in which they work and live.

## CONCLUSION

If we are to create and maintain healthier, happier and more productive workplaces, organizations are well advised to place more emphasis on positive psychology. In recent years economic productivity has been wrung out of the average worker, in large measure, at the cost of his or her health and happiness. This trend towards pathological and dysfunctional effects needs to be reversed. Our society should set as its primary goal securing the good life as Aristotle envisioned it, and we should re-energize ourselves around Jefferson's inalienable human rights of "life, liberty and the pursuit of happiness." For our industrial qua information society this means that organizations as well as political institutions must be designed and managed so that they promote happiness for all of their members. The Container Store and TDIndustries may serve as role models in this pursuit. These companies are among the few that have developed philosophies and methods that instill the kind of "daily meaning"

in people's work that Studs Terkel's workers found so essential in the quest for a good life.

The American Dream does not, in the final analysis, rest on materialism. Good spouses, children, careers, automobiles, houses, cell phones, PCs, televisions and "a chicken every Sunday" are merely outward manifestations of our citizens' deeper inward aspirations for a good life. What is ultimately good is *not* any one particular good but an overriding, all encompassing good. It is *not* an external good such as income or wealth: *not* a physical good such as sensual pleasure: *not* even an intellectual good such as knowledge and skill. The *summum bonum*, Aristotle's life goal of happiness, is whatever makes one's *whole* life as a human being good. It is intrinsic and sought in its own right. "Happiness," Aristotle famously said, "more than anything, is absolutely final. For we always choose it for the sake of itself and never for the sake of something else . . ." Organizations have the capacity to create healthy and happy as well productive lives for their members, if only their leaders commit themselves to it.



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