# Enhancing Employee Performance Through Positive Organizational Behavior

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This paper explores the relationship among key issues discussed in positive organizational behavior (POB) and the implications for organizational success. One of the key outcomes of this paper is to have a better understanding of the relationship between work and a person's broader purpose of existence, and how work helps to accomplish one's purpose of life. In addition, quantitative measures are used to determine the relationship between work and happiness; a positive organizational culture and firm performance; and positive employee characteristics and employee performance. Through various statistical analyses, positive relationships were found among typical measures of positive psychology, positive organizational behavior, and employee performance. Implications for organizations and utilizations of research findings to create sustainable competitive advantages are discussed.

Given the continuous pursuit of developing and implementing strategies to maximize organizational effectiveness, organizations are studying and more frequently beginning to utilize theories and concepts from the positive organizational scholarship (POS). POS provides opportunities for understanding the impact of organizational strategies on human behavior in the workplace, and why some strategies and dynamic capabilities may be more generative than others (Cameron, Dutton, & Quinn, 2003). This is especially relevant as positive psychology has flourished in the last 5 years (Seligman, Steen, Park, & Peterson, 2005). It may come as a surprise to learn that companies in which the focus is on amplifying positive attributes (e.g., loyalty, resilience, trustworthiness, humility, compassion), rather than combating the negatives, perform better, financially and otherwise (Fryer, 2004).

Positive psychology has emerged and gained momentum as an approach that redirects focus from what is wrong with people or organizations toward one that emphasizes human strengths that allow individuals, groups, and organizations to thrive and prosper. The overall goal of positive psychology is to create organized systems that actualize human potential (Peterson & Spiker, 2005). Therefore, the present paper explores the relationship among

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key issues discussed in positive organizational behavior and the implications for organizational success.

*Positive organizational behavior* (POB) is defined by Luthans (2003) as the "study and application of positively oriented human resource strengths and psychological capacities that can be measured, developed, and effectively managed for performance improvement in today's workplace" (p. 178). One of the key outcomes of this paper is to have a better understanding of the relationship between work and a person's broader purpose of existence, and how work helps to accomplish one's purpose of life. In addition, quantitative measures are used to determine the relationship between work and happiness; a positive organizational culture and firm performance; and positive employee characteristics and employee performance.

It is indeed critical to ask, How does work enable one to experience such feelings as happiness, gratification, satisfaction, and fulfillment? At the same time, there is a great need to understand how and why organizational strategies impact employees' behaviors and attitudes and influence such positive outcomes as the ones listed by Seligman (2002a, 2002b).

Positive psychology is a science of positive subjective experience, positive individual traits, and positive institutions that promise to improve quality of life (Seligman & Csikszentmihalyi, 2000). Searching for new ways to compete and to be employers of choice, the implications for organizations are endless. The implications are not only for organizations, but also are directed to individuals. Rath and Clifton (2004) suggested that we all have a "bucket" within us that needs to be filled with positive experiences (e.g., recognition, praise). Furthermore, these authors stressed that when we treat others in a positive manner, we will not only fill others' buckets, but fill ours as well.

## Background and Theory

### Purpose of Work and the Relationship to Satisfaction, Commitment, and Performance

How does a person frame work in relation to the rest of life? In a *Newsweek* article, Seligman (2002a) described the manner in which scholars distinguish three kinds of work orientation: a job, a career, and a calling. A person performs a *job* for the paycheck at the end of the week, and when the wage stops, the person quits. A *career* entails a deeper personal investment in work. Finally, a *calling* is a passionate commitment to work for its own sake.

Seligman (2002b) also explained that part of what turns a job into a calling is the state known as flow. Csikszentmihalyi (1997) defined *flow* as

complete absorption in an activity whose challenges mesh perfectly with one's abilities. He explained that flow is not the pleasure a person derives from a warm shower or a cold beer, but the loss of self-consciousness that is experienced while engrossed in a task that calls on one's strengths. People who experience flow are not only happier, but more productive.

Furthermore, Wrzesniewski (2003) found that the way people see their work is highly predictive of their own individual thriving, and has positive implications for groups and organizations where they belong. Given one's personal self-defined purpose of life, the nature of one's work becomes a central component of fulfilling a person's purpose of life. Therefore, the premise is set forth that the stronger the link between the work one performs and the congruence to one's purpose of life, higher performance output can be expected. While many people accept jobs and quickly become frustrated, it may simply be incongruence between the nature of the responsibility and their personal values, needs, and sources of pleasure.

