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## What Good is Positive Business?

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# What Good is Positive Business?

## **Abstract**

Current economic forces, combined with powerful social forces, have created a shifting paradigm of value for markets and organizations around the world. Simply making money – regardless of the social costs – will no longer suffice as a definition of success for a country, a business or even for most individuals, as the human and environmental price becomes increasingly expensive and unsustainable. Now more than ever we need a revolution of new theories and ideologies to help us define and discover the “good society” of the future. Humbly the authors of this paper propose a new theory of business – *Theory P* – and a means to test its applications – *positive business* – to advance this revolution by developing more positive leaders, employees and institutions. Grounded in the learnings from the great business thinkers and the leading “people” scientists of our time, we have blended organizational scholarship, positive psychology and positive organizational scholarship together to ask “What good is positive business?” We hope you find our thinking enjoyable, challenging and provocative. And we welcome feedback and ideas on how we might shape our ideas further.

What good is positive business?

Bobby Dauman & Michelle McQuaid  
August 1, 2009



Master of Applied Positive Psychology

*“The best way to create the future is to predict it.”*

**Peter Drucker**

We are very likely in the early stages of the greatest period of creative destruction in our global economy (Elkington & Hartigan, 2008). Overwhelming economic forces, combined with powerful social forces, have created a potent climate for change and a shifting paradigm of value for markets and organizations around the world. It is becoming increasingly clear that simply making money – regardless of the social costs – will no longer suffice as a definition of success for a country, a business or even for most individuals, as the human and environmental price becomes increasingly expensive and unsustainable.

Until recently, we enjoyed one of the longest and most prosperous growth periods in history. The invention of the computer in the mid-1940’s heralded the beginning of the information revolution. Then the spread of the Internet in the 1990’s accelerated the power of knowledge by literally putting it at the fingertips of many. The real-time availability, breadth and depth of knowledge and relationships has ushered in the rise of virtual worlds, networks and institutions transforming us into a flatter, global community now capable of prospering and suffering as one giant, connected hive of humanity (Drucker, 2001). This has enabled many great feats to be achieved – we can send people into outer space, we are living longer due to medical advances, the behaviour of governments and institutions is more transparent and we are generally more aware of what is happening in the world around us.

Unfortunately, more than 80 percent of the world’s population is yet to hear a dial tone, never mind enjoy the benefits of the Internet. Within our global hive: one in three of us now live in a slum; 800 million of us go hungry each day; almost 11 million of our children under five years of age die from largely preventable causes each year; and the

leading cause of disability is depression (Elkington & Hartigan, 2008; World Health Organization, 2001). In addition to the mounting human costs evident in every country, the environmental deficit of our lifestyle is staggering, with estimates that by the mid 2030's we will need the equivalent of two Earths to maintain our current lifestyles (WWF Living Planet Report, 2008).

If these facts alone weren't enough to convince us that our hive of humanity is badly in need of rebalance, then the recent crumbling of our financial systems as a result of our endless hunger for money should be the wake up call we all need. We cannot continue in our current state; now more than ever we need a revolution of new theories and ideologies to help us define and discover the "good society" of the future.

Humbly the authors of this paper would like to propose a new theory and a means to test its application to advance this revolution by developing more positive leaders, employees and institutions to better serve the whole hive. Grounded in our learnings from the great business thinkers and the leading "people" scientists of our time, we have blended organizational scholarship and positive psychology together to ask "What good is positive business?".

This paper endeavours to: answer this question by building a case for a new theory of business – *Theory P*; create a medium to engage business people around the globe to explore this theory; and propose pathways by which this theory could be expanded and validated. We hope you find our thinking enjoyable, challenging and provocative. And we welcome feedback and ideas on how we might shape our ideas further.

*“Behind every attempt to influence others lies a theory (or a belief or a conviction) concerning cause and effect in human behaviour.”*

**Douglas McGregor**

### **The industrial revolution – a theory of control**

Drucker (2001) explains that the modern organization was invented as part of the first industrial revolution. Triggered by James Watt’s improved steam engine in the mid-1770s, the invention of the railroad in 1829 and the postal service and telegraph a decade later it turned the factory into the central production organization where for the first time thousands of employees gathered. Although they exhibited substantial internal differences in culture, values and rhetoric, these new organizations were each grounded in a theory that the most efficient way to produce anything was to bring together under one management as many as possible of the activities needed to turn out the product at a profit (Drucker, 2001).

Organizations became the main creators of wealth and viewed themselves as the “master” because they owned the means of production without which an employee, the “servant”, could not make a living. Consequently, organizations evolved largely around the servant’s individual accountability, individual compensation, individual roles and job descriptions and work groups managed by supervisors responsible for the work groups’ individual members.

Many of these supervisors were taught - and preferred - a simple, mechanistic view of human behaviour that likened human beings to Newton’s inertia bound objects requiring external motivation or coercion to work for the organization’s goals. This led many supervisors to believe that most employees were problems to be fixed, redesigned or failing that eliminated. McGregor (1957), one of the first people to combine

behavioural psychology with management theory, later summarized this approach as *Theory X* which consisted of the following assumptions:

- “Management is responsible for organizing the elements of productive enterprise, money, materials, equipment and people in the interest of economic ends.
- This is a process for directing people’s efforts, motivating them, controlling their actions, modifying their behaviour to fit the needs of the organization.
- Without the active intervention of management people would be passive, even resistant, to organizational needs.
- The average man is by nature indolent, he works as little as possible. He lacks ambition, dislikes responsibility, prefers to be led. He is inherently self-centred, indifferent to organizational needs. He is by nature resistant to change. He is gullible, not very bright, the ready dupe of a charlatan and demagogue.” (McGregor, 1957 as cited by Heil, Bennis & Stephens, 2000 p 170).

In the industrial world, where labour was a commodity of production, getting hungry people to comply was not a complicated task as they could not afford any other alternative. Leadership was enacted through a command-and-control approach, where extrinsic rewards and punishment were the obvious and appropriate forces to control human effort, ensure obedience to orders and compliance to processes. Despite the toll of resentment bred by compliance without commitment, *Theory X* beliefs were appealing as they were: simple and easy to administer; kept production costs down; fed the need for mass production; reduced risks; and kept investments in communication and training at a minimum (Heil et al., 2000).

Most organizations with *Theory X* beliefs underlying their practices have struggled to balance their focus on economic, human and social requirements and their legacy has shaped many of the challenges we are facing today (Drucker, 2001). Fortunately, although this trend is yet to shift at a macro scale many institutions and scientists have been exploring alternative theories for decades.

### **The knowledge revolution – a theory of inconsistency**

Drucker (2001) suggests that the traditional theory of business started being turned upside down in the 1970's when the primary means of production shifted to knowledge, fundamentally changing the organization. The traditional axiom that an organization should aim for maximum integration no longer held true, rather new business theories proposed that the most productive and profitable ways to organize was disintegration. This was because the knowledge needed for any activity was highly specialized and increasingly expensive, making it difficult to maintain enough critical mass for every major task within the organization. Simultaneously, education became more available and affordable resulting in the spread of business literacy so that more senior employees were readily available (Drucker, 2001).

In these new theories the relationship between the organization and the employee started to shift to one of equals – the organization now owned the means of distribution but the employee owned the means of production so each was now dependent on the other for their living. Suddenly teamwork was not optional, but a prerequisite to successful performance – individual knowledge workers needed to not only know how to play, but how to play together well to achieve a shared vision.

In many organizations this started to throw the traditional *Theory X* and command-and-control approaches to employees into relative chaos as encouraging individuals to work in competitive isolation no longer sufficed, rather they needed a



means to motivate people to bring their expertise together and act in concert in order to build value. In response to these new organizational challenges and environment McGregor (1957) posited that there was an alternative set of management assumptions about people, *Theory Y* which stated:

- “People are not by nature passive or resistant to organizational needs. They have become so as a result of experience in organizations.
- The motivation, the potential for development, the capacity for assuming responsibility, the readiness to direct behaviour toward organizational goals are all present in people. Management does not put them there. It is the responsibility of management to make it possible for people to recognize and develop these human characteristics for themselves.
- The essential task of management is to arrange organizational conditions and methods of operation so that people can achieve their own goals *best* by directing *their own* efforts toward organizational efforts.” (McGregor, 1957 as cited by Heil et al., 2000, p 171).

Although today many managers report that they believe in the tenets of *Theory Y*, when you examine their operating models, working policies and practices their actions continue to be more consistent with *Theory X*. For example, organizations continue to invest in one-size-fits-all models and systems to “handle” employees to ensure their compliance rather than invite their commitment – practices and policies that are clearly throwbacks to the “master” and “servant” mentality. This includes: job descriptions that narrowly define the scope of work and rarely consider the scope of the individual’s real talents and personal aspirations; performance appraisals that group individual employees into one of five boxes and pretend to be objective; and compensation systems that focus

on getting people to do what the organization wants rather than improving the process or encouraging learning and growth (Heil et al., 2000).

The cost of this approach is twofold. First, the extrinsic rewards – namely money and perks – required to continuously motivate people to act in the interests of the organization keep becoming larger and larger inevitably causing any increases gained in productivity to be outweighed by the increases of costs. Second, people who are manipulated or coerced do not commit to change easily. These tactics often provoke a feeling of loss of personal freedom among employees, whose natural impulse is to resist control, leading to an unproductive and expensive cycle of ever-greater manipulation and control, increasing resistance to it, and so on (Heil et al., 2000).

Why the discrepancy between beliefs and practices? Drucker (2001) also explains that the other driver of change during this time was the emergence of new institutional investors such as pension funds and mutual trusts as the new owners of organizations. This put shareholders – who demanded short-term rewards - in charge of many organizations and focused attention on sustaining the economic requirements of growth (Drucker, 2001). Traditional command-and control approaches produce such reliable short-term changes in behaviour that many organizations continue to prefer to keep a close rein on employees and ensure compliance even if this means forgoing changing attitudes, long-term commitment and incurring spiralling costs (Heil et al., 2000). After all, in most cases short term change is all that is required to get an organization through its quarterly reporting of results to the financial markets.

Gradually however, these shareholders have also come to value social responsibility and increasingly organizations have tried to demonstrate a commitment to the social causes that are important to its shareholders – some with more authenticity than others (Drucker, 2001). This has slowly created the conditions over the last decade

to allow the beliefs of *Theory Y* and the practices of organizations to come into alignment and seek a genuine balance between economic, human and social requirements.

### **The relationship revolution – a theory of authenticity**

Drucker predicted that the biggest challenge still to come for organizations would be establishing their social legitimacy. He believed that the next theory of business would be driven by the ability to outsource everything except the values, mission and vision of an organization (Drucker 2001). Outsourcing everything means that energized, engaged and empowered relationships become the central means of production and distribution. Relationships that have been proven to primarily succeed through people not contracts or systems (PricewaterhouseCoopers, 2007). As a result both the means of production – knowledge – and the means of distribution – relationships – lie in the head, hands, and heart of people. Consequently, we have entered *the age of relationships* as evidenced by the explosive, wide-spread growth and popularity of the Internet and ever smarter cell phones in general and social networking like Youtube, Facebook, and Twitter for business or pleasure in particular. These social networking tools have suddenly become so popular because for most people relationships are what make life worth living. That is, people are, by nature, social animals. Group living that affords collective, cooperative enterprises is thought to be the most significant evolutionary mechanism by which human beings have survived and thrived (Caporael, 1997). The relational world has received extensive attention by social scientists; having good-quality relationships with others is universally endorsed as being central to optimal living (Ryff & Singer, 2001). As Berscheid (1999) observed, “. . . relationships with other humans are both the foundation and the theme of the human condition: We are born into relationships, we live our lives in relationships with others, and when we die, the effects

of our relationships survive in the lives of the living, reverberating throughout the tissue of their relationships” (Berscheid, 1999 as cited by Ragins & Dutton, 2006, p5).

