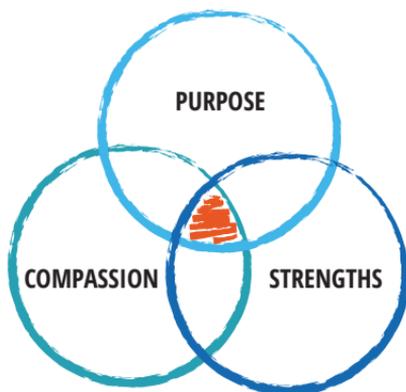


# ORGANIZATIONAL HAPPINESS

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THE HAPPINESS SWEET SPOT  
AND YOUR MOTIVATIONAL  
LANDSCAPE

LARS KURE JUUL



Clearsight Publishing  
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*To my Angel!  
You make me happy!*





## ABOUT THIS BOOK

**T**his 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.

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## FOREWORD

*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

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## INTRODUCTION

**W**e 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,<sup>1</sup> 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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<sup>1</sup> 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<sup>2</sup> 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

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<sup>2</sup> *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<sup>3</sup> 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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<sup>3</sup> 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.<sup>4</sup>

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

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<sup>4</sup> 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*.<sup>5</sup>

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

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<sup>5</sup> *Harvard Business Review*, January/February 2012.

understanding it and helping organizations apply it in an operational way.

In 2014 Mohit Mukherjee<sup>6</sup> 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**

taking happiness seriously. 

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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<sup>6</sup> Mukherjee is founding director of the UPEACE Centre for Executive Education in Costa Rica.

In 2015 we launched the Happiness Sweet Spot<sup>7</sup> 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*.

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<sup>7</sup> See [www.TheHappinessSweetSpot.com](http://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.

# MOTIVATIONAL LANDSCAPE



We help you get a handle on employee engagement

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 1



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,”<sup>8</sup> 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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<sup>8</sup> 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.



Happiness serves all.  
Source: Lars Kure Juul



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.

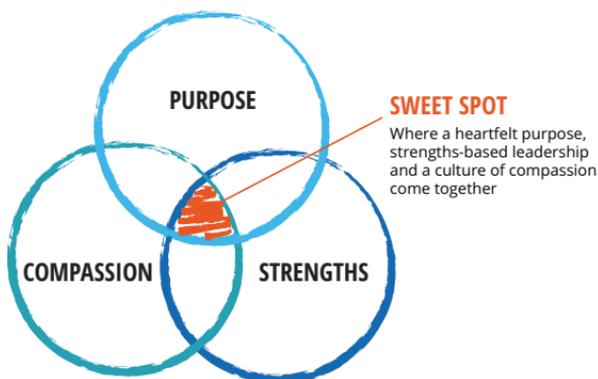
For that, a good, simple model is the PERMA model, developed by Martin Seligman.

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



He describes and elaborates on the model in his 2011 book *Flourish*.<sup>9</sup>

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);

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<sup>9</sup> 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.

## E ngagement

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.



## CHAPTER 2

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# THE BUSINESS CASE AND THE RECIPE FOR ORGANIZATIONAL HAPPINESS

**T**he business case for working with organizational happiness and employee engagement is not difficult to build. In this chapter I will help you explore all the “whys” and look at the figures based on research and cases, and you will learn how to build your own business case based on relevant key performance indicators (KPIs).

“Nice idea—feels good. *Show me the business case!*”

As an HR executive and trusted advisor, I often get that kind of response when we introduce ideas for new organizational development activities.

I think it’s a good test and challenge to evaluate whether we’re using our money wisely and investing in the right strategic initiatives.

So, hands down, what’s the business argument for organizational happiness and using the Happiness Sweet Spot model to work strategically with organizational happiness? And how do we build a simple business case for happiness that everybody will understand and that becomes a “no-brainer” even for the CFO?

As a starting point we need to establish the fundamentals: Happy employees perform better, are more committed, and attract committed and talented people to the organization. They are healthier and take fewer sick days. They don’t



quit easily, they treat customers better, and they tend to be less stressed. Those are just a few relevant organizational and people measures that would easily build your business case in a concrete way.

