



HAPPY AS YOU WORK

Happiness and work performance are two heads of the same coin.

Having a job can be critically important to happiness. At the same time, recent research on both sides of the Atlantic shows that happiness leads to significant improvements in workers' on-the-job performance.

For U.S. employers, however, a worrying trend has emerged: Despite improvements in U.S. employment figures, happiness in the United States has been in a tailspin. In 2007, the U.S. stood in the top twenty percent of Organisation for Economic Co-operation and Development nations ranked on happiness by the United Nations' World Happiness Report. But by 2016, the U.S. position had deteriorated, with a dramatic tumble to the bottom half.

Is there anything U.S. employers can do to reverse the trend and achieve a turnaround in this decadelong fall? The World Happiness Report cites a few obvious areas their research shows matter to all workers. These include:

- financial security (in the form of secure jobs that pay well);
- health and safety (addressing risks);
- social needs (on-the-job relationships as well as work/life balance); and
- self-actualization (job design that

provides autonomy and variety).

According to their analysis, specifically in the United States, rising inequality has been a drag on happiness, with the top one percent in income now earning as much as the bottom seventy percent. This level of inequality has fomented increased distrust between people and in institutions. It has also created a sense of hopelessness and a feeling of a lack of freedom of choice, according to the report.

Yet institutions have been slow to react. U.S. public companies, for example, have fought attempts to require disclosures of the levels of pay inequality between top managers and workers, and between individuals of different genders and ethnicity. This refusal is symptomatic of corporate boards' failures to take responsibility for how their own actions create social and economic instability. Despite the harm to the company, worker homelessness and food uncertainty are absent from board agendas.

But boards' contributions to the problem go beyond failures to act.

Far too many corporate boards have proactively and unwittingly taken actions to decrease employee happiness.

Regarding financial security, layoffs have become commonplace at most companies while defined benefit pension plans have become nearly extinct. According to a Willis Towers Watson study, in 1998, half the Fortune 500 had traditional defined benefit pension plans. By 2015, only five percent did.

Due to the failure to address basic human needs, government and business are both increasingly viewed by U.S. citizens as corrupt, according to the Happiness Report. The U.S. minimum wage has not increased since 2009 and Pew Research reports that "adjusted for inflation, the federal minimum wage peaked in 1968." Meanwhile, local municipal efforts to raise the minimum wage have been fought by some companies, including Disney — the happiness company.

Can the dramatic tumble in U.S. happiness be reversed? Yes, but not by just wishing it were so. In the U.S., employers will need to lead the way.

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