FOCUS ON ENGAGEMENT, NOT HAPPINESS, TO DRIVE ORGANIZATION PERFORMANCE

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Whether it’s employee survey data, the vast numbers of people who have signed up to online sites as “passive job seekers” (LinkedIn suggests 70% of its members are open to new opportunities) or the record levels of people seeking self-employment (think entrepreneurship and the gig economy), the popular message is that employees are really not having a great time at work. All of the numbers seem to be pointing to the need for the workplace equivalent of an antidepressant. Are we living through a workplace misery epidemic?

In recent years we have seen the emergence of an entire industry to help us keep employees happy in their jobs — a host of programs directed at improving the overall positive affect (happy feelings) of the workforce. If you take a quick review of programs related to improving the “employee experience,” much of it sounds like the sort of advice you can read in a self-help book, but at an organizational scale. Under this banner comes a huge number of initiatives, including strengths-based management (people are happier and feel more confident when you focus on their strengths — go figure), the emerging focus on ensuring a great “employee experience,” programs to help people have “fun” in the workplace and many new approaches to leadership development that emphasize keeping people happy at work as a route to improved organization performance. Backing these approaches is work from researchers in the positive psychology movement who have found that being happy leads to improved well-being, productivity and relationships.

1 Crowley M. “Gallup’s Workplace Jedi on How to Fix Our Employee Engagement Problem,” Fast Company (June 4, 2013).
So perhaps you can stop reading now? What’s not to like? Well, as it turns out, there might be quite a lot. It’s always valuable to be appropriately suspicious when something seems to have no downside. To understand what’s fundamentally wrong with using “happy employees” as an approach to organizational success, we need to challenge a few of the core assumptions. There are three important ones to address:

1. The workforce is actually unhappy: the idea that we have a problem with workforce affect and attitude that needs to be addressed

2. The interventions work: the idea that employee happiness interventions actually help to do something useful — great “experiences” will help people do better at work

3. The interventions have no negative consequences: the idea that workplace happiness has no downside

All of these assumptions are attractive given then popular position that happiness is something that we desperately want and need to resolve organizational problems. However, I would like to take the position that focusing on employee happiness is the answer to very few of the real problems we have in organizations today. I would also like to suggest that we
would be much better served by focusing our time and effort elsewhere — on helping people actually get their work done as part of a well-led team and, as a result, feel more fulfilled and committed. I’m going to base my view on data on scientific research but also from survey responses from the 5 million people Mercer | Sirota has surveyed over the past five years. Finally, I’m going to add a healthy dose of realism about why employee happiness programs are hurting your credibility as an HR practitioner, rather than helping it.

Let me be clear: Science shows that there are many benefits to being a positive, upbeat person, but research also shows us there are also upsides to thinking negatively sometimes. So unless we critically evaluate the risks associated with investing in workplace happiness and employee-experience projects, then we will fail to manage them effectively.

Here are five reasons employee happiness isn’t the answer to the problems you really need to fix:

1. **Most people are not unhappy at work; they are just not managed very well.**
   
   There’s no doubt that there’s something intrinsically desirable about creating a positive work environment — who really wants to be surrounded by miserable people? That said, organizations have limited resources, so it makes sense to focus on addressing the biggest issues that are getting in the way of success. To that end, it’s useful to consider what problem we are aiming to address with any initiatives we pursue.

   Numerous independent studies have examined the overall health and happiness of the workforce on a fairly regular basis — most report the extent to which people are satisfied at work or see it as a positive place to be. For example, the Society of Human Resource Management in the US conducts an annual survey of work satisfaction across the US population. Each year, it finds that more than 80% of employees respond positively — in other words, 8 out of 10 people would agree or strongly agree that they are satisfied with their employment. This is very similar to the pattern that Mercer | Sirota sees in our employee engagement surveys. The chart below outlines some of our most recent data. Here you can see that, globally, around 80% of the 5 million people we have surveyed in the past few years reported some level of satisfaction and motivation at work. This is hardly a “misery” epidemic.