An organization's success depends on employees' creativity, innovation and commitment. Employees can significantly enhance their organizations' performance by inspiring the soul and creativity and maximizing the potential of the workforce. POB enables organizations to undertake a more complete view of the individual employee, enabling a better understanding of the workforce and a strategic means to influence behaviors.

Of all human activities, creativity comes closest to providing the fulfillment that people hope to get in their lives (Csikszentmihalyi, 1996). Creativity is a central source of meaning in people's lives. Most of the things that are interesting, important, and human are the result of creativity.

Furthermore, POB enables employees to understand the work they do, their colleagues, those for whom they work, and those who work for them. The value of such knowledge is that stronger team efforts will prevail, given a higher level of appreciation for others and the inter-subjectivity that exists within the workforce. Given the significant number of hours employees spend at work, why shouldn't work be a place where one is able to achieve a sense of fulfillment about life and further complement one's purpose of life?

Historically, most research has focused on the negative side of work. As stated by Cameron et al. (2003), there is much more focus on negative images of violence in the workplace, organizational failings, and corporate leaders going to prison than on positive images. Moreover, organizational behavior continues to look on the dark side and to dwell on the concepts of uncertainty management, organized anarchy, disorganization theory, loosely coupled systems, and chaos theory. POB sets forth to understand the positive aspects of work and their impact on employee and firm performance. Thus, the following hypothesis is proposed:

*Hypothesis 1.* A stronger alignment between an employee's work and purpose of life will lead to higher employee satisfaction and commitment to the organization, as well as to better performance.

## Work as a Significant Source of Happiness

The earliest writings of philosophers pondered the virtues of positive thinking and the pursuit of happiness (Judge & Ilies, 2004). For example, Aristotle argued that happiness is the highest good humans can achieve and that the use of reason and rationality is essential to its achievement. More recently, the Dalai Lama wrote that the very purpose of our life is to seek happiness (Dalai Lama & Cutler, 1998).

In today's society, many will argue that work is the source of their stress, their inability to spend adequate time with family or volunteer in community activities, and being unable to further their education. Seligman (2002b) taught that happiness can be cultivated by identifying and using the strengths people already possess. These strengths include kindness, originality, humor, optimism, and generosity.

Numerous researchers (e.g., Judge & Ilies, 2004; Seligman et al., 2005; Wright & Cropanzano, 2004) have made outstanding cases that positiveness—as reflected in positive individual traits and positive feelings experienced at work—is important for employees' happiness and well-being. Furthermore, the benefits for the organizations are highly significant. Since positiveness, happiness, and organizational outcomes are interrelated, leading scholars on POB believe that positiveness and happiness should preoccupy not only philosophers and psychologists, but also managers and organizational leaders.

Wright and Cropanzano (2004) reported from their research that happiness is a valuable tool for maximizing both personal betterment and employee job performance. Applied research's interest in employee happiness has long centered on the happy–productive worker thesis. However, the results have sometimes proved disappointing. A study conducted by Gavin and Mason (2004) reported on the importance of happiness at work, stating that every society has jobs that must be done in order for it to survive and to improve its members' lives. Consequently, work is an important source of people's well-being. The study also reported that many American workers are spending much more time at work. Recent surveys have shown that over 25 million of the 130.5 million workers in America work 49 or more hours each week. Over 10 million spend 60 hours or more at work.

The search for excellence and all-around happiness has been the important objective of mankind for ages. Happiness can be attained either through self-contentment or through fulfillment of desires. When someone tries to attain happiness through the latter, creation and distribution of goods and services occupy the central stage, which is translated into business (Sharma & Talwar, 2004).

Over the years, many organizational leaders and managers have argued about the relationship between happy/satisfied employees and productive employees. Wright and Cropanzano (2004) have shown through their research that positive work behaviors have statistically significant relations to employee performance. Furthermore, the concept and practice of POB enable a good life for individuals and organizations, and enable employees to be at their best at work. Seligman (2002a, 2002b) identified subjective experiences, which may include happiness, pleasure, gratification, fulfillment, and well-being.

Numerous studies have shown that happy individuals are successful across multiple life domains, including marriage, friendship, income, work performance, and health. To the contrary, there are research findings that specifically have concluded that there is little or no evidence showing a relationship between employees' happiness and their performance (Baumeister, Campbell, Krueger, & Vohs, 2003; Fisher, 2003). For example, Fisher (2003) stated that decades of research have shown that the correlation between job satisfaction and job performance is modest in magnitude, yet laypeople are thought to believe strongly that satisfied or "happy" employees are more productive at work.