We have already begun to witness this shift within organizations today as they increasingly come to rely on a web of interdependent, highly agile relationships with people - be they employees, associates, contractors or outsourced teams – in order to achieve their business objectives. With education and alternative pathways to income increasingly accessible, people in each of these categories need to be satisfied if they are to remain committed to working with an organization. This requires a new, intrinsically motivated environment where the work itself provides its own rewards and people can fulfil their own needs and in turn more fully commit themselves to the organization’s goals (Heil et al., 2000).

These are no longer just McGregor’s, Drucker’s, or our humble opinions but are empirically validated facts. Research of hundreds of thousands of workers collected by The Public Agenda Foundation reveals that workers report that they are motivated by the following outcomes, presented in order of most important to least important: working with people who treat me with respect; interesting work; recognition for good work; chance to develop skills; working for people who listen if you have ideas about how to do things better; a chance to think for myself rather than just carry out instructions; seeing the end results of my work; working for efficient managers; a job that is not too easy; feeling well informed about what is going on; job security; high pay; and good benefits. Note that economic benefits are last, which doesn’t mean they aren’t important; however for most workers under normal conditions the other factors are more important (Naisbitt & Aburdene, 1985 as cited by Cohen, 2009). Organizations need to provide their people with a cause that is worthy of their commitment, interesting and engaging

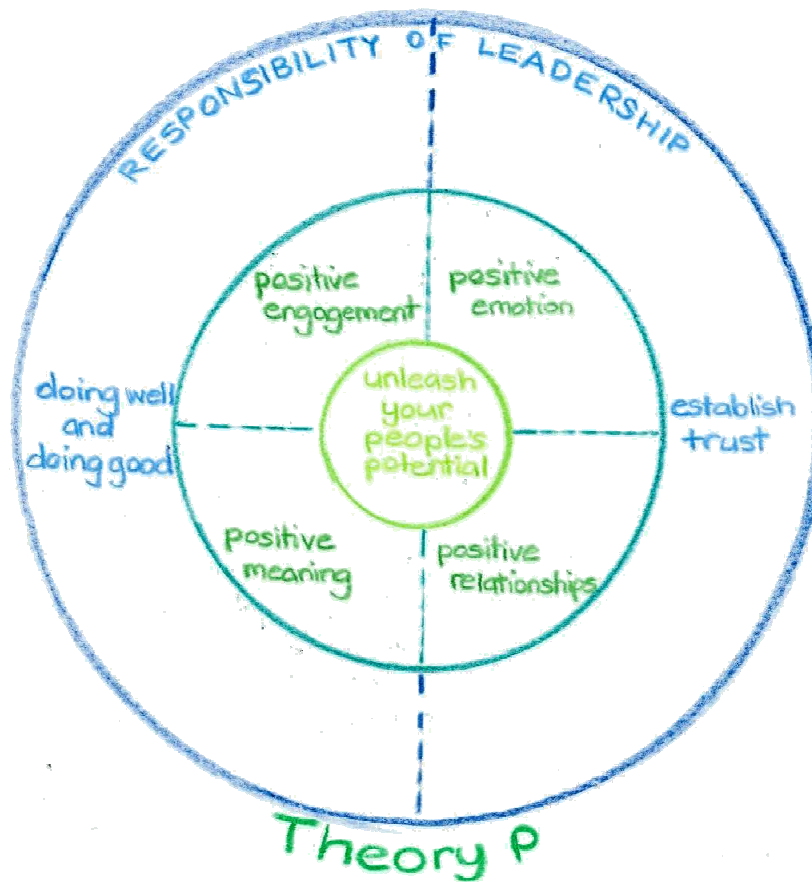
work, up to date training and opportunities to reach their full potential and satisfy their desire for self-actualization (Heil et al., 2000).

With this reality already unfolding before us, we propose the next theory of business, *Theory P* which is grounded in the following assumptions:

- Unleashing your people's potential unlocks peak performance within an organization and is the only enduring source of competitive advantage.
- People thrive, individually and collectively, when they have the right balance of positive emotions, positive engagement, positive meaning and – most importantly – positive relationships in their lives.
- It is the responsibility of leaders to establish the social legitimacy of an organization to do well by doing good for the employees, the organization and society.
- The essential task of leaders is to establish, ensure and extend trust as the essential glue for the realization of the organization's values, vision and mission (Cooperrider, 2008; Covey, 2006; M. Seligman, personal communication, March 27, 2009; Sivanathan, Arnold, Turner & Barling, 2004).

Our assumptions are drawn from empirical evidence gathered over the last decade in positive psychology and positive organizational scholarship (POS) along with the growing commercial appetite of organizations to embrace social responsibility. It is a win-win theory of business – from strategy to execution and measurement – that embraces the fact that organizational change is not a linear process but dynamic spirals of human emotions, thought, behaviours and connections that can be energized and appreciated but rarely controlled. It is a challenge to our institutions, their investors and

other stakeholders to demand our pursuit of the “good society” on which the collective survival and happiness of the hive of humanity hinges.



***Assumption 1: people are the key to peak performance and competitive advantage***

If we are to thrive in the new economy – where relationships are king and products and services are custom-made and personalized –the enduring source of peak performance and competitive advantage for most organizations rests within their human capital. As goods and services become more commoditized, then the human experience backing them rises in value – and the consequences of failing to deliver a satisfying transaction escalate. In fact, the only area of business where tremendous variation and variability still exists that cannot be commoditized or quickly copied is the realm of human behaviour (Heil et al., 2000).

Motivated, engaged and committed employees result in lower cost of doing business, higher productivity, substantial process improvement, faster service innovations, better customer information, new employee referrals and much more (Seidman, 2008; Heil et al., 2000). A comprehensive review by the U.S. Department of Labor of more than 100 studies that examined the link between progressive people practices and improved bottom line results concluded that: there is a positive relationship between training, motivating and empowering employees and improvements in employee satisfaction, productivity and financial performance (Lyman, 2009).

For example, between 1972 and 1992 Southwest Airlines was the top performing stock in the American market with a return of 21, 775% for its investors. Yet, in 1972 Southwest Airlines lagged for market-share and was part of an industry characterized by massive competition, horrendous losses, widespread bankruptcy and little unique or proprietary technology. Today, it is widely documented that Southwest's sustained competitive advantage came not from technology, patents, or strategic position, but from how they chose to manage their very motivated, engaged and productive workforce - a workforce, by the way, that was not unionized. Compared to the U.S. airline industry, according to 1991 statistics, Southwest had: fewer employees per aircraft (79 versus 131); flew more passengers per employee (2,318 versus 848); turned around some 80% of its flights in 15 minutes or less, while other airlines on average needed 45 minutes; and provided an exceptional level of passenger service. Southwest won the airlines' so-called triple crown (best on-time performance, fewest lost bags, and fewest passenger complaints - in the same month) nine times. And no competitor has been able to imitate their performance levels or their success since, though all have tried (Pfeffer, 1995).

It is not just Southwest who has demonstrated that peak performance and competitive advantage can be achieved by focusing on your people, all of the top five

performing firms based on market share returns from 1972 to 1992 shared this common focus (Pfeffer, 1995). This trend holds true with analysis on the 1999 - 2008 *Fortune* 100 Best Places to Work, showing an annual return of 4.1% above that of all shares traded on Nasdaq, the New York Stock Exchange and American Stock Exchange (The Economist, 2009).

***Assumption 2: There are clear enablers and enhancers which allow people to individually and collectively thrive***

One of the few truths that Freud, Tolstoy, Kahil Gibran, Maslow, Shakespeare and Csikszentmihalyi among many others agree upon is that to live a happy, meaningful life we have to love and work well (Haidt, 2006). Positive psychology, the scientific study of how you enable individuals and communities to thrive, proposes four pillars of well-being: positive emotions, positive engagement, positive meaning and positive relationships. Seligman, the founder of positive psychology, suggests that when an organization and its people have a shared goal to increase the amount of positive emotion experienced, opportunities for engagement in work, a sense of meaning and purpose and encounters for positive relations, then not only will the individuals thrive and more profit follow, but the organization, nation and world will be better (Seligman, personal communication, March 27, 2009). This framework is central to ideas and application of *Theory P* within organizations.

*What good is positive emotion?*

There are a whole range of positive emotions from appreciation to awe, forgiveness to love, amusement to joy, hope to gratitude and many more in between. They emanate from our feeling, limbic mammalian brain and not only feel different but cause us to function differently (Vaillant, 2008). Different from mere bodily pleasures, positive emotions arise from how we interpret events and ideas as they unfold (Scherer, Schorr &



Johnson, 2001). They are also created by what we feel about the past, how we think about our future and how we experience the present (Seligman, 2002).

Fredrickson, hailed by many as the “genius of positive psychology”, has theorized and validated that the experience of positive emotions or *positivity* – an encompassing word as well as a state of mind that includes a wide range of deeply heart-felt positive emotions and states like love, joy, gratitude, interest and hope that positively change and improve our mindsets and biochemistry in synchrony (Fredrickson, 2009b;c)- broadens our minds and builds our physical, mental, psychological and social resources, enabling us to transform our future. Known as the *broaden-and-build theory*, research supporting her hypothesis demonstrates that positive emotions: literally and dramatically expand our range of vision; enhance our ability to be more creative, integrative, flexible and open in our thinking; improve how we view and experience our connection with others – helps us to think *we* instead of *me*; builds levels of trust in relationships; improve our health; inspire us to lend a helping hand; creates upward spirals of *positivity* in ourselves and those around us; and as a result of all of this makes us more optimistic, resilient, and successful personally and professionally (Ben-Shahar, 2006; Fredrickson, 2009a, Isen, 1987). A meta analysis of nearly 300 different scientific studies of *positivity*, collectively testing more than 275,000 people concluded that *positivity* produces success in life - regardless of whether success was measured as a satisfying marriage, a larger salary, or better health; *positivity* matters (Lyubomirsky, King & Diener, 2005).

In one study, for example, Fredrickson and her team worked with a large computer company in Detroit to offer a Workplace Wellness Program that comprised a free seven week meditation workshop to help employees better manage stress.

Volunteers were randomly assigned to either begin the course immediately or waitlisted

to begin in a later program. All were asked to complete daily web based surveys of how they were feeling across nine positive emotions and a diary reconstructing each day and to complete a survey before and after the seven week course to measure their current mental, psychological, social, and physical resources. From week three, the positive emotions of those participating in the meditation experiment began to rise significantly while negative emotions remained the same. By the end of the seven weeks, the experimental subjects had gained mental, psychological, social, and physical resources becoming more accepting of themselves, feeling a greater sense of purpose, forging deeper and more trusting relationships, experiencing more support from others and proving to be physically healthier (Fredrickson, 2009).

*Positivity* works all these benefits not only when things are going well but in times of stress and adversity as well. That is, in other studies Fredrickson found that the most positive people had their opening, broadening emotions helping them undo the effects of negative emotions. In fact, it was found that positive emotions have a unique ability to down-regulate lingering negative emotions along with the psychological and physiological states they generate. Further as people dealt better with adversity they created more positive emotions and in turn upward spiralling (Fredrickson & Joiner, 2002; Fredrickson, 2009).