   

Although it’s become common to believe that many people are disenfranchised and unhappy at work, a lot of data suggests that most people feel somewhat ok about what they do, and one-third say they love it (they strongly agree to feeling motivated at work). The problem, then, isn’t that we have a lot of people who feel unhappy or dissatisfied about their job, it’s that employee sentiments don’t correlate with the levels of productivity or performance that organizations expect. Indeed, decades of research into employee attitudes about job satisfaction and commitment to the organization have demonstrated that the relationship between loving your work and being good at it is far from simple. Even when people feel happy at work, it doesn’t lead to strong performance unless many other things are also in place.

One other important point here: It’s fairly well established that negative experiences vastly outweigh the impact of positive ones. This is important because the 20% of the workforce who really are not happy can have a tremendously detrimental impact on some aspects of performance. Just think about customers meeting one of those people, 1 in every 5 interactions with your business — that would be a big problem. So although the data suggest many people are not unhappy at work, the ones who are still need your help.

2. Happy workers are not necessarily engaged or productive.
If most people are not unhappy at work, what is the problem that many companies are actually trying to solve? The answer probably lies in the difference between the really enthusiastic employees and those who just show up, try not to get in anyone’s way and get their work done with the minimum possible fuss (our data would suggest this is about 50% of the workforce). The separation between these two states is what we typically call “employee engagement.” Put a different way, if you have two equally skilled and talented employees doing the same thing, the who one produces more is probably more engaged.

When we look at data about really engaged and enthusiastic employees, we tend to find that people in well–designed jobs, who feel valued, who feel a sense of belonging in their team and who feel challenged to achieve something that’s important report more energy and commitment. In other words, the best way to get people engaged is to help them do their work well in an organization that supports them. What people often find most irritating about their job is the extent to which their organization or colleagues actually seem to be making it harder to get things done — you can put politics, bureaucracy and incompetent management at the top of the list of things that get in the way.

Hence, a lot of research shows that workforce productivity is related to much more than just employee engagement or happiness. It’s also related to the quality of the organization’s talent as well as the effectiveness of leadership and management — how well they coordinate getting stuff done and the extent to which they have a competitive strategy. These factors impact productivity and performance directly, and they show up in employees’ views in the workplace. For example, here are the top correlations between employee attitudes and team leader performance among 105 manufacturing managers from any organization we recently surveyed: Here you can see that (although the correlations are far from perfect) the best managers had teams that were well organized and fairly treated. Most of all, though, these managers had employees who were able to challenge the status quo and come up with new and better ways of doing their work. The point is that focusing on

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helping people get their work done well is likely to be vastly more effective as a strategy to improve their performance and productivity than anything else.

3. **Being overly happy or optimistic can actually cause performance problems.**

   One of the many challenges with managing the positivity of people at work is that it’s overly simplistic to say that happy people are more engaged and/or productive. The reason is that there is a lot of good evidence to show that critical, dissatisfied and concerned employees actually do better in certain conditions, especially if they are more pessimistic by nature. For example, research\(^8\) shows that people who are overly positive or optimistic actually perform worse in some situations because they don’t try as hard as those who feel less confident. The reason is that they fail to generate the energy needed to prepare appropriately in order to overcome difficult problems. In addition, overly optimistic or happy people are more likely to use stereotypical thinking,\(^9\) which leads them to be more biased and less likely to critically appraise complex problems.\(^10\) Although it can sound attractive for HR and senior leaders to have everyone “happy and on board,” over time it could actually create more group-think.

4. **Focusing on happiness will make people less happy (and probably less productive).**

   One of the other common findings from psychological research is that people tend to struggle to find happiness when they are looking for it\(^11\) — the pursuit of happiness actually gets in the way of being happier. As Adam Grant\(^12\) notes, when we pursue happiness as an end in itself, we end up constantly trying to evaluate how happy we are. This leaves little room for actually being able to create experiences that cause us to feel good.