From a market point of view, we take happiness seriously, because if we don't, we will be outperformed.<sup>10</sup> Using organizational happiness as a competitive advantage means that you are able to attract, develop, and retain the best talent in your industry. And the individual and team performance will be in the upper 10 percent of your industry. If you evaluate the success of your company based on market value, “human capital” and “intangible assets” are critical.<sup>11</sup>

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<sup>10</sup> See, among others, Meghan Biro at <http://www.forbes.com/sites/meghanbiro/2014/01/19/happy-employees-hefty-profits/>.

<sup>11</sup> For inspiration on this I highly recommend *Great People Decisions: Why They Matter So Much, Why They Are So Hard, and How You Can Master Them*, by Claudio Fernández-Aráoz.



The most important competitive advantage is your ability to attract and retain top talent. In that sense organizational happiness will be a differentiator for you, as well as a competitive advantage.

The demographic challenges of the twenty-first century are making this competitive advantage even more relevant.

The changes in the makeup of our population, as a result of aging and migration, are hot topics in the media and the world of politics—and rightly so, because there is hardly a policy area that is not being affected by demographic change.

As organizational leaders we should be aware of how these challenges will affect our ability to attract resources and hire employees with the superpowers we need.

We all want to work for organizations that are oozing happiness. But what do they look like? I believe organizations are happy because they



have a strong heartfelt purpose, believe in strengths-based leadership, and are cultivating a culture of compassion. Those are the three pillars in the Happiness Sweet Spot model.

Below is a collection of quantified and quantifiable benefits of focusing on organizational happiness and employee engagement. The figures are drawn from research by Gallup, Martin Seligman, Tom Rath, Shawn Achor, and other thought leaders and experts in this area.<sup>12131415</sup>

Figures are also based on our experience with implementing an organizational happiness strategy in organizations and working strategically with employee engagement.

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<sup>12</sup> Research and cases by and from Gallup, Shawn Achor, Martin Seligman, and many more, including our own organizational development cases.

<sup>13</sup> Aaker, Leslie, and Schifrin, “The Business Case for Happiness.”

<sup>14</sup> Marks, The Happiness Manifesto.

<sup>15</sup> Happiness Works:  
<https://www.happinessatworksurvey.com/business-case>.



There is a clear and evident trend in the research and the cases we know about:

- increased **performance and productivity**, 8–18 percent
- higher **customer satisfaction** and loyalty, 2–10 percent
- lower **employee turnover**, 6–73 percent
- higher **employee retention**
- lower number of sick leaves and less absenteeism, 7–37 percent
- more **innovation**, up to 300 percent
- higher **employee engagement**, 4–23 percent
- increased **profit**, 14–29 percent
- fewer **safety incidents**, 23–59 percent
- increased **sales**, 10–19 percent
- reduced **stress and burnout**, up to 400 percent
- better **quality**: fewer defects and errors, 6–27 percent
- increased ability to **drive change** / adaptability to change
- **customer loyalty**
- **ideas** for reducing cost-base



The figures represent the range for which I could find evidence in the research, cases, and our experience with organizational happiness implementation.

I don't think the exact figures are important. What is important are the figures for you and your organization.

Many of the figures are of course interrelated and highly dependent on how you measure, what you measure, and how clearly you are able to isolate the relevant cause and effect of your organizational happiness initiatives.

There is a clear correlation between your effort (defined as having a prioritized strategy with investments behind activities) and the outcome. The more you integrate your happiness strategy into your organization, the more value you create. Or, the more you integrate it, the better the business case.

The idea of including the benefit list is not to guarantee that your results will be the same as



those on the list. Organizations are too complex for me to give you a single practice to copy, and as stated, there is a clear correlation between how you design your strategy, the investments you make, and the results you get.

But even with all the reservations about specific outcome, I would not be afraid to do a no-cure-no-pay agreement on implementing an organizational happiness strategy at any organization.

The aim of this section is to emphasize the business case and highlight the potentially short return on investment (ROI) you can have with organizational happiness strategies.