The arguments for positive emotion in the workplace are also compelling. People with levels of *positivity* select more difficult goals, persist at tasks longer, are more productive, receive better evaluations, earn a higher income and are markedly more satisfied with their jobs (Staw, Sutton, & Pelland, 1994; Home & Arbuckle, 1988; Fredrickson & Levenson, 1998 as cited by Seligman, 2002). They take fewer sick days, help others, get along better with their co-workers and supervisors and are more likely to

stay at their jobs. These organizational citizen benefits translate to both money saved and earned by organizations (Diener & Biswas-Diener, 2008).

For example, in one study individuals from seven companies from different industries including those that created new high technology and healthcare products were studied. Employees kept diaries. Those with the most positive words and those scoring highest on happiness measures were scored as highly creative by their team members and supervisors. Moreover, the workers' were most creative on their happiest days (Diener & Biswas-Diener, 2008).

*Positivity* within teams also has also been found to have a direct impact on business performance. Observations of more than 60 different business teams discovered that high performance teams (based on independent business indicators of profitability, customer satisfaction, and evaluations by superiors, peers, and subordinates) had unusually high positivity ratios (ratio of positive emotions and experiences to negative emotions and experiences), at about six to one, higher levels of connectivity and asked questions as often as they defended their points of view (Losada & Heaphy, 2004). Interestingly, for individuals Fredrickson finds this success ratio is three to one and for successful marriages Gottman's ratio is five to one (Fredrickson, 2009, Gottman, 1994).

Positive emotions are not just an end state in themselves, but also a means of creating expansive emotional spaces that open possibilities for effective action and create durable psychological and social resources in terms of the strength and quality of connections among team members along with corresponding superior performance (Losada & Heaphy, 2004). Science tells us that positive emotions can trigger upward spirals that transform groups into more cohesive, moral and harmonious social organizations (Fredrickson, 2003).

*What good is positive engagement?*

Research suggests that one of the best ways to experience positive engagement is to induce the state of *flow* – the psychological state that accompanies highly engaging activities (Csikszentmihalyi, 1990). When in a state of *flow* we experience pleasure and perform at our best allowing us to learn, grow, improve and advance toward our future purpose leaving us feeling more creative and more satisfied. *Flow* is attained when we have: goals and a clear sense of purpose - so that we are devoted to the task; and our activities provide the appropriate level of challenge – the difficulty of the task and our personal strengths correspond. (Ben-Shahar, 2006; Csikszentmihalyi, 1990).

Fortunately, there is much known about goals and how they help us feel devoted to and accomplish the task. Goals that are specific and difficult stimulate higher planning quality and lead to the highest performance. Goal setting can be trained or adopted and is most effective with progress relating feedback. And goal setting effects are quite robust, yielding a success rate of 90% (Locke, 1996).

High commitment to goals is attained when we are convinced that the goal is important and attainable. Our level of self-efficacy – our beliefs about what we are capable of doing - also influences the difficulty of and commitment to goals along with our resiliency to negative feedback. It has been shown that believing you can accomplish what you want to accomplish is one of the most important ingredients for success. Self-efficacy is developed and improved over time by people and circumstances that encourage our sense of autonomy empowering us to explore and master our environments (Maddux, 2002). Self-efficacy builds confidence, effort and persistence which are more potent and transforming than innate, fixed abilities (Dweck, 2000). Goal setting and self-efficacy influence the effects of our knowledge of past performances on future performance.

Goal-setting theory is also closely linked, interwoven and interdependent with *hope theory*. *Hope theory* posits that hope is the essential ingredient in individuals' capacities to clearly conceptualize reasonable goals, develop specific strategies and pathways to attain goals, summon intrinsic agency motivation to maintain goal pursuit and reframe obstacles as challenges to be overcome. Goals are considered the endpoints, the anchors of *hope theory*. *Hope theory* itself has the goals to accentuate and enhance the hope that people already have (Lopez et al., 2004).

For the most part, finding *flow* is a matter of knowing your own talents, seeking out opportunities to use them, taking on increasingly challenging tasks as your skills grow and understanding the reality that you cannot be in flow all the time. The people who are most successful at achieving *flow* in organizations are those that look for new ways to grow (Deiner & Biswas-Deiner, 2008). This work was instrumental in the introduction of the strengths philosophy in positive psychology which is founded on the principle that individuals are more likely to succeed in pursuits that build on their greatest strengths than focusing on improving weaknesses (Clifton & Harter, 2003). Engaging our strengths is a key pathway to creating *flow* (Seligman, 2002).

Gallup defines our strengths as talents – the ways in which we naturally think, feel and behave. Based on 40 years of research they have identified 34 dominant themes of talent – such as achiever, activator, developer, includer, relator and strategic - with thousands of possible combinations. These talents are innate and as such are quite fixed although once you have a talent its application can be enhanced with knowledge and skills. Gallup advocates particular focus on the development and engagement of people's top five strengths, known as your signature themes, as the path to enjoying personal and career success (Rath, 2007).

Dahlsgaard, Peterson and Seligman (2005) have identified 24 character strengths – known as the *Values in Action (VIA) Strengths* - organized under six core virtues: wisdom, courage, humanity, justice, temperance and transcendence. All 24 *VIA Strengths* have been consistently found to be associated with life satisfaction – increasing happiness and decreasing depression - and the more intensely a strength is endorsed the higher the life satisfaction. However, zest, hope, gratitude and love improve general life satisfaction most substantially (Park, Peterson & Seligman, 2004).

Zest, followed by hope has also been found to have the strongest correlated benefits in improving work performance and satisfaction (Peterson, personal communication, March 27, 2009):

- Optimistic, hopeful people have better social relationships, physical and mental performance, self-efficacy and recovery in times of adversity. They are associated with better moods, perseverance and overall job performance in organizations (Peterson, 2000; Peterson & Seligman, 2003).
- Zestful people are more likely to pursue flow in their everyday activities resulting in improved job performance and job satisfaction and reduced turnover rates (Peterson, Ruch, Beermann, Park, & Seligman, 2007; Peterson, Park, Hall & Seligman, in press; Wright & Bonnett, 2007). And like individuals whole organizations can be zestful (Park & Peterson, 2003).

Baumeister and colleagues (2006), however, suggest that, in fact, self-regulation –the way we override and alter our responses to bring them into line with ideals, moral values, social norms and other standards - is the king of strengths as it results in more positive outcomes in a board range of human strivings. After many experiments they

found that self-regulation energy gets easily depleted by stressful life or work circumstances and when depleted our inhibitions are lowered releasing personality traits that drive socially undesirable behaviours usually subjected to the strictest controls. However, being muscle-like, the consistent exercise of self-regulation not only increases the capacity for self-regulation but additionally enables other strengths to be enhanced as well. Consequently, Baumeister and colleagues have found that people with high levels of self-regulation have increased life/work satisfaction, are more successful, more popular and have more positive outcomes (Baumeister, Galliot, DeWall, & Oaten, 2006).

In addition, studies have found that positive practices that emphasize the use of one or more of the above strengths have significant benefits. For example using *signature strengths in new ways* and *three blessings* (gratitude) increased happiness and decreased depressive symptoms for six months (Seligman, Steen, Park & Peterson, 2005). The *best possible self* exercise (hope, zest and self-regulation) produces significant increases in positive affect (PA) along with inducing high levels of intrinsic motivation and significant health benefits (Sheldon & Lyubomirsky, 2006; King, 2001). And sharing positive events (appreciation) via active constructive responses (ACR) increases PA and well-being (Gable, Reis, Impett & Asher, 2004).

When employees are given the opportunity to set goals that leverage their strengths and create opportunities for *flow*, the result is higher levels of engagement and increased productivity (Csikszentmihalyi, 1990; Seligman, 2002). Gallup have found that people who have an opportunity to do what they do best each day are 50 percent more likely to work in business units with lower employee turnover, 38 percent more likely to work in more productive business units, and 44 percent more likely to work in business units with higher satisfaction scores (Buckingham & Clifton, 2001). Positive

engagement at work is not just a nice way to make work more enjoyable; it has a direct, impact on an organization's bottom line.

*What good are positive meanings?*

The essence of meaning is connection (Baumeister & Vohs, 2005). Frankl (2006), widely credited as the pioneer in the study of meaning, avows "striving to find meaning in one's life is the primary motivational force of man" (Frankl, 2006). Neuroscience confirms this human need, finding that part of the brain is specifically designed to interpret incoming information to create meaning from seemingly unrelated stimuli or events (Vallacher & Wagner, 1987 as cited by Baumeister & Vohs, 2005).

Research shows that there are physical and psychological benefits to finding meaning in life. For example, Baumeister (1991) concludes that there are four main needs for meaning in life: *purpose* – be it an objective outcome or a fulfilment - so that connection can be drawn between present events and future events; *values* that lend a sense of goodness or positivity to life and can justify certain courses of action; *a sense of efficacy* that one can make a difference; and *basis for self-worth* that they are a good and worthy person (Baumeister, 1991 as cited by Baumeister & Vohs, 2005).

Ever the futurist, McGregor (1957) predicted, "We will succeed in increasing our utilization of the human potential in organizational settings only as we succeed in creating conditions that generate a meaningful way of life. The real task of management is to create conditions that result in genuine collaboration throughout the organization" (McGregor, 1957 as cited by Heil et al., 2000, p 4). Wrzesniewski and colleagues have found that people who experience their work as a *calling*, that is, an end in itself – rather than just a *job* in which the only expectation is a pay check or a *career* that is driven by power and prestige - have a stronger and more rewarding relationship to their work



because they are passionate workers who believe in what they do (Wrzesniewski, McCauley, Rozin & Schwartz, 1997; Wrzesniewski & Landman, 2000).

About one-third of people in any given occupation are calling orientated. For example, when Wrzesniewski and colleagues interviewed cleaners at a hospital they found that while many only regarded their work as a job, others saw their work as vital in contributing to the well-being of the patients and considered their work a calling. These janitors often went beyond their formal job descriptions of sweeping the floors, dusting and emptying waste-baskets by taking it upon themselves to make changes – such as rearranging the photographs in a patient’s room to give them something new to look at – that would bring new cheer to the ward. These janitors believed that their work was important in helping the overburdened nurses by keeping things as clean as possible to minimize hospital-borne germs and by aiding the patients by making their stay more pleasant. This was their motivation in the workplace. (Deiner & Biswas-Deiner, 2008; Wrzesniewski, Rozin and Bennet, 2003).

Finding positive meanings at work requires connecting people’s intrinsic motivations (those things they personally value) to what they do each day. Deci and Ryan’s *Self-Determination Theory (SDT)* asserts that the reliance on solely intrinsic motivations – where behaviour is performed for its own sake and is wholly self endorsed - is the most effective way to motivate people and ensure effective functioning. The expression of intrinsic motivation is supported by social conditions that promote a sense of autonomy (the need to actively participate in determining their own behavior), relatedness (the need to care for and be related to others) and competence (the need to experience oneself as capable and competent) which together make up the triad of basic psychological needs. The more autonomous and intrinsically motivated we are the more enhanced our creativity, task performance, psychological well-being, academic learning

and health (Brown & Ryan, 2004). Intrinsic motivation is essential to our finding and generating positive meanings – and possibly callings - at work.

