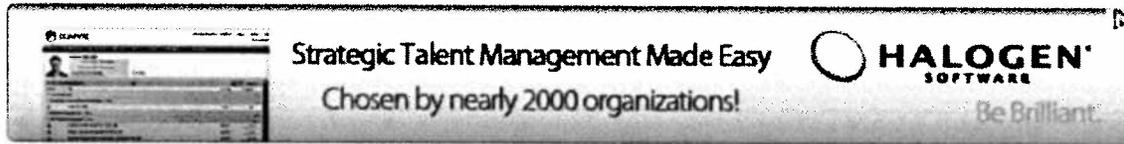


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Steve Denning, Contributor
RADICAL MANAGEMENT: Rethinking leadership and innovation

LEADERSHIP | 7/04/2012 @ 10:34AM | 2,277 views

If Happiness Is An Inalienable Right, How Come We're Not Happier?

We hold these truths to be self-evident, that all men are created equal, that they are endowed by their creator with certain inalienable Rights, that among these are Life, Liberty and the pursuit of Happiness.

Thomas Jefferson, *Declaration of Independence*



Two hundred and thirty six years ago today, the Second Continental Congress adopted Thomas Jefferson's draft of the Declaration of Independence and declared "the pursuit of Happiness" to be "an inalienable Right" of the people.

The traffic on my article, The Ten Happiest Jobs, with nearly half a million pageviews since September 2011 and still counting, suggests that Thomas Jefferson's Happiness project is still alive, even if its accomplishment has become increasingly problematic.

The pursuit of happiness has stalled

The World Happiness Report, produced by the Earth Institute of Columbia University in April 2012—the first comprehensive international survey of happiness—concludes that progress in the pursuit of Happiness in the USA has stalled

The United States has achieved striking economic and technological progress over the past half century without gains in the self-reported happiness of the citizenry. Instead, uncertainties and anxieties are high, social and economic inequalities have widened considerably, social trust is in decline, and confidence in government is at an all-time low. Perhaps for these reasons, life satisfaction has remained nearly constant during decades of rising Gross National Product (GNP) per capita.

This finding is consistent with the surveys noted in The Ten Happiest Jobs, which suggest that pursuing Happiness by climbing up some managerial ladder is a bad strategy. It may earn more money but it doesn't lead to happiness: the high-status jobs that people often aspire to—positions like the director of information technology, sales and marketing or product managers—are the most hated, while the happiest activities are relatively low status ones, like the clergy, authors and artists. The relatively rich managers are miserable while those who see meaning in their work are happy even if impoverished. The managers seem to hate their jobs even more than the workers that they are making miserable.

What's interesting is that the Happiness plateau on which we are currently stuck is not, as you might think, a result of the deep economic recession in which we are now mired. We have been on the Happiness plateau for half a century. Happiness didn't advance even during those decades when it appeared that incomes of most of the population were rising. Of course, since the economy has stalled, the future looks increasingly grim.

What is the role of the workplace in happiness?

Can anyone reasonably expect to be happy at work? Once upon a time, people looked for happiness in the family, in the community, in religion or in social activities. Those activities are obviously still important for happiness. But when you spend most of your waking hours in the workplace, it's hard to be happy if the workplace is making you miserable. As Social critic Alain de Botton writes about his wonderful book, The Pleasures and Sorrows of Work:

The strangest thing about the world of work is the widespread expectation that our work should make us happy. For thousands of years, work was viewed as something to be done with as rapidly as possible and escaped in the imagination through alcohol or religion. Aristotle was the first of many philosophers to state that no one could be both free and obliged to earn a living. A more optimistic assessment of work had to wait until the eighteenth century and men like Jean-Jacques Rousseau and Benjamin Franklin, who for the first time argued that one's working life could be at the center of any desire for happiness. It was during this century that our modern ideas about work were formed.

Thus has emerged what would have seemed to Aristotle a very odd idea: that we might both work for money and realize our dreams. This idea has replaced the previous assumption that our work put food on the table. Anything more

We are the heirs of the ambitious goal of Rousseau, Jefferson and Franklin: we dare to believe that we can both do work and experience deep satisfaction from doing it. It is now as impossible for us to think that we could do no work and be happy as it was impossible for Aristotle to think that we could be both employed and free. Finding meaning in work and at work has become part of what it means to be human.

Our management practices making us miserable

Yet our management practices have not responded to the challenge. The hierarchical bureaucracies that are still pervasive in today's large organizations are systematically making employees miserable. Engagement is generally low: only one in five workers is fully engaged in his or her work. Relatively few firms offering meaningful goals: making more money for the company or the C-suite is not likely to be inspiring.