You will get your own results and own figures, depending on your unique circumstances and potential—and the way you approach your strategy in this area.

Make your own business case. Even a conservative one will make your CFO happy.



## Your Business Case

Try to build a quick, very conservative business case on the back of a napkin, like this:

- How many employees do you have in your organization?
- What's your salary budget for this year?
- What's your projected employee turnover for this year?
- Calculate a 2 percent productivity increase. (That means you can save resources or do "more with less.")
- Calculate reduced sick leave of one or two days per year per employee. (That will reduce the cost of using contractors, stress-related expenses, and so on.)
- Calculate your retention rate up or calculate a reduction in turnover by 10–15 percent. (This figure will affect the costs of hiring, knowledge gaps, onboarding, and so on.)



When I do a rough calculation for an organization I'm working with at the moment that has five hundred employees, I get a result of close to \$2 million. This represents profit and cost reductions combined.

The ROI in this case takes less than three months. My experience with investments to drive your organizational happiness strategy is that very often the implementation of the strategy is about focusing and aiming the investments you are already making around your people strategy, training and development, and so on. It's usually not a huge extra investment.

And this is a very conservative business case. When we are able to unlock the potential in the organization, so that employees are playing to their strengths, feeling the purpose, and engaged and motivated, the actual productivity increase is a lot higher than 2 percent. Some studies suggest 28 percent on average.

On top of that, you should add the benefits of more innovation, more sustainable results, better



customer service, higher customer satisfaction, unlocking and releasing management resources, and removing organizational inertia in general.

Those things are more difficult to put into a hard-core business case, but they are highly relevant and would make the case much more attractive.

It is fair to say that this conservative business case for working strategically with organizational happiness is solid. And the potential and real value is a lot more than that.

Would that make you or your CEO—or CFO—want to take happiness seriously in your organization?

Yes.



## The Recipe

Before we jump in and explore each of the elements in the Happiness Sweet Spot and your Motivational Landscape, I'll give you the five steps here and revert to it when we work on the recipe for your organization within the framework of the Happiness Sweet Spot.

*Five easy steps to organizational happiness and a fully charged organization*

1. Find a framework that works for you.  
This book is an example of a framework.
2. Make the assessment; know your organization.
3. Do your business case.
4. Base your “strategy-to-action-plan” on
  - i. purpose—your why,
  - ii. strengths-based leadership, and
  - iii. compassion.
5. Measure, review, and follow up—make it stick!



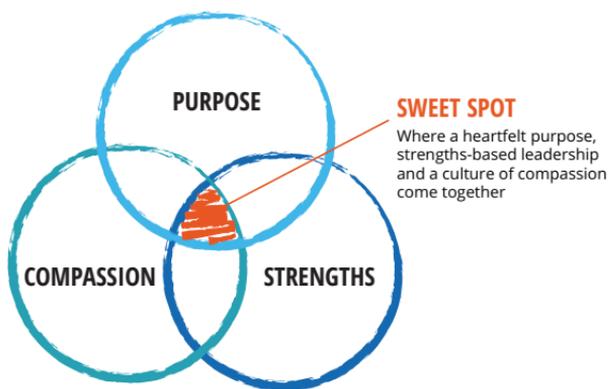
The next five chapters will give you insight, research, and background information on all the elements of the Recipe for Organizational Happiness.



## CHAPTER 3

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# THE HAPPINESS SWEET SPOT



Now we have come to the “how.” In my work with organizational happiness and employee engagement I have realized that three areas are especially conducive to catalyzing happiness and employee engagement. It’s about how organizations cultivate a culture of compassion, *why* they are here, and how they lead and manage people. I will use this as the point of departure for working strategically with organizational happiness as an engine for high performance and sustainable results.

To work strategically with happiness in your organization, you need to break it down and develop strategies and facilitate actions in three main areas:

1. Purpose
2. Strengths
3. Compassion

We use the term *the three pillars of organizational happiness*. I will explain and elaborate on each of these as we go forward.