*Most importantly - what good are positive relationships?*

We are biologically programmed to find other humans beings the most important objects in the world (Csikszentmihalyi, 1990). Due to our brain size and complexity the prolonged helplessness of infants requires joy, love and reciprocity to be built deep within them and us, to the point of self-sacrifice, to ensure the child's survival (Peterson, 2006). At two months old when an infant's brain is effectively wired to its forebrain she starts to smile in response to her mother's face and eye contact (Vaillant, 2008). This innate smile, an outward manifestation of relationship joy, serves from the beginning to connect us with others (Diener & Biswas-Diener, 2008). Further, the work of Bowlby and Ainsworth showed that the attachment of mother and child is so enormously important to children's survival that dedicated attachment and care giving systems are built into the child and mother (Haidt, 2006) setting Fredrickson's *broaden and build* process in motion.

We also have an inbuilt reciprocity mechanism. When we receive favour from another we naturally want to return the favour. This very process of give and take creates partnership. It opens the way for forming cooperative relationships with those close to us, as well with strangers. Reciprocity acts an innate relationship tonic to strengthen, lengthen and rejuvenate all social ties which, in turn, build more positivity, engagement and meaning (Haidt, 2006).

Thus, we are biologically and culturally programmed to be social animals, full of emotions finely tuned for loving, befriending, helping, sharing, and otherwise intertwining our lives with others (Haidt, 2006). Joy, love and reciprocity have enabled us to evolve into an ultra social species affording collective and cooperative enterprises,

one of the most significant means by which the hive of humanity has survived and thrived to date (Caporael, 1997).

The tie between thriving and enjoying good social relations is so strong and reliable that scientists have called it “a necessary condition for flourishing” (Diener & Seligman, 2004, as cited by Fredrickson, 2009) because it enables us to:

- **Be happier** - in one study the happiest 10 % of people, the very happy people, differed markedly from the average people and unhappy people in one principle way: a rich and fulfilling social life. The very happy people spent the least time alone, the most time socializing, and were rated highest on good relationships by themselves and by their friends (Seligman, 2002). The causal relationship between social relationships and happiness is clearly bidirectional. Studies show that if you begin today to improve and cultivate your relationships, you will reap the gift of positive emotions. In turn, the enhanced positive emotions will attract more and higher-quality relationships which will make you even happier, and so on in a continuous positive feedback loop (Lyubomirsky, 2008)
- **Be healthier** - Having strong social relationships strengthens the immune system, extends life more than quitting smoking does, speeds recovery from surgery, and reduces the risk of depression and anxiety disorders (Cohen & Herbert, 1996; Waite & Gallagher, 2000 as cited by Haidt, 2006). Over 100 empirical investigations tie social support to reduced health risks of all kinds, affecting both the likelihood of the illness initially and the course of recovery (Berkman, 1995; Seeman, 1996). Further, it has long been known that married people live longer, happier lives than the unmarried. A seven decade long Harvard study found that a good marriage at age 50 predicts healthy

aging better than does low cholesterol level at 50 (Vaillant, 2002). And it is not just that we need somebody to lean on; recent research on giving support shows that caring for others is often more beneficial than receiving help (Brown, Nesse, Vinokur, & Smith, 2003 as cited by Haidt, 2006).

- **Be more resilient** – Children and adults who endure crisis while embedded within strong social groups and networks fare much better and are more likely to come out stronger and mentally healthier than those who faced adversity without such social support. And social networks do not just reduce suffering they offer avenues for finding meaning and purpose (Elder, 1974, 1998; Durkheim, 1951 as cited by Haidt, 2006).

Reis and Gable, two of the world's leading researchers on love, conclude that good relationships with others may be the single most important source of life satisfaction and emotional well-being (Peterson, 2006).

Relationships at work are no exception. Connections between people are the life blood of every organization as individual interactions and the collective efforts of teams are the basis for any work being accomplished. Dutton and Heaphy (2003) argue that the quality of connections – whether the connective tissue between individuals is life-giving or life-depleting – fundamentally impacts how organizations function. During a high quality connection the individual feels safe and confident to express their emotions, explore new ideas and influences and able to function in a variety of circumstances. They feel engaged, vital and a heightened sense of positive regard for others (Dutton & Heaphy, 2003). The relationships that produce the most improved life/work performance and satisfaction are those characterized by mutual understanding, caring, and validation of the other person as worthwhile. People feel secure in these relationships, they can trust others, and count on others for help (Diener & Biswas-Diener, 2008).

A possible model for cultivating positivity, connectivity and social cohesion is the practice of Active-Constructive Response (ACR). ACR has shown that what distinguishes good and poor relationships is not how partners respond to each other's disappointments and reversals but how they respond to good news. In fact, communicating personal positive events with others, particularly when the other is perceived to respond actively and constructively (and not passively or destructively), is associated with increased daily positive affect and well-being, above and beyond the impact of the positive event itself and other daily events. The research shows that this process of "capitalization" is central to "coping" with positive events, cultivating positive emotions and enhancing social bonds (Gable et al., 2004).

It is no surprise that the Gallup Organization suggest that people need to have good friends at work, colleagues whose opinions, support, and praise they trust and value. These positive organizational relationships termed *social capital* have been found to reduce transaction costs, facilitate communication and cooperation, enhance employee commitment, foster individual learning, strengthen relationships and involvement, and ultimately enhance organizational performance (Adler & Kwon, 2002; Leana & Van Buren, 1999). With teamwork a prerequisite for successful organizational performance and outsourced partnership becoming more common, having people who can create and sustain positive relationships with each other is essential for both individual and organizational thriving.

*How do these four pillars come together in an organization?*

An organization that embodies the importance of how these four pillars of positive psychology can come together to allow people to individually and collectively thrive is Starbucks. Starbucks is consistently recognized by *Fortune* as one of America's "most admired" companies and best employers. Their success is underpinned by a belief

that putting people before products makes good common sense. Starbucks's leadership has focused on creating a culture in which its employees –considered, treated as, and called partners – can soar by investing in positive emotions, positive engagement, positive meaning and positive relationships in an extraordinary combination of principled induced behaviour the company calls the *Starbucks Experience*.

The Starbucks leadership understands that a positive and playful work environment produce vital, connected and engaged personnel that, in turn, energizes the customer experience. They have found that it is just as important to create a positive experience for the employees as it for the employees to create a positive experience for the customers which are why positive emotions are prioritized. For example, laughing with and uplifting their customers is a cornerstone of their mission and each partner is urged to use their unique talents and knowledge to create a place where people feel that they are a priority and where their day can be brightened (Michelli, 2007)

Guidance, encouragement, and acceptance of the partners' uniqueness is provided to allow the partners to leverage their strengths and create moments of flow in their days so they can love what they do and create positive engagement. Remarkably, spending more on training than on advertising, Starbucks provides on-going training include the initial *coffee passport* training, the *Coffee Masters* program, *exploring customer stories*, *Conversations and Connections*, and *Starbucks Experience from the Inside Out*. This emphasis on training pays huge dividends for Starbucks in employee satisfaction - compared to an average of 50% job-satisfaction rate in the quick-service restaurant sector Starbucks has an unprecedented 82% satisfaction rate (Michelli, 2007).

“People want to be part of something bigger than themselves. They want to be part of something that touches their hearts,” acknowledges Starbucks Chairman Howard Schultz (Michelli, 2007, p.38). As a result the 100,000 plus partners are actively

encouraged to create positive meanings for themselves by positively affecting the lives of others whilst being mindful of the earth's ability to sustain the demands Starbucks places on it. When thoughtfulness becomes part of a company's culture amazing acts of selflessness occur and the lives of all are enriched by connecting our intrinsic motivations to seemingly ordinary moments. The result is a turnover rate at Starbucks that is 120% less than the industry average (Michelli, 2007).

Perhaps the biggest story about Starbucks is that is as much about people and their relationships as it is about coffee. Partners are encouraged to form quality relationships with each other and their customers by genuinely connecting, discovering, and responding. In fact, human connection and the importance of treating people in a way that leaves everyone feeling unique and special - whether they are partners, customers, or suppliers - is a priority commensurate with product and service quality at Starbucks. By listening to and exploring what their customers value and striving to have a positive effect in those areas of interest and concern Starbucks' leadership has struck a strong emotional chord that strengthens the emotional connection between their leaders, partners, company, and customers resulting in Starbucks tenaciously loyal customer base and spectacular growth (Michelli, 2007).

These positive pillars are encapsulated in Starbucks' *Five Ways of Being – be welcoming; be genuine; be considerate; be knowledgeable; and be involved*. These are detailed and explained in a small booklet that fits into a partner's apron pocket; namely, the *Green Apron Book* and have been fully embraced and modeled by Starbucks' leadership and have integrated into the Starbucks' culture. One of the most profound ways that this has been accomplished is through the recognition and appreciation of those small, medium, and large acts by partners that exemplify these principles and practices. For example, President and CEO Jim Donald starts each day making

recognition and appreciation calls to partners in stores throughout the world (Michelli, 2007).

If you had invested \$10,000 in Starbucks in 1992, your investment would be worth approximately \$650,000 today, up 5000%. In contrast the S&P has risen 200%, the Dow 230%, and the Nasdaq 280% (Michelli, 2007). Starbucks' success has grown from finding was to help people individually and collectively thrive. "The way we have built our company by including the success of the company with everyone in it and not leaving our people behind is a great example of building a business the right way," explains Starbucks' chairman of the board, Howard Schultz (Kirbyson, 2004 as cited by Michelli, 2007 p.7).

***Assumption 3: Leaders should ensure their organizations are doing well by doing good***

McGregor believed that collectively we are a people seeking something powerful and meaningful to touch our hearts and minds that is worthy of commitment (McGregor, 1957 as cited by Heil, et al., 2000 p 120). Perhaps this is why Drucker predicted that the biggest challenge still to come for organizations would be establishing their social legitimacy (Drucker, 2001). For only when leaders are able to demonstrate how an organization does well by doing good – by balancing economic, human and social requirements and costs - will people find opportunities for:

- positive engagement of their strengths to create flow and personal and professional growth.
- positive meanings that are intrinsically motivated and allow employees to commit to being and giving their very best.
- positive emotions that can both induce and arise from the state of flow and the belief that they are contributing to a cause worthy of their commitment.



Gladly, doing well by doing good is proving fertile ground for organizations as they have begun to realize that Drucker was right when he stated that every single social and global issue of our day is a business opportunity in disguise given the right mix of innovation, organizational competence, pragmatism and business social entrepreneurship (Cooperrider, 2008, p.32). As a result, a small but influential group of mainstream global industry leaders are now reinventing the role of business in society. They are shifting the focus away from minimizing negative impacts to offering new solutions to global problems that the public sector has been unable to tackle alone (Laszlo, 2008). For example, Dow Chemical has found that doing good can open new markets, new innovations and new opportunities for organizational meaning as it works to develop technologies such as eco-friendly Styrofoam used for walls for low-cost housing and cutting-edge systems for filtering minute contaminants to provide clean water for the 1.2 billion people who lack this vital resource today. Dow estimates these innovations will add more than \$3 billion to existing sales demonstrating that done effectively there is no trade off between doing good and doing well – it is a win-win outcome for the organization and the people it serves (Engardio, 2007).