To give just one example of the traditional management practices that make people miserable, take Fred Allen's article, [The Terrible Management Technique That Cost Microsoft Its Creativity](#). It illustrates the management practices that consistently lead to unhappiness. Author Kurt Eichenwald interviewed employees and found that

. . . a management system known as "stack ranking"—a program that forces every unit to declare a certain percentage of employees as top performers, good performers, average, and poor—effectively crippled Microsoft's ability to innovate. "Every current and former Microsoft employee I interviewed—*every one*—cited stack ranking as the most destructive process inside of Microsoft, something that drove out untold numbers of employees," Eichenwald writes. "If you were on a team of 10 people, you walked in the first day knowing that, no matter how good everyone was, 2 people were going to get a great review, 7 were going to get mediocre reviews, and 1 was going to get a terrible review," says a former software developer. "It leads to employees focusing on competing with each other rather than competing with other companies."

One former Microsoft engineer says that his performance reviews were "always much less about how I could become a better engineer and much more about my need to improve my visibility among other managers."

The article talks about Microsoft [MSFT] but the practice, and others like it, are pervasive in large firms today.

The game has changed

In fairness to Frederick Taylor, the inventor of traditional management, hierarchical bureaucracies were never intended to make people happy. They were intended to get work done more efficiently and make more money for the company. Taylor didn't give a damn whether the workers were happy or not. If they made more money for the firm, his job was done.

balance of power from seller to buyer have changed everything. In today's

workplace, the game is about delighting customers. Those firms that don't, won't survive. In this new game, the energies and talents of the workers are the key to success. Traditional management practices not only dispirit the workers: they lose money for the firm.

We know how to do things differently.

As a result, a wholly different way of managing has emerged. We now know how to make more money *and* make people happy.

As psychologist Martin Seligman has argued, humans are happiest when they have

- *Engagement* (or the experience of flow, the absorption of an enjoyed yet challenging activity),
- *Relationships* (social ties have turned out to be extremely reliable indicator of happiness),
- *Meaning*, or being part of a perceived quest or belonging to something bigger), and
- *Accomplishments* (having realized tangible goals).

This is precisely what Agile and radical management provide. The goal of the firm is meaningful: adding value for customers, not just making money.

When workers have a direct line of sight to customers and can see the impact of what they do, they see meaning in their work. When work is done in self-organizing teams, this in turn generatea engagement and strong horizontal relationships. The workplace thus creates the possibility of happiness in people's lives, as well as making tons of money for the firm.

The best-kept secret in management today: Agile

For decades, managers struggled to solve this fundamental conundrum: how do you get disciplined execution along with continuous innovation and satisfaction for the workers? Promising efforts to improve one dimension always seem to cause losses on the other one. Disciplined execution crushes innovation and worker spirit, while innovation by its nature is undisciplined. The problem has seemed insoluble.

Yet, just over a decade ago, a set of major management breakthroughs occurred. These breakthroughs enabled software development teams to systematically achieve both disciplined execution and continuous innovation, something that was impossible to accomplish with traditional management methods. Over the last decade, these management practices, under various labels such as Agile, Scrum, Kanban and Lean, have been field-tested and proven in thousands of organizations around the world. My own recent work distills, builds on and extends these principles, practices and values so that any organization can now achieve to apply the elusive combination of disciplined execution, continuous innovation and worker satisfaction.

The example of Apple

For instance, workers in Apple's retail stores at Apple [AAPL] have most of

these elements for happiness identified by Seligman: they are engaged in their work; they have strong relationships with their fellow workers; they find meaning in making Apple's customers, and experience accomplishment and growing inter-personal skills.

However at Apple, there's still a fly in the ointment. The fact that the pay (\$25,000 per year) of workers is low relative to other high-performing retail stores and relative to the Apple's CEO compensation package of some \$570 million is a significant source of unhappiness. It's hard to be happy when the inequities in the workplace are so striking.

Apple is doing a lot of things right and many of its workers do find satisfaction despite the inequitable pay. But Apple still has work to do.

Let's not abandon Thomas Jefferson's Happiness project

Although the pursuit of happiness in America is currently stuck on a plateau, it would be premature to set aside Jefferson's dream. The prospects are promising. We know how to manage firms in a way that leads to high profitability *and* worker happiness.

In 2012, it's not just philosophically or psychologically desirable. Managing in this different way has become an economic necessity. Without it, firms will not survive. The nation will not prosper.

And read also:

[The ten happiest jobs](#)

[The best kept management secret on the planet: Agile](#)

[Making the entire organization Agile=](#)

[Apple's employees have a hell of a ride](#)

[The five big surprises of radical management](#)

Steve Denning's most recent book is: [The Leader's Guide to Radical Management](#) (Jossey-Bass, 2010).

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