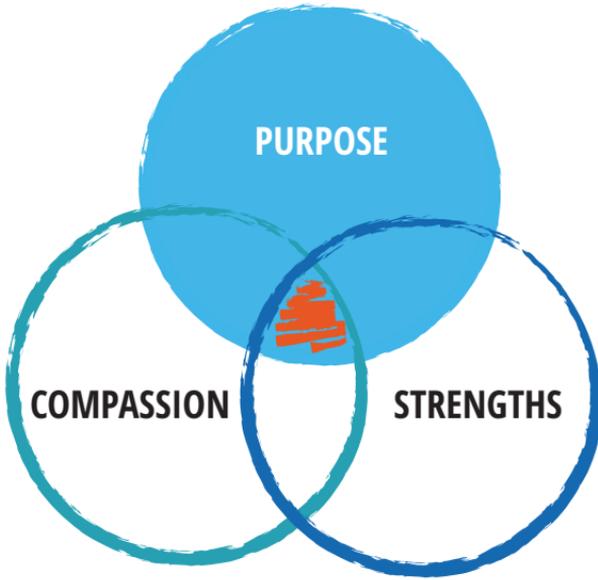


So, what is the Happiness Sweet Spot? You're in the Organizational Happiness Sweet Spot when you've found the place where your strategies and efforts around purpose, strengths-based leadership, and cultivating a culture of compassion come together, support one another, and are integrated.

When you ignite the sweet spot and, as leader, unlock the potential of the organization, your organization will be “fully charged.”



## Purpose



The first pillar of organizational happiness is purpose.

Purpose is your organizational *why*.

It's a heartfelt "reason for being" that is bigger than profit. When market conditions are right, companies can be successful with a pure profit



purpose. But a lot of potential is released when it's more than that.

When your purpose is clear, many other things get easier: your storytelling to customers about why to buy, attracting the best people to your organization, and more.

On the individual level your *why* brings meaning, which is the *M* in the PERMA model I introduced earlier.

When it is really good, your organizational *why* resonates—does not conflict—with the personal *why* of the people in the organization.

- Purpose brings meaning.
- Having a purpose is a competitive advantage.
- Your purpose is your employer brand.

And you need a strong purpose to attract and retain top talent. If you don't have that, your organization will struggle and not last.



For some organizations a heartfelt purpose and *why* comes easily and naturally. For other organizations it is a bit of a stretch to come up with a “meaningful” purpose.

Scandinavian Tobacco Group’s promise is “We create moments of great enjoyment for smokers.”<sup>16</sup>

The PepsiCo mission statement is as follows: “Our mission is to be the world’s premier consumer products company focused on convenient foods and beverages. We seek to produce financial rewards to investors as we provide opportunities for growth and enrichment to our employees, our business partners and the communities in which we operate. And in everything we do, we strive for honesty, fairness and integrity.”<sup>17</sup>

The mission statement of Patagonia is as follows: “Build the best product, cause no

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<sup>16</sup> [www.st-group.com/en/our-company](http://www.st-group.com/en/our-company).

<sup>17</sup> <http://www.pepsico.com>. The mission statement is from 2013.



unnecessary harm, use business to inspire and implement solutions to the environmental crisis.”<sup>18</sup>

Which one would you like to give your best to? What company would get the best part of you? Which company would you talk about with pride at a cocktail party?

For Scandinavian Tobacco Group and PepsiCo, my best guess is that they have to attract top talent with a promise of exceptional professional development, above industry salary, and retain talent with contractual bindings. This can be a successful strategy, but it’s really hard work—not heart work.

Of course that would depend on the actions and actual behavior those companies put behind their statements.