Laszlo (2008) explains that these leaders are creating ‘*sustainable value*’ through the provision of capital and well-being to both their shareholders and their stakeholders — an ever-growing list of diverse constituents impacted by the social, environmental, and financial performance of global business (Laszlo, 2008). Creating *sustainable value* requires people and organizations to behave ethically and with sensitivity toward social, cultural, economic and environmental issues. Striving for *sustainable value* helps individuals, organizations and governments have a significant, positive impact on development, business and society with a corresponding contribution to bottom-line results (ASQ, 2009). “By creating a new, more inclusive brand of capitalism, one that

incorporates previously excluded voices, concerns, and interests, the corporate sector could become the catalyst for a truly sustainable form of global development – and prosper in the process. Sustainable global enterprise and value thus represents the potential for a new private-sector based approach to development that creates profitable businesses that simultaneously raise the quality of life for the world’s poor, respect cultural diversity, and conserve the ecological integrity of the planet for future generations” (Hart, 2007, p. xl). Cooperrider, (2008) agrees and adds, “Sustainable value creation is the business opportunity of the 21st century. Business has the technologies to redesign the world energy economy and stabilize climate change. It has the capacity to eradicate extreme poverty within a generation or two. It has new, emerging approaches to turn all of these issues, and many more, into business opportunities for tomorrow’s industry leaders” (Copperrider, 2008, pp. 34-35). And this is an attractive market proposition given that today over 70% of a company’s market capitalization is driven by intangibles such as reputation, goodwill, and stakeholder relationships and is evidenced by the growing amount of serious money lining up behind the social responsibility agenda (Laszlo, 2008). Trade association Social Investment Forum estimates that the assets of mutual funds designed to invest in companies meeting social responsibility criteria have swelled from \$12 billion in 1995 to \$178 billion in 2005 (Engardio, 2007). Gore (2007) explains that the challenge these investors face is that our current system is precise in its ability to account for capital goods, but imprecise in its ability to account for natural, social and human capital (Gore, 2007 cited by Hart, 2007). The sad reality is that while government regulators force organizations to disclose the value of physical assets and investments in equipment and property they do not require them to quantify environmental, social, or labor practices and costs.

Nevertheless, new sets of metrics designed by analysts to measure sustainability efforts continue to help convince CEOs and boards that they pay off. And even without the sophistication of triple bottom line reporting the value of the squishy "intangibles" of doing well by doing good is being increasingly illustrated in the market. For example, in June 2009, General Motors (GM) - once the world's largest manufacturer and for many years the world's most successful selling organization –began working its way through bankruptcy. GM's focus on the bottom line meant it postponed important changes leaving it named by *Business Week* in 2007 as the laggard of social responsibility after it failed to appreciate the market opportunity and image value of hybrids. In contrast, when energy prices spiked Toyota was ready with a high-tech offering that many consumers embraced. As Toyota prepares to motor past Ford as the world's second-largest carmaker – making more profit than any other automaker and enjoying the best reputation for producing clean-running, fuel-efficient vehicles and being a great place to work - the organization has become a textbook case on how doing well by doing good delivers a competitive edge (Engardio, 2007).

Perhaps this is the free market working exactly as it should. While standard economic theory states that people are interested only in their own material gain, a growing body of experimental work by behavioural economists proves altruism not only exists but is one of our primary motivations, even in financial affairs. For example, in the Ultimatum Game pioneered at the University of Cologne, Player A is given \$10 and Player B is given nothing. Player A must make an offer to Player B; both parties keep the money only if that offer is accepted. According to standard economic theory, the minimum offer of \$1 should be made and accepted because it represents a clear financial gain for Player B. But in the thousands of times the experiment has been run, the average accepted offer is \$4 and offers of less than \$3 are routinely rejected. People, it

turns out, are more concerned about fairness and respect than financial gain (Mercer, 2009). This is being demonstrated daily in the current financial recession as around the world, as people volunteer to share jobs or accept reduced hours, or wages in order to help their colleagues and prevent wider unemployment. And, if some progressive economists have their way, we may be on the cusp of a more humane era in which altruism, not avarice, becomes the trait our economic system nourishes and the responsibility of leaders in every organization.

***Assumption 4: Trust in others, especially leaders, is the essential glue to sustain organizational thriving***

Relationships of all kinds are built on and sustained by trust. Trust is essential to flourishing relationships and flourishing societies (Aslam & Corrado, 2007). Trust is one of the most powerful forms of motivation and inspiration. People want to be trusted, they respond to trust and they thrive on it. Trust is the essence of all human phenomena—social as well as economic (Covey, 2006). Trust is an individual's willingness to be vulnerable to another individual (Mayer, Davis and Schoorman, 1995).

The development and maintenance of trust in a leader has been identified as the crucial element in the effectiveness of leaders, individuals and their organizations. Twenty years of research on the best workplaces around the world finds that trust between managers and employees is the primary defining characteristic of the very best workplaces (Levering, 2000). Trust in management can be viewed as the willingness of employees to be vulnerable to their leader and comprises a cognitive component (a belief the leader is capable) and an affective component (the belief that the leader will not act in a manner to harm employees (Covey, 2006).

Research shows that trust in leaders is essential to sustaining thriving individuals and organizations in order to build and maintain:

- Positive emotions – Observing or experiencing virtuousness fosters trust, positive emotions and energy and sparks our inclination to follow suit (reciprocity). Hence virtuousness behavior results in upward spirals of positivity and prosocial behavior in organizations (Cameron, Bright & Caza, 2004).
- Positive engagement – Employees trust that they have permission from their leaders’ to fail and to learn from mistakes allowing them to operate in a growth mindset that creates opportunities for flow by embracing challenge and believing that effort is the path to mastery. People with growth mindset are more open to learning, willing to confront challenges, able to stick at difficult tasks and bounce back from failures (Ben-Shahar, 2009; Dweck, 2006).
- Positive meaning - Employees place greater confidence in leaders’ ability to plan for the future and are more willing to positively engage in following the vision of the leader even if they aren’t completely sure what that means for them – because they trust their leaders. Confidence in a leader’s vision allows employees to feel connected to something larger than themselves at work (Lyman, 2009).
- Positive relationships - Employees are more willing to co-operate with team members and with their distant co-workers when they trust each other. (Lyman, 2009). Not surprisingly then, trust in leaders is associated with higher work satisfaction and citizenship behaviours because it enables employees to feel less threatened, anxious and fearful (Sivanathan et al., 2004). People feel free to exchange more and better information,

experience more positive energy and have a desire to strengthen relationships (Dutton and Heaphy, 2003).

These results have a direct impact on performance that can be measured by speed, cost and value with high trust companies being shown to: have strong cultures of innovation and collaboration; better execute their organization's strategy; elicit greater loyalty from their stakeholders – their people, customers, suppliers, distributors and investors; and earn over four times the returns for shareholders over the broader market (Covey, 2006).

Covey (2006) explains that when we trust our leaders we have confidence in them – in their integrity and their abilities. This is a function of character - demonstrated through their integrity and intent - and competence - demonstrated through their capabilities and results. It requires leaders to consistently; be honest; demonstrate respect; create transparency; right wrongs; show loyalty; deliver results; willing to learn; confront reality; clarify expectations; practice accountability; listen first; keep commitments; and extend trust. It also requires leaders to ensure that structures, systems and symbols are aligned to the organization's purpose and valued behaviors.

For example:

- Creating or improving an organizational mission and values statement by engaging everyone in the process – through approaches such as Appreciative Inquiry – to ensure that it's more than a platitude hanging on the wall.
- Open Book Management systems that ask employees to take a system approach to their work by understanding exactly how the organization makes money by carrying out a mutual benefit agenda and demonstrating trust.
- Ongoing training and mentoring (development systems) to ensure relevancy and the satisfaction that comes from growth (Covey, 2006).

Zappos, the US online shoe and clothing retailer, is a great example of how trust is the essential glue to sustain the realization of their organizational values, vision and mission. What differentiates Zappos from most other organizations is their focus on strong, positive relationships that are open and honest and allow them to accomplish much more than they would be able to otherwise. In fact, in the midst of a gripping economic downturn Zappos increased sales by almost 20% in 2008 (O'Brien, 2009).

Zappo's values state that: "it's important to always act with integrity in your relationships, to be compassionate, friendly, loyal, to do the right thing, and treat your relationships well. The hardest thing to do is to build trust, but if the trust exists, you can accomplish so much more" (Zappos: *About us*, 2009). Some of the ways in which this trust is brought to life includes:

- Shying away from serious titles and instead using parties, parades and decorations to open up communication between employees so that they won't be afraid to reach across job descriptions or bring customers in on the fun.
- Imploring their people to delight callers by using their imaginations. Which means that a customer having a tough day might find flowers on the stoop the next morning.
- Encouraging managers to spend 10% to 20% of their time with team members outside the office – for example taking a hike together to build relationships - and any employee can give any other employee a \$50 bonus for a job well done.
- New recruits are offered a \$2,000 bribe to leave the company during training to weed out the half-hearted (only three people accepted in 2008).

Recently named one of the best places to work, the willingness of Zappos leadership to establish, ensure and extend trust has created a workforce that has enabled Zappos to grow into a \$1 billion business in less than ten years. In 2008, the Zapponians produced an annual Zappos Culture Book where they described how the fun and laughter (positive emotions), pride and satisfaction (positive engagement), passion and connection (positive meaning) and friendships (positive relationships) sustained a positive business environment in which people loved to come to work (O'Brien, 2009).

### **Assumptions not made**

*Theory P* advocates neither complete command-and control nor complete engage-and-empower but a blend of the best of each. Organizations cannot be completely freewheeling and need leaders who value participation as a means of building trust, commitment and meaning. However, to succeed these leaders must consider their employees as volunteers – after all they own the knowledge, relationships and tools of distribution to go where they please – and appreciates that they are not motivated through money alone but rather by their individual goals, aspirations and dreams. The best leaders understand how to balance cohesion with commitment (Cohen, 2009).

*Theory P* is not an alternative to traditional business theories. Rather, it is an enhancement to those practices that are already delivering good results but have the potential to go further. It is not a case of traditional business or *Theory P* but of blending the best of all bodies of knowledge to achieve outcomes above and beyond what would otherwise be expected.

Many organizations are already practising *Theory P* but have lacked a common language to describe and share what they are doing and the benefits they are reaping – Southwest Airlines, Starbucks, Toyota and Zappos are just a few of the examples. We



also believe that collating these best practices into a strategic framework that can be applied across a whole organization is critical at this time.

### **Theory P in action**

We believe that Google, dubbed by *The Times* as “the fastest growing company in the history of the world”, is the poster child for *Theory P* (Jarvis, 2009, p. 4). From its humble beginnings in 1998, it was clear that the organization had an idea about online search engines that was unique, but most importantly they understood from their first day that unleashing the potential of the people who would join them would be the most powerful way to encourage peak performance and their only enduring source of competitive advantage. Google’s leaders explain in the Best Companies’ Culture Audit: "Our employees, who call themselves Googlers, are everything. Google is organized around the ability to attract and leverage the talent of exceptional technologists and business people. We have been lucky to recruit many creative, principled, and hard working stars. We hope to recruit many more in the future. As we have from the start, we will treat and reward them well." Milton Moskowitz, co-author of *Fortune’s* 100 Best Places to Work list concurs that from the start Google was thinking beyond simply making a lot of money - how they treated people was important (Moskowitz, 2007).

Google is the grand sum (and more) of all many unique "parts" that together create an incredible workplace where people thrive, individually and collectively:

- The work environment is carefully designed and resourced – their Mountain View campus includes lava lamps, large rubber exercise balls, couches, dogs, pirate flags, action figures, ironic signs, thousands of game pieces, giant Lego people fill and eleven gourmet restaurants – to help Googlers have a lot of fun during the work-day - to relieve stress and build positive emotion.