Regardless, POS is inspiring researchers to look at work in a whole new light, and they are finding that employee happiness really does pay. It is beginning to look as if a positive workplace atmosphere is worth developing, and not merely for its own sake; it may be the foundation of true organizational success (Fryer, 2004). For most adults, work represents nearly half of waking life (Wrzesniewski, McCauley, Rozin, & Schwartz, 1997). This compulsory domain of life represents quite different feelings for each individual ranging from disgust to joy. Roberson (1990) explained that meaningful work influences various jobs and organizational attitudes, as well as motivation and performance. It is through these arguments that the hypothesis of work being a source of happiness given the appropriate environment is proposed:

> *Hypothesis 2.* Work will be a potentially significant source of happiness if the environment is appropriate to the employee and the employee has the ability to shape the environment that will create the happiness.

*Positive Organizational Cultures and the Impact on Employee Satisfaction and Performance*

In recent years, strategy scholars have begun to look beyond industrial-economics-based notions of strategy in an attempt to understand better how organizations sustain their competitive advantage (Amit & Schoemaker, 1993; Barney, 1991; Mahoney & Pandian, 1992; Wernerfelt, 1995). Based on numerous studies, organizational culture is a core component of the sources that foster competitive advantages in organizations (Pfeffer, 1998; Pringle & Kroll, 1997). Prevailing research claims that strong corporate cultures improve firm performance by facilitating internal behavioral consistency (Sørensen, 2002).

Building a positive organizational culture would be based on the concept of enhancing satisfaction, motivation, and productivity in the workplace (Martin, 2004). Wiegand and Geller (2004) also pointed to a number of strategies to enhance individuals' success orientation, and concluded their discussion with the actively caring model, which appears to be a useful means of representing pivotal facets of a positive and supportive workplace climate. Important environmental features in work settings have sometimes been brought together under the general heading of *climate*, which is usually measured through individuals' perceptions of their organizations' policies and practices (e.g., Ashkanasy, Wilderom, & Peterson, 2000; Schneider, 1990).

Central to building and sustaining an organization's culture is the leadership of the organization. Typically, an organization's culture is a reflection of the leaders of an organization. POB and authentic leadership are the important characteristics of humans in the growth of an organization (Gardner & Schermerhorn, 2004).

According to Fryer (2004), POS takes a rigorous look at the more widespread social constructs, values, and processes that make organizations great. And because it measures results, POS goes beyond platitudinous talk about the virtues of being good. Southwest Airlines, for example, is not the envy of the airline industry merely because it has a competitive cost structure. The company is successful, Fryer contends, because it carefully protects and nurtures its employees.

In searching for other examples of positive leaders who have helped to build positive organizational cultures, Bill George is a good place to start. During his 12 years of leadership at Medtronic, Inc., the firm's market capitalization rose from $1.1 billion to $60 billion. George attributes Medtronic's success to the creation of a transparent organizational culture that reflects a commitment to integrity, customer satisfaction, employee development, and responsible leadership (Gardner & Schermerhorn, 2004).

Empirical evidence exists to support the relationship between organizational culture and firm performance. For example, O'Regan & Ghobadian (2004) confirmed the close association between strategic planning, organizational culture, leadership, and performance and depicted the attributes of each concept associated with performance. Finally, the results confirm that high-performing firms place a much higher emphasis on strategic planning attributes and have stronger and more defined leadership and culture styles, compared with low-performing firms.

Organizational culture has also been considered a form of organizational capital (Barney, 1985; Camerer & Vepsalainen, 1988). Organizational culture has the potential to enhance organizational performance, individual satisfaction, the sense of certainty about how problems are handled, and other aspects of work life (Denison & Mishra, 1995). Organizational culture is viewed as a shared perception of what the organization is like in terms of practices, policies, procedures, routines, and rewards—what is important and what behaviors are expected and rewarded (e.g., James & Jones, 1974; Schneider, 2000)—and is based on shared perceptions among employees within formal organizational units.

Organizational culture has a significant effect on how employees view their organizational responsibilities and their commitment. Given the relative importance of positive organizational behavior, organizational culture, and firm performance, the present study explores the relationship among these key issues as a means to creating sustainable competitive advantages. Thus, the following hypothesis is proposed:

> *Hypothesis 3*. Organizations with a more positive culture will provide an environment that enhances happiness, commitment, satisfaction, and, ultimately, higher performance.