But the stronger and more heartfelt the purpose, the easier it is for employees to give all

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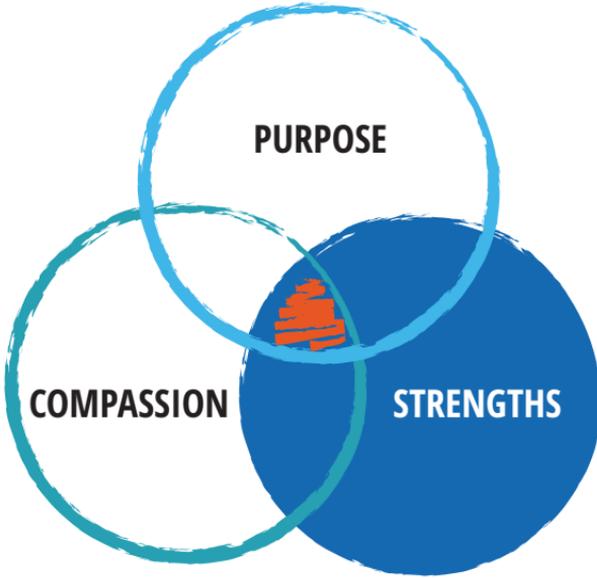
<sup>18</sup> <https://www.patagonia.com/company-info.html>.



they have, to want to work there, to relate to and be proud of it. It makes us happy on a personal level. In chapter 4, I will unpack and elaborate further on purpose.



## Strengths



The second pillar of organizational happiness is strengths-based leadership and real talent management. That means discovering people's talents, strengths, and potential and putting them into play for your organization.

Focusing on strengths and what's working well will result in the highest employee engagement.



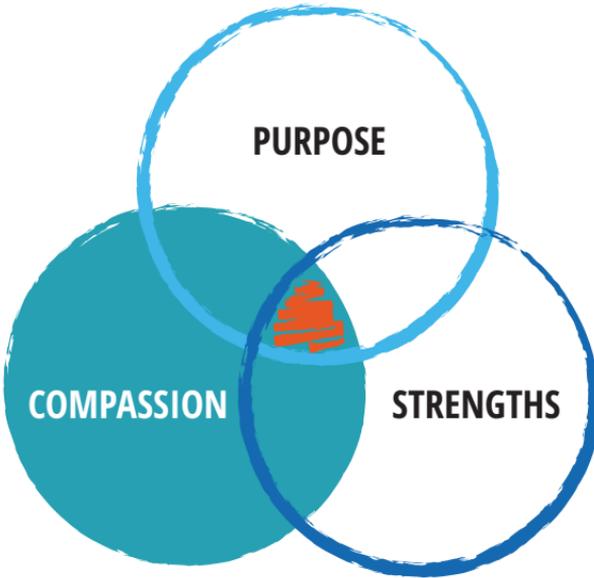
- Conversations about strengths reveal the superpowers in an organization.
- Effective talent management recognizes that everybody has talent, potential, and strengths.
- Strengths-based leadership unlocks an organization's potential.
- A successful talent management strategy requires simple processes and enabling tools.

It's no surprise to you as a leader that ignorance results in the lowest engagement. A focus on problems and what's not working, with a fix-it attitude, leads to higher engagement. But it's not nearly as high as the engagement that is stimulated by a strengths-based leader.

In chapter 5, I will give you an understanding of how to lead your organization from a strengths-based perspective to build the second pillar of the Happiness Sweet Spot.



## Compassion



The third pillar of organizational happiness is cultivating a culture of compassion. It means people are interested in understanding the difficulties of other people and have a burning desire to help them.

- Compassion and curiosity increase employee loyalty and trust.



- Compassion boosts team performance by helping employees feel “safe.”
- Compassion facilitates the spirit of experimentation and is critical for creativity.

The way I see it, compassion is about leadership and leadership is about compassion. If you aspire to be an effective leader, you can't do it successfully without compassion.

Research has demonstrated that even before establishing their own credibility or competence, leaders who project warmth are more effective than those who lead with toughness. Compassion, kindness, and warmth accelerate trust, which is a building block for performance and teamwork.

This third and last pillar of the Happiness Sweet Spot is unpacked and explored in chapter 6.

When you work with the three pillars of organizational happiness as an engine for sustainable success, you need to know if you've



hit the sweet spot for your organization. Do you put the right emphasis on each of the pillars? What works best for your unique situation in your organization? Are your efforts paying off?

Knowing your Motivational Landscape will help you determine whether you're on the right track.



## Your Motivational Landscape

# MOTIVATIONAL LANDSCAPE



We help you get a handle on employee engagement

If you work strategically with organizational happiness as an engine for sustainable success, you need to know if you are within the sweet spot.