- Special and unique benefits include opportunities to learn, grow and travel that create regular moments of flow and positive engagement. For example: Googlers can be reimbursed up to \$8000 per calendar year on pre-approved, work-relevant courses; Google's engineers are encouraged to dedicate 20% of their time on a project outside their typical work responsibilities that they are passionate about and would potentially benefit the company; and by releasing new products first internally Googlers have the opportunity to play and shape cutting edge technologies.
- The ability to ask the founders about their vision for the future of the company or be involved in significant community service generates a sense of positive meaning (see doing well by doing good below for more details).
- And thoughtful offerings such as quarterly department off-sites for teams to bond together, Halloween festivities that feature people dressed as flowers, ghosts, pirates, computer systems, and girl scouts and a \$500 take-out meal fund for new parents are just some of the many investments made to build positive relationships.

One of the reasons why employees feel proud to work at Google is because its leaders have established the social legitimacy of the organization through doing well by doing good. Google's work is not driven by profit as a main priority, but rather by the user and user experience. For example, a proposal to generate millions of dollars in additional advertising revenue was rejected because the modification would not enhance the user experience (Moskowitz, 2007). Google also believes in making use of their talent, technology and other resources to make a larger contribution to the world -

Google.org (the administrators of Google's philanthropic activities) spends over \$90 million on efforts towards alleviating global poverty, and addressing energy and environmental concerns.

Google is able to sustain the realization of its values, vision and mission because its leaders go out of their way to establish, ensure and extend trust. Its leadership is recognized for consistently; being honest; demonstrating respect; creating transparency; righting wrongs; showing loyalty; delivering results; being willing to learn; confronting reality; clarifying expectations; practicing accountability; listening first; keeping commitments; and extending trust. For example, each week the founders hold a company-wide get-together to welcome new employees, present news about Google and Google-related events and answer any questions. This session reflects the leaders' belief that employees should feel comfortable asking even the most senior members of the management team any question and that the executives should talk with employees as openly as possible (Moskowitz, 2007).

Google also offers stock options to 99% of its employees, on-site child care and fitness center, subsidized gym memberships, telecommuting positions, dog friendly offices, on-site medical and dental facilities, oil change and bike repair, valet parking, free washers and dryers, unlimited sick leave, 27 days of paid time off after one year of employment, free shuttles equipped with Wi-Fi and classes on a variety of subjects from estate planning and home purchasing to foreign language lessons in French, Spanish, Japanese and Mandarin because they trust and value their employees (Ruff, 2008).

A Google employee sums it up as follows, "Google is a great company and I am very proud to be a part of it. The perks are extraordinary and this is the most unique working environment I have ever been in. And the products, ideas, creative minds that we have continue to amaze and inspire me" (Moskowitz, 2007). The result - 95% of

Google employees report that it is a great place to work with retention of employees high, attrition low and revenues strong. In fact Google has been 4<sup>th</sup>, 1<sup>st</sup>, and 1<sup>st</sup> respectively for the last three years on *Fortunes'* Best Company to Work For list (Levering, 2009) and receives over one million job applications annually. What makes this accomplishment even more remarkable is Google has only been around for 11 years and its number of employees has exploded from 2 in 1998 to 22,022 full-time employees as of January 22, 2009 (Google: *How Many Employees*, 2009). And while the worst economic meltdown since the Great Depression reached full flame in the fall of 2008, as bedrock banks, companies and even countries faltered Google still announced profits rising 30% and remained the number one brand in the world (Jarvis, 2009; Google: *Investor Relations*, 2009). Google is an extraordinary example of *Theory P* in action.

*“No problem can be solved from the same level of consciousness that created it.*

*We must learn to see the world anew.”*

***Albert Einstein***

Our intention for *Theory P* is to not only describe a theory for organizations to thrive but to also prescribe what we call *Positive Business* applications based on these assumptions. In the spirit of our assumptions, we do not wish to command-and-control this prescription but rather invite participation from business people, business thinkers and positive psychologists around the world to shape, test and share the most effective *Positive Business* applications for organizations from strategy to execution and measurement. To achieve this our hope is to create a global dialogue with voices from all types of organizations to discover, dream, design and enact the best ways that institutions can help us in our collective pursuit for the “good society”.

### **A methodology for co-creation**

To help us create a positive dialogue in which thousands of voices can be heard, it is our intention to create a series of Appreciative Inquiry (AI) Summits that invite people to learn about *Theory P* and explore potential *Positive Business* applications. AI is a philosophy that is grounded in the assumption that every system has a hidden and underutilized core of strengths – its positive core – which, when revealed and tapped, provides a sustainable source of positive energy for both personal and collective transformation (Cooperrider, Whitney & Stavros, 2008). It is a cooperative, co-evolutionary search for what gives life to any living system when it is most effective and alive (Cooperrider & Whitney, 2005).

The AI process is grounded in five fundamental principles: the *Constructionist Principle* acknowledges that the seeds of change are implicit in the first questions asked; the *Principle of Simultaneity* recognizes that inquiry and change are not truly separate

moments; they can and should be simultaneous; the *Poetic Principle* understands that our pasts, presents and futures are endless sources of learning, inspiration and interpretation; the *Anticipatory Principle* values that collective imagination and discourse about the future is a mobilizing agent; and the *Positive Principle* states that the momentum for change requires large amounts of positive energy, emotion, social bonding, hope, inspiration and the joy of mutual creation (Cooperrider & Whitney, 2005).

Used by organizations around the world, AI involves the art and practice of asking questions to: *discover* the best of what is in any given situation; *dream* about what could be; *design* the social architecture – norms, values, structures, strategies, systems, patterns of relationship, ways of doing things – to bring the dreams to life; and create a *destiny* that anchors ownership to innovation and action (known as the 4-D cycle). AI works because: affirmation and appreciation opens up a fresh perception of ordinary life and creates a learning environment that fosters empathy, hope, excitement and social bonding among people around desired outcomes; and the affirmation of “what is” inspires the collective imagination into “what might be” thereby opening the status quo to the joint creation of new possible worlds (Barrett & Cooperrider, 1990).

### **The Pilot Summit**

One of the most effective means of using AI to accelerate positive change is the AI Summit – typically a single event or series of events that brings together a large number of people that represents an organization’s entire value chain to complete the 4-D cycle so that participants are excited about where they are going, have a clear plan to move forward and feel confident about their ability to reach their destination (Ludema, Whitney, Mohr & Griffin, 2003). To test this approach we created and piloted an AI Summit to determine if AI could meet our requirements to generate a positive dialogue.

In the spirit of AI we began by forming a planning team that comprised ourselves, two classmates and our lecturer and creator of the AI methodology, David Cooperrider to provide resources, support and influence to ensure the success of the Pilot Summit. This team was responsible for designing, organizing and executing the entire summit process from start to finish. Our work began with the selection of the summit task and affirmative topics; then the participants, the format, the design, the communication and the logistics. Our work continues today with post-summit communications to explore the ideas raised and invite people to further the dialogue with other business voices.

### ***The Pilot Summit Task***

An effective summit task excites, energizes and invigorates participants to contribute at the highest level. It asks the questions: What do we really want from this summit? What are our ultimate hopes and aspirations? What will success look like? The summit task should be stated in the affirmative, capture what we really want to achieve, drive curiosity and require collaborative action. (Ludema et al., 2003)

At the time of determining the task we were only clear about the first two assumptions of *Theory P*:

- Unleashing your people's potential unlocks the peak performance within an organization and is the only enduring source of competitive advantage.
- People thrive, individually and collectively, when they have the right balance of positive emotions, positive engagement, positive meaning and – most importantly – positive relationships in their lives.

Consequently the Pilot Summit does not seek to directly address the last two assumptions of *Theory P*:

- It is the responsibility of leaders to establish the social legitimacy of an organization by both doing well by doing good for the employees, the organization, and the community.
- The essential task of leaders is to establish, ensure and extend trust as the essential glue to cultivate the relationships required for the realization of the organization's values, vision and mission.

Based on what we knew, we agreed that our Pilot Summit task would be: "What good is positive business?" And Martin Seligman kindly recorded a video for us introducing the task and outlining the opportunity for positive business to launch the summit (to view a copy of this video please see [http://web.me.com/mmcquaid/Positive\\_Business/Home.html](http://web.me.com/mmcquaid/Positive_Business/Home.html)).

### ***The Pilot Summit Affirmative Topics***

Topic choice is a fateful act as groups move in the direction of inquiry so it is essential that we ask about those things we want to see more of. Topics can be anything related to organizational effectiveness but must be stated in the positive, identify the objectives people want and spark genuine curiosity (Cooperrider, et al., 2008). We agreed that our Pilot Summit topics would be: "Liberating positive emotions", "Maximizing performance through positive engagement", "Fuelling collaboration through positive relationships" and "Energizing positive meanings".

These topics were brought to life by inviting participants to explore the following questions:

- Positive emotions like joy, hope, awe, love and gratitude do more than just feel good. These wonderful feelings broaden our minds so we can be more creative, more resilient, more connected, and more helpful to others. When leaders create organizations in which positive emotions are given an



opportunity to flourish people feel energized, liberated, and capable of doing extraordinary things. People build on each other's successes, a positive can-do attitude is infectious, and the glow of success is shared. Tell me about a time at work when you've experienced a sustained period of positive emotions. What was happening? What created the positivity? How did it make you feel? How did it make others feel? How did it change what was happening for you and the organization?

- Gallup suggests that when more individuals within an organization have their talents identified, understood and integrated into their lives, the organization has greater potential. For example, the music of a world-class orchestra comes to life because each musician knows how to play to their strengths and how to tune these strengths with those of their colleagues. As their collective strengths blend, build, and reverberate seamlessly, each musician experiences flow and together they deliver a performance that delights themselves and their audiences. Tell me about a time when you've personally been involved or you've witnessed a team of people who knew their strengths and how to best combine them in ways that maximized performance. What were the strengths you saw used? What was it about you, the team, the situation, the organization, and/or the leadership that allowed these people to use their strengths so eloquently? Were they supported by specific organizational processes? What outcomes did they achieve together? How did it feel to work in this team?
- World-class organizations exist to serve a vision of a better world. Their purpose, principles, and people are aligned with the vision. Products and services are created to realize the vision. People within such organizations

are energized and inspired by possibilities for a better world. When work is in service to a larger purpose it is life-giving and compelling. People want to contribute. They get great satisfaction from knowing that their work and their organization are positive forces in the world. When have you most felt like your work was part of a positive force in the world, when you felt an alignment among your principles, purposes, and practices? What were you doing? How did you know you were making a difference? What about the situation brought out the best in you? Was this feeling shared by others around you at the organization? Did this bring the organization any specific benefits?

### ***The Pilot Summit Participants***

AI leaders are passionate about the value that comes from having the whole system of an organization and its value chain participate in a summit. This is important because wholeness: eliminates false assumptions and evokes trust; allows people to gain a sense of interdependence; lets people see, experience and connect with purposes greater than their own or that of their team; and establishes credibility in the outcomes because everyone is part of the decision (Ludema et al., 2003).

As our Pilot Summit was unfunded, we needed to find a range of able, willing and free voices to join us so we invited past and present classmates of the University of Pennsylvania's Masters of Applied Positive Psychology (MAPP) program, our lecturers and friends and family with suitable business experience. We hoped at best for 30 participants, but the energy and excitement created around the Pilot Summit filled the maximum capacity of our venue for 50 people and had us turning people away. Our group included a mix of voices each highly regarded in their respective fields of business, education, psychology and medicine among many others.