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\(^12\) Grant A. “Does Trying to Be Happy Make Us Unhappy?” *Huffington Post* (July 17, 2013).
When it comes to work, most people describe their peak experience as feeling absorbed or engrossed in what they do. This is often referred to as a state of flow\(^\text{13}\) — it’s the feeling you get when you are really “in the zone”; that is, a sense of total immersion. People rarely report much happiness when they are experiencing flow. However, in hindsight they will often describe it as a very satisfying and rewarding experience — a sense of real productivity and progress. This makes sense, and as Teresa Amabile’s research has shown,\(^\text{14}\) people feel their best about their work when they make progress and get things done — it’s very motivating.

The other downside with the pursuit of positive feelings is that people often equate being happy with some sort of personal gain. This means that happiness is often (especially in western contexts) evaluated relatively to what other people have and, in striving for it, people actually harm their relationships with others. Studies have shown that people who are more focused on being happy tend to rate themselves as lonelier and more disconnected.\(^\text{15}\)

Finally, it’s important to note that people who are universally (or chronically) happy are often viewed as shallow or complacent.\(^\text{16}\) In other words, they can often be perceived as lacking critical-thinking skills. Although people might be enjoying themselves and feeling good, it’s possible that others are judging them as useless — hindering team cohesion.

For this reason, we shouldn’t be trying to get the tail to wag the dog (the tail wags because the dog is happy, but artificially wagging it wouldn’t be useful). We are better served by focusing organizations on being high-performing, well-managed places to work — if they achieve that, then many people will find them more rewarding places to be. Doing the opposite — trying to make the workplace a rewarding environment as a route to creating high performance — is the wrong way around.

5. **Workforce happiness isn’t a credible strategy with senior leaders.**

Although productivity and performance are key business issues for many senior leaders, so is driving continuous improvement and change. CEOs are often held accountable for continued growth and improvement, rather than just managing to the status quo. To this end, many implicitly understand that it’s sometimes important to feel uncomfortable or dissatisfied with the way things are. The discomfort is often a sign that you’re pushing yourself into new situations and taking on new challenges.

Most leaders these days understand that they influence the performance of their organizations by the way they influence culture.\(^\text{17}\) This means that they will often replicate their versions of their success across teams in their company as people start to copy what they do — so if they succeeded by being outgoing and collegiate, then that’s what leaders will want to see from others. If they succeeded by making careful decisions quietly at their desk via considered analysis, then that’s what they will want to see. Most HR functions would benefit from helping leaders build cultures that represent the values and successes of the organization rather than the ones that others think will work. It will come across as extremely “forced” if leaders try to act in ways that are counter to what they believe.

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FINAL THOUGHTS

In my view, many employee-happiness initiatives are broken for the same reason the self-help industry is. Most of the advice or ideas are focused on helping to make people feel great about themselves or their company, without necessarily improving the capability or capacity (through energy or better self-awareness) of anyone to perform well. Confidence does not equal competence. The challenge is that programs targeted at improving employee experience and happiness fool people into thinking that things are better than they really are. This is a dangerous position to be in.

I’m not advocating for miserable people at work. Leaders and organizations have a moral obligation to ensure that work is safe and healthy, both mentally and physically. Managers who bully and manipulate employees are still far too common and could be part of the reason for any inertia. However, if HR really wants to make an impact on organization performance, then we need to be absolutely clear about the problems we are trying to address.

Going back to the original assumptions:

1. **Is the workforce unhappy and dissatisfied?**
   That evidence suggests that generally the answer to this is “no, most people are ok” — but organizations still find that performance varies a lot. This leads us to the conclusion then that happy people are not always working harder.

2. **Do workforce happiness and employee experience initiatives work?** There is limited evidence to suggest they do. In fact, some evidence suggests that telling people they should expect to be happy is likely to make them less so.

3. **Do workforce happiness initiatives have any downsides?** Yes, probably. The view that happy workers are more productive is overly simplistic and doesn’t take into account individual differences or the value of negative thinking.

In conclusion, let’s start focusing on what really matters at work rather than the populist and overly simplistic fads and fashions that HR seems to gravitate toward.

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