We have developed a simple tool that will help you keep an eye on this.

You need to know, How are we doing right now?

Because you wouldn't and can't rely on gut feelings alone.



Your Motivational Landscape is a simple pulse survey and tool that tells you about the state of your organizational happiness and employee engagement—in real time.

The tool is connected to the three pillars in the Happiness Sweet Spot, so you can measure, monitor, and follow up on your activities and purpose, strengths, and compassion.

Your Motivational Landscape is built on research and case studies on what creates and is conducive to organizational happiness, employee engagement, and high performance. Behind the scenes we have built in the PERMA model and the science of happiness, because they are fundamental to this.

It consists of ten unique questions related to organizational happiness and employee engagement, asked on a regular basis. The results are reported on a dashboard and provide important data your business depends on for its success.



## The 10 Questions in Your Motivational Landscape

1. I feel happy at work.

### PURPOSE

2. I'm proud of being part of my organization.
3. I know how I contribute to the mission of our organization.
4. I would recommend a friend for a job here.

### STRENGTHS

5. I have the opportunity to do what I do best.
6. I have opportunities to learn, grow, and develop.
7. I have the resources available that enable me to do a good job.

### COMPASSION

8. I feel people care about me.
9. I get recognition or praise (I am appreciated).
10. My opinion counts.



Every question is accompanied by an optional link where employees can elaborate by responding to these two prompts:

- What worked well?
- It would be even better if...

Your Motivational Landscape platform will also engage employees in the pursuit of organizational happiness. Happiness needs to be on the agenda and in conversations at the lunch table and the cocktail party.



## Innocent or Excellent?

To develop a culture of organizational happiness that evokes emotions in your employees, you can't simply copy policies and practices from another organization or from a book and framework like this one.

Knowing about them is inspiring and helpful, but yours must be consciously designed for your organization:

1. Where are we now?
2. What works here, now?

In other words, "Start where you are. Use what you have. Do what you can."<sup>19</sup>

To help you determine and reflect on where your organization is now as a point of departure for your strategy, we have designed a simple framework around the Happiness Sweet Spot to evaluate whether the people in your organization are inexperienced or excellent at understanding

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<sup>19</sup> Tennis player Arthur Ashe.



and cultivating a sense of purpose, strengths, and compassion.<sup>20</sup>

Think about your team or organization and ask yourself these questions for reflection:

- What are its characteristics?
- Do you have a heartfelt purpose that resonates with the *why* of the people in your organization?
- Are you focused on building a strong leadership culture?
- Do you cultivate a culture of compassion?
- Do you have a talent management strategy that recognizes that everybody in the organization has talent, potential, and strengths?

Think about this as you—mentally or at TheHappinessSweetSpot.com—place the marker on the scale below somewhere between zero and 100 as it relates to the purpose, compassion, and talent in your organization.

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<sup>20</sup> See [www.thehappinesstweetpot.com/assessment/](http://www.thehappinesstweetpot.com/assessment/).



# MOTIVATIONAL LANDSCAPE



We help you get a handle on employee engagement

Besides your own (or your team's) assessment based on your knowledge of and experience in your organization, a way to fast track, or get a clear picture, is to start taking advantage of the features in Motivational Landscape.<sup>21</sup>

You could pick a relevant group of people who are representative of your organization, set them up in the system, and have your preliminary sweet spot score and detailed scores on purpose, strengths, and compassion within a few days.

That's a strong point of departure for choosing the right strategy for you related to

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<sup>21</sup> The website [www.MotivationalLandscape.com](http://www.MotivationalLandscape.com) includes access to a free trial.



organizational happiness and employee engagement.

Now is the time to dive into the *how* and *why* of each of the three pillars of organizational happiness.

In chapter 7, I elaborate on how to establish your Motivational Landscape and offer you a way to measure, monitor, and follow up on your organizational happiness strategy.

In the next chapters, I will lead you through a deeper understanding of the three pillars of organizational happiness and how to work with them, and explore why they are so important.