### ***The Pilot Summit Format***

Typically an AI-Summit occurs over three to five days and is designed to flow through the 4-D cycle of *discovery*, *dream*, *design* and *destiny* to build a lasting platform for innovation and commitment to change (Ludema et al., 2003). Given our pilot was a project of goodwill we agreed that we would need to find a way to condense the best of this approach into one day. We were helped in this endeavour by the fact that our audience had already experienced AI and were well versed in positive psychology which meant that we didn't need to spend a lot of time revisiting these principles to prepare them for the activities being undertaken. This would not be the case with a business audience without a MAPP background.

Once the format was determined the flow of activities to take participants through the 4-D cycle could be agreed. This included the creation of an agenda, the crafting of an appreciative interview guide, design of a participant workbook and a means of documenting the proceedings. We decided to: begin by *discovering* through shared highpoint stories how the assumptions of *Theory P* are already helping to create thriving organizations; then *dream* of the potential outcomes that could be achieved in organizations if applications of *Positive Business* were applied across every aspect of the organization from purpose and strategy to operations and measurement; and conclude with *designing* pathways to engage, educate and energize key stakeholder groups to bring our collective dream of *Theory P* and *Positive Business* to life. We agreed that the discussion and commitment of *destiny* actions would be conducted online through a website to be created at the conclusion of the Pilot Summit.

### ***Discovering the positive core***

The questions outlined under 'The Pilot Summit Affirmative Tasks' were used to engage participants in one-to-one interviews around their personal, most effective and

empowering experiences of *Theory P* in practice. These were then shared in small group discussions and participants were asked to identify the enablers and enhancers they were hearing in the stories that allowed people and their organizations to thrive. We then mapped this positive core for the experiences of the group at large and discovered the following hidden strengths that were helping organizations to achieve exceptional outcomes from their people: passionate energy; appreciative eyes; willingness to inquire; openness to possibility; connection of head, heart and hands; making a meaningful difference; positive strategy and habits; flow of positive risks; strength-led challenges; empowered autonomy; gritty hope; playful creativity; focused fairness; respectful communications; authentic relationships; generously trusting; courageously compassionate; and sweaty magic.

#### *Dreaming a positive business future*

Participants were then invited to individually and collectively dream about what it would be like to work in an organization that had embraced *Positive Business* applications from strategy, to operations and metrics. These dreams were shared in an incredible array of creative presentations – from drawings, to role plays and written descriptions - to build a shared positive image for what the future of positive business could hold. These dreams included the following:

- Its 2012, business is booming. It's not just what we do but who we are. Everybody has a voice, feels valued and knows their contribution to our shared purpose. And planting this shared purpose we are reforesting the world's exuberance, energy and well-being for generations to come!
- “We believe in ourselves”: us in 2012. We are a community of authentic, appreciative, opportunity orientated, strengths focused individuals. We inspire a safe place to work as a playful, generous, trusting and creative team.

We move towards a shared vision that brings meaning and purpose to ourselves and the world around us. We strive to increase health and vitality for ourselves and our customers. We are a group of leaders working together to bring social, environmental and economic value to the earth. We love who we are and what we do.

Drawings and role plays of these dreams can be viewed at

[http://web.me.com/mmcquaid/Positive\\_Business/Home.html](http://web.me.com/mmcquaid/Positive_Business/Home.html)).

### *Designing the discipline*

We concluded the day by asking participants to design pathways to energize, connect and co-create the future of *Theory P* and *Positive Business* applications around the world by asking them to imagine they had a grant of \$5 million to spend towards this outcome. By considering the different audiences to be reached – entrepreneurs, CEOs, middle management, employees and the media among others they generated the following ideas:

- Publishing the stories of successful business leaders and/or managers living the principles of *Theory P* and exploring how they fare.
- A reality TV show that makes over organizations using *Positive Business* applications so everyone can see how it can be done and the potential results.
- Experimental research where the same approach is applied in multiple businesses simultaneously against a control group and an evaluation is conducted on the impact that *Positive Business* applications can really achieve.
- Appreciative inquiry positive business summits for everyone in the community to be involved and experience first hand what *Theory P* and *Positive Business* could offer their institutions and markets.

- Apply a Kiva model ([www.kiva.org](http://www.kiva.org)) to test the positive business model among social entrepreneurs.

### ***The Summit Follow-Up***

The quality of energy, engagement, cooperation, collaboration and work remained surprisingly high over the course of a demanding day. In fact, rather than leaving early participants asked if we could help facilitate one further discussion around the outcomes and corresponding nomenclature that describe the business benefits of *Positive Business* applications that the group were finding had the most impact in the current marketplace. These words included: engagement; productivity; team building; resilience; mental toughness (tough skills); recognition; optimal functioning; positive change; heart-centred communication; sustainable human collaboration; changing rules of interactions/engagements and grounded optimism.

Feedback from the participants in the pilot has informed us that: 62.5% of participants felt the summit helped them to discover what good is positive business; 75% rated the experience as good or above; 65.2% rated the format as comfortable or ideal; and 87.5% would recommend to a friend or a colleague that they should attend a positive business summit in the future. In order to further the dialogue and give participants the opportunity to continue shaping, testing and sharing the most effective descriptions of *Theory P* assumptions and prescriptions for *Positive Business* applications we established a website - [http://web.me.com/mmcquaid/Positive\\_Business/Home.html](http://web.me.com/mmcquaid/Positive_Business/Home.html) - capturing all the output of the pilot summit for participants and launching a blog for ongoing co-creation.

### **A prime example of Theory P application**

The AI Pilot Summit not only provided us with a methodology for expansive dialogue but gave us our first prescribed application for *Theory P*. AI is grounded in the

belief that organizations are centres of human relatedness – and that releasing the potential of people - their innovation, collaboration and willingness to serve – is a source of competitive advantage. By allowing people to unite on a central theme or idea the AI process allows people who share related objectives to construct a shared future based on the strengths of their past. It is a process in which each person feels free to be heard, free to dream together, free to choose to contribute and free to act with support (Cooperrider, et al., 2008). This approach is supported by research around Deci and Ryan’s SDT which you may recall asserts that the reliance on solely intrinsic motivations is the most effective way to motivate people (Brown and Ryan, 2004).

AI also generates the conditions where people individually and collectively can thrive by:

- Creating an expansive emotional space where people are given the permission to be free to be positive and to be proud of their work experiences. This generates positive emotions between participants – allowing them to broaden and build throughout the Summit (Bushe, 1995).
- Allowing for engaging discourse, agreement of effective actions and acceptance of personal responsibility based on people’s strengths. The opportunity to use our signature strengths in a new way increases happiness and decreases depressive symptoms (Seligman et al., 2005). The process connects people to their strengths of past performance, enhancing our self-efficacy (Maddux, 2002). It invites us to dream of what regular, daily engagement of these strengths could be like, accentuating our hopes, a motivating force that can be the spark for and pathway for change (Lopez et al., 2004). It prompts us to design pathways to make our dreams a reality,

allowing us to set goals that improve our performance (Locke, 1996). And invites them to take action to make this part of their destiny.

- Giving people the opportunity to explore meaning by emphasizing and making special, that is, by sanctifying teams', organizations' and institutions' strengths and best practices. Together they all become something much larger and greater than the individual, becoming in essence sacred, leading to a more meaningful, fulfilled life (Cooperrider, et al., 2008; Pargament, 2007).
- Building high quality connections between participants based on an important shared experience of collaboration. People are engaged and actively participating because every voice is required, they are being heard and as a result experience a sense of heightened positive regard for each other, for their individual and collective relationships and the creation of a shared positive image of the future creates feelings of vitality and aliveness (Dutton & Heaphy, 2003).

In our experience, the AI process allows the altruistic nature of people to be given voice and reciprocated generating dreams, to design pathways and allow people to take ownership of their individual and collective destinies to simultaneously do well and do good. It also builds trust in leaders because it creates transparency, requires honesty, demonstrates respect, embraces learning, listens first, practices accountability and extends trust.



*“Let it go. Let it out. Let it all unravel. Let it free and it can be.*

*A path on which to travel.”*

**Michael Leunig**

Before we can create the type of organizations we desire, we must ensure that our mindsets will support it or it will become an invisible barrier to improvement. The challenge is that for many of us our beliefs are abstractions, hard to pin down and articulate because we are rarely required to reflect upon them though they come into play every day, with every decision we make, which in turn continues to influence the way people in the organization behave (Heil et al., 2000). To foster change in the mindsets of people leading and working within organizations around the world we need to:

- Create a global movement for intrinsically motivated reflection, visualization, goal-setting and action about the personal and professional opportunities that *Theory P* and *Positive Business* applications open up.
- Create a basis of *Theory P* and *Positive Business* folklore that is told and retold in communication mediums everywhere.
- Deliver a growing base of empirical evidence of the outcomes achieved by *Positive Business* applications.

We believe that these are the most effective pathways by which *Theory P* could be validated and implemented.

To achieve the global reach and momentum that will be required to energize organizations and researchers we will seek an “investor” to help us fund the realization of these pathways. Our intention for *Theory P* is that it is not proprietary to any one vendor so any financial support must not be at the exclusion of others. We propose to establish a non-profit *Theory P Foundation* that would own the intellectual property created from these pathways and freely share the ideas contributed by the voices around

the world in an open source online community. In order to reward our investor and fund our life's work around the ongoing development and application of *Theory P* we would also establish a for-profit organization that could generate revenues from paid speaking engagements, books and articles, consulting engagements and training programs. Any suggestions or expressions of interest in investing in these strategies to help organizations find out how they can maximise performance and competitive advantage through this approach are welcome.

### **Creating a global movement**

Our Pilot Summit convinced us that with a few modifications for a non-MAPP audience and more inclusive post-summit communications that AI is the right pathway to ignite our global dialogue with voices from all walks of business. It offers us an approach to set people's altruistic nature into action by reminding them how they feel when their potential is unleashed, allowing them to create their own positive image of what a better workplace would be like and begin their search for and creation of *Positive Business* applications to make *Theory P* a reality. It provides a medium for face-to-face communication in which the theory can really be explored and aligned with each person's intrinsic motivations. From this start we believe the thousands of conversations that can happen quickly through AI Summits will create a volunteer group of advocates who are energized to explore *Theory P* assumptions and *Positive Business* applications in their organizations and share their experiences with others.

### ***The Positive Business Summits' Vision***

Our vision is to convene a series of Positive Business Summits over a three year period that would be conducted in major business cities around the world to discover how they can maximise the performance of their teams and organizations. A rolling schedule of Positive Business Summits would be held in Amsterdam, Bangkok, Berlin,

Buenos Aires, Cape Town, Chiang Mai, Hong Kong, London, Los Angeles, Moscow, Mumbai, New York, Paris, Rome, San Francisco, Singapore, Sydney, Tokyo, Toronto and Zurich. Each summit would have anywhere from 100 – 500 people in attendance from all walks of business – large and small – who would gather for three days to discover, dream, design and take responsibility for their destinies to unleash the potential of their people. That is the potential to reach up to 10,000 people and have them engaged in 240,000 hours of *Theory P* and *Positive Business* conversation. If each of these people walk out from a Positive Business Summit and tell just ten people at work, at home or at play about this experience 100,000 people will begin thinking about and applying the ideas of unleashing the potential of people in organizations.