*Positive Employee Characteristics and the Impact on Performance*

Scholars have frequently posed the question as to what is the good of a person. Aristotle answered by enumerating moral virtues that are readily interpretable as traits (Park & Peterson, 2003). Of great interest to positive psychology and POB are positive traits such as gratitude, resilience, curiosity, hope, kindness, and prudence, among others, that contribute to an individual's fulfillment (Emmons, 2003; Park & Peterson, 2003; Sutcliffe & Vogus, 2003).

As reiterated by Clifton and Harter (2003), the Gallup Organization discovered that employees' talents are the greatest opportunity for success. Sustainable success is mainly a derivative of employees' behaviors. It has long

been clear that behavior is a function both of a person's characteristics and the nature of his or her environment (Patterson, Warr, & West, 2004).

Characteristics such as joy, interest, pride, contentment, gratitude, and love can be transformational and can fuel upward spirals toward optimal individual and organizational performance (Fredrickson, 2003). Furthermore, applied research's interest in employee happiness has long centered on the happy/productive worker thesis. It seems that the generations of managers and business executives who believed that a happy worker is a productive worker are correct when considering employee happiness as psychological well-being and happiness.

van Dyne and Pierce (2004) found positive links between psychological ownership for the organization and employee attitudes (i.e., organizational commitment, job satisfaction, organization-based self-esteem) and work behavior (i.e., performance, organizational citizenship). More importantly, psychological ownership increased the explained variance in organization-based self-esteem and organizational citizenship behavior (both peer and supervisor observations of citizenship), over and above the effects of job satisfaction and organizational commitment.

Positive emotions serve as markers of flourishing or optimal well-being. Certainly, moments in people's lives that are characterized by the experience of positive emotions (e.g., joy, interest, contentment, love) are moments in which they are not plagued by negative emotions (e.g., anxiety, sadness, anger, despair; Fredrickson, 2003). Employee characteristics and even their emotions are a part of organizational life, and they are a key set of factors that should be considered in enhancing organizational effectiveness.

For-profit organizations tend to approach the pursuit of success by focusing on the alleviation of liabilities, inefficiencies, and sources of strain and discontent among workers and customers. However, studies (e.g., Spector, 1997; Warr, 1999) have suggested that to increase the level and range of success, organizations must cultivate a positive orientation toward business.

What is the utility of employee well-being for organizations? Keyes, Hysom, and Lupo (2000) contended that there are both direct and indirect effects. Studies have revealed that mental illnesses such as depression cost organizations (e.g., businesses, healthcare systems) billions of dollars each year in insurance claims as well as lost productivity (Mrazek & Haggerty, 1994). Conversely, the promotion of positive employee characteristics increases the productivity and profitability of organizations. Thus, the following hypothesis is proposed:

> *Hypothesis 4*. Positive employee characteristics will be linked directly to higher individual performance.

Method

*Sample and Data Collection*

To test the aforementioned hypotheses, data were obtained from midlevel to senior managers who were enrolled at a large, private university in the midwestern United States. A stratified sampling method was used to ensure that participants were representing both genders and as many industries, lengths of tenure in positions, and professional interests as possible. The managers were asked to complete the questionnaire either in class or to return the questionnaire via e-mail. Participation was completely voluntary.

The questionnaire was distributed to a total of 405 students who were enrolled in the university's MBA program. To ensure some level of stratification, the surveys were distributed to students in different functional areas, such as accounting, finance, marketing, operations, and human resource management. A total of 249 responses were received, representing a 61.5% response rate. However, 3 of the 249 completed surveys were eventually excluded because relevant firm-level data were not available, resulting in a sample of 246 managers.

Surveys were given to other faculty members to distribute in their respective classes. In addition, surveys were sent to former students of the researchers who were still enrolled in the MBA program. Given that almost all of the students in the evening MBA program worked full-time, they served as ideal participants, given their diverse backgrounds, working at different industries, a good balance of males and females, a wide range of ages, and varying lengths of time worked at their respective organizations.

A brief synopsis of POB was included with the survey. In completing the survey, participants were asked to comment on the nature of their work, personal characteristics, personal state of being, extent to which work contributes to their personal state of being, and how work fits in with their fundamental purpose of life. In addition, data were collected about firm performance, individual performance, industry and firm data, and general demographic information.

The mean age of the final sample was 38.4 years, and mean job tenure was 4.5 years. The sample included employees from engineering, construction, transportation, wholesale trade, retail trade, services, mining, and public administration. Of the 232 respondents who identified their gender, 107 were male and 125 were female. Given that the participants were enrolled in graduate programs, 100% of them already had at least an undergraduate degree.

Indeed, some will question the effectiveness of self-report as well as one employee responding to a question to represent an organization's point of

view. Nevertheless, Gerhart (1998) concluded that even if a study were to have the benefit of multiple raters, conventional reliability statistics would overstate estimated reliabilities.

### Measures

*Happiness.* Numerous studies have shown that happy individuals are successful across multiple life domains, including marriage, friendship, income, work performance, and health (Lyubomirsky, King, & Diener, 2005). It has been argued that the happiness–success link exists not only because success makes people happy, but also because positive affect engenders success.

*Commitment.* Given that organizations are frequently interested in understanding the impact of various strategies on employee commitment, the present study also seeks to measure one's commitment to the organization as a result of positive work characteristics and environments. As supported by Herrbach (2006), affective organizational commitment has been correlated with experiencing more positive affective states.

*Satisfaction.* Various research findings have indicated that there is a relationship between disposition or personality and job satisfaction. Based on research showing that job satisfaction predicts withdrawal behaviors (e.g., turnover, absenteeism), researchers have been able to measure statistically the financial impact of employee attitudes on organizations (Saari & Judge, 2004).

*Performance.* Employees were asked to provide a score describing their performance as evaluated by their supervisor. A Likert-type scale was used, with scores ranging from 1 to 5 (a 5 indicated the best performance rating).

### Reliability Test

To determine the reliability of the data collected, Cronbach's alpha was used to test the 249 responses received. The idea was to determine the proportion of variability in responses to the survey that is the result of differences in respondents. Cronbach's alpha was .89, which is a satisfactory indication of how well the variables measure the respective constructs.

### Results

Descriptive statistics and correlations were used to study the relationships among the respective variables. I also used hierarchical regression analyses to

test the hypotheses. In addition, unstandardized regression coefficients and changes in explained variance were examined. Checks for the violations of the assumption of our regression analyses yielded no substantive violations.

Using POB as a key strategy to enhance employee satisfaction and commitment to the organization, and to improve one's performance, this study sought to examine key variables that impact these outcomes. Tables 1 and 2 provide a detailed summary of the correlations, means, and standard deviations among the relevant variables.

## Tests of Hypotheses

Hypothesis 1 held that, with a stronger alignment between an employee's work and purpose of life, there would be greater levels of employee satisfaction, commitment to the organization, and higher performance outputs. As indicated in Table 1, employee satisfaction, alignment of work and purpose of life, and employee performance were highly correlated. The mean for the question asking participants if they viewed work as a means to help them achieve their life's purpose was 3.36 on a 5-point scale ranging from 1 to 5 (5 was the most positive). Through regression analyses, employee satisfaction with the job and company proved to be much more significant than fulfilling one's life purpose through work in an employee's performance on the job.

Significantly, a strong fit with one's job and one's life purpose proved to have a strong impact on one's satisfaction. Using nominal logistic regression, the results, as shown in Table 3, provide further evidence of the relationships among the variables. Furthermore, and of high significance, the mean for the question regarding whether managers believe a strong alignment of work and life's purpose will lead to greater commitment to the organization and better individual and firm performance was 4.46. With these data, Hypothesis 1 was supported.

Hypothesis 2 predicted that work would be a potentially significant source of happiness if the environment was appropriate to the employee and the employee had the ability to shape the environment that would create happiness. In response to the question about the extent to which work provides happiness, the mean was 3.41, which is relatively significant. In describing participants' current levels of happiness, the mean was 3.59. When asked about their ability to influence their environments to create happiness, the participants' mean was 3.39. Interestingly, the mean for the question dealing with work as the primary source of stress was 2.64.

Through the correlation results and descriptive statistics, it can easily be inferred that work is a significant contributor to one's happiness. In addition, allowing employees to contribute in creating a positive environment will

Table 1

*Correlations Among Key Variables*

| Variable | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1. Happiness | — | | | | | | | | | | | | | | |
| 2. Pleasure | .689 | — | | | | | | | | | | | | | |
| 3. Gratification | .647 | .603 | — | | | | | | | | | | | | |
| 4. Fulfillment | .636 