To build the momentum for the summits and attract participants, we would with a media partner and professional associations in each country launch a search for the best employers – based on those who are living the assumptions of *Theory P*. In cities where such surveys already exist – such as the Fortune 100 Best Employers – we would work with some of these leading organizations to use media editorial and speaking opportunities through professional associations to profile ways in which they are living *Theory P* and *Positive Business* within their organizations. Key journalists, bloggers and twitterers would be invited in each city to participate in the summits so that they can help share their experience more broadly with others.

An online community and social network would be established around the Positive Business Summits and *Theory P* more generally. This website would contain:

- Information and education tools about the assumptions of *Theory P* and potential applications of *Positive Business*;
- Invitation details for future Positive Business Summits and the means for people to register;

- Highlights and outputs from Positive Business Summits as they take place so participants can revisit the discussions;
- Stories of organizations exploring *Positive Business* applications;
- Blogs to explore each of the *Theory P* assumptions and share ideas on *Positive Business* applications;
- Video debates on each of the *Theory P* assumptions in organizations that people can vote and dialogue about;
- Research of *Theory P* assumptions and *Positive Business* applications drawing from the best of positive psychology, positive organizational scholarship and behavioural economics domains among others;
- Links to the work of the thinking of the ‘giants’ on whom *Theory P* has been built – for example, Peter Drucker, Douglas McGregor, Martin Seligman, David Cooperrider and Herbert Gintis among others; and
- Possible online survey for Best Organizations To Work For survey and place for people to share their personal stories of what makes these organizations great and great to work for.

Content on this site would also be shared through Facebook, Linked In, Twitter and other popular social networking sites. The site would provide us with a means of collecting email contacts for anyone who wish to further the dialogue and these could be used for regular electronic newsletters to keep people informed of *Theory P* and *Positive Business* developments and invite them to take part in further conversations.

To help participants “pay forward” their Summit experience to others and further the reach of our dialogue a “Summit-in-a-Box” would be created and also be available through the website upon request. This tool would provide everything needed to create a Summit experience – large or small – around how one can maximise the performance of

their teams and organization. It would contain suggested communications, agendas, interview guides, post-summit actions and logistic planning templates. The “Summit-In-A-Box” would be free to participants on the provision that they are not charging others for implementation of the Summit unless agreed with the *Theory P Foundation* and that provide feedback on the experience and outcomes of their session.

### ***The Positive Business Summits’ Advisory Group***

A small group of leaders – ideally a mix of highly regarded and credible people from business and academia – would be identified as an Advisory Group to help us shape this vision further and sponsor the spirit, substance and execution of the dialogue. It is essential that this group have a passionate interest in the summit topic and are willing to provide their enthusiasm, support, influence and resources (contacts, people, supplies, venues, etc. beyond the initial lump sum) to ensure the success of the summits (Ludema, et al., 2003)

To begin, a one day introductory AI Summit for the Advisory Group would be held to agree to the change agenda for the summits, clarify advisory team roles, ensure commitment to resources, plan for communicating the importance of the summits and selecting a planning team. We recommend that the meeting is grounded in the 4-D cycle with a specific focus on: sharing stories of successful global change initiatives and the forces and factors that made them possible; envisioning the future of this change initiative and the specific change agenda it will address; and determining the key people, tasks and activities that will need to be accomplished to ensure success.

### ***The Positive Business Summits’ Planning Team***

The planning team – those responsible for actually executing the summits under the guidance of the Advisory Group – would then be engaged. Ideally this would be a group of about 20 people representing the interests of those who will attend the summits.

This team will be responsible for designing, organizing and executing the entire summit process from start to finish. Once nominated, we envisage that this group would commence with a two-day planning meeting to immerse them in the rationale and experience of the Positive Business Summits. This meeting would make a recommendation to the Advisory Group on:

- The summits' task – we would suggest making the summit task broader than ‘What good is positive business?’ for this non-positive psychology audience. Our intuition is that the task that may excite, energize and invigorate participants to contribute at the highest level would be more focused on the business outcomes that results from the application of *Theory P*, for example “How to responsibly maximize and sustain business performance?” or “What it takes to win and sustain a competitive advantage?”.
- The summits' affirmative topics – we believe it will be important to keep the topics connected to the assumptions underlying *Theory P* in order to shape, test and share applications. Ensuring the planning team have a sound understanding of *Theory P* will be essential to help them select the affirmative topics that most resonate with them but also achieve our overall objective.
- The summits' participants – we are committed to bring the voice of the whole system into the room for these summits. We anticipate that the participants selected would include business people from every level of organizations from CEOs to graduates, vendors and suppliers, government and business regulation authorities, unions, investors, business and psychology academia and the media among others.

- The summits' format – we envisage that a three day format may be required for the summits to allow enough time to connect, educate and energize people around *Theory P* assumptions and *Positive Business* applications.
- The summits' design – we propose that: the first day focus on the discovery of all the ways that *Theory P* assumptions already exist in business; the second day focus on dreaming of how *Positive Business* applications could be come to life across organizations and; the third day focus in the morning on designing pathways for organizations to move from the reality of today to this dream of the future and in the afternoon on the actions people will take as they leave the summits to accomplish the individual and collective dreams and goals while moving forward on this path.
- The summits' communication – an outreach strategy should be put in place to utilize the Committee's and Advisory Team's networks of print, radio, television, online and face-to-face channels to invite people to the summits and promote the dialogue that is unfolding.
- The summits' follow- up – we believe an interactive online platform should be established to allow summit participants from around the world to share, test and report on the results of applications. As detailed in our vision, this should include regular podcasts, debates, blogs and places to store information such as presentation, research reports and publications. We have also expressed our desire to offer a "Summit-in-a-Box" format that could be run by those who have attended a summit and want to pay it forward within their organization or other communities of interest.

### ***The Positive Business Summits' Evaluation***

We are committed to determining the impact of this series of Summits on the world at large. Consequently, outcome assessments and psychometrics to measure the impact we are having are essential. Outcome metrics can be identified around: the summit participants – for example their attendance and post-summit activities. Detailed psychometrics around AI as a holistic intervention has not been established to date. We propose crafting a series of measures by drawing on the psychology and positive psychology mechanisms that have been identified as intuitive to AI's success and gathering evidence of how it helps us to thrive immediately after the event and at six month, one year and two year follow ups.

### **Making Theory P folklore**

Folklore, telling the stories and legends of a culture, helps us to make the inarticulate articulate and above all lets people speak in their own voices. It captures what we believe, do, know, make and say and although its primary focus is on connecting us to our past, it is a central part of life in the present and is at the heart of all cultures – including that of organizations – throughout the world. Botkin, the father of public folklore, understood how important this approach of creative expression was to communicate and instil morals, values and goals among people to address or solve social challenges and opportunities. During his work for the Library of Congress he used the approach to collect oral narratives of former slaves and saw how the dissemination of these materials had the potential to improve race relations in the United States and to combat prejudice. Since then this approach has been used successfully by many movements, not least among the civil rights movement who taught this technique to activists like Rosa Parks (Jones, 1994). Whilst scholarly recognition of *Theory P* will be vital, we believe that its application and ability to make a difference in millions of lives



around the world will be realized only if we are able to make the stories of *Theory P* and *Positive Business* applications and their results business folklore.

Spotting *Theory P* stories that have natural strengths and talents will be one of the key outputs from the Summits. Research shows that sticky ideas draw from a common set of traits that make them more likely to succeed. These include: simplicity – the essential core of the idea is clear; unexpectedness – they are counterintuitive and grab attention; concreteness – they are full of concrete images that engage our senses; credibility – people can test the ideas for themselves; emotions – they make you feel something; stories – they can be told as story. In short, we need to find from the Summits simple, unexpected, concrete, credentialed, emotional stories that bring *Theory P* and *Positive Business* applications and benefits to life (Heath & Heath, 2007).

As we identify a collection of sticky stories we will need to ensure these stories are retained in people's memories. This will be achieved by recounting the stories regularly:

- At all Positive Business Summit events
- In all “Summit-in-a-Box” tools
- Across online communications in education tools and seeding them in the blogs, debates, and social networking mediums.
- Through media editorial interviews
- In books, articles and research publications
- During speaking presentations for groups of all sizes
- Within courses and training programs

Our challenge will be maintaining the clarity and discipline of application but with a clear focus on our objective to create folklore we are confident that this can be achieved.

## Validating Theory P

It is essential for the credibility of *Theory P* and *Positive Business* that empirical research is gathered on the impact it has on business outcomes and people's well-being if it is to be more than a passing fad. Behavioural economics and positive psychology are growing fields with experienced researchers and hungry graduates in abundance and it is the passion and skills of these people that we need to engage if we are to create a body of empirical evidence. To this end we would like to establish a program of grants or prizes for up-and-coming researchers who are willing to put *Theory P* and *Positive Business* applications to the test.

Through the Positive Business Summits and our Advisory Group sponsors it is our intention to identify organizations who are willing to allow these researchers to conduct random-assignment, placebo-controlled trials so we can truly determine what works and what doesn't. This is a considerable request given most organizations when energized by a new idea simply want to get it to as many of their people as possible.

The ideal will be organizations large enough to identify at least two teams (preferably more) with the potential for similar business outcomes and then allow one team to be randomly selected to implement a *Theory P* or *Positive Business* application and the other team to implement a general non-*Theory P* or *Positive Business* application simultaneously. This should be monitored longitudinally over a period of several quarters to determine the immediate and long-term impacts of the application. The business outcomes and individual well-being results for both teams could then be measured and contrasted to determine the effectiveness of the *Theory P* application. Without the rigor of randomly assigned, placebo-controlled trials these results will not stand up to the scrutiny of the scientific community.

Besides the logistical challenges of conducting such research within an organization, the biggest obstacle is likely to be the mindset of organizations who don't value empirical evidence highly when it comes to people's behaviours. Although organizations love to measure things, these are typically short-term business outcomes upon which they can take immediate action to amplify or remedy results. The support and influence of our Advisory Group sponsors will be critical to educating organizations about the value of their participation for their long term objectives along with the benefits of the wider movement.

Once completed, we will seek to not only help ensure that *Theory P* and *Positive Business* research is published in the appropriate journals but also that it can be told as a sticky story to ensure it becomes part of our folklore. This will make it easier to distribute the results across business publications, online networks, speaking opportunities and training programs.

*“Never doubt that a small group of thoughtful people can change the world.*

*Indeed, it is the only thing that ever has.”*

**Margaret Mead**

Drucker (2001) stated that “The new economy may or may not materialise, but there is no doubt that the next society will be with us shortly” (Drucker, 2001). Seligman (2008) believes that our world is turning with less evil in the world than at any time previously and that instead of being influenced by the past we are now being called or pulled by the future (Seligman, personal communication, December, 4, 2008). We agree. You only have to look at organizations like Starbucks, Zappos, and Google to see the future of our business world unfolding.

*Theory P* creates a medium to engage business people around the globe to explore how this future can be scaled and replicated across organizations. It is a tool for dialogue in which we are attached neither to our assumptions nor the applications outlined as the only means of making business better. Rather we are committed to the idea that business must do well and do good if we are to contribute to the “good society” of the future in which economic, human and social growth are balanced and sustained. And we are passionately interested in doing anything we can to further this conversation in organizations around the world. We hope you have enjoyed reading this paper as our first step and welcome feedback and ideas for our next step. Thank you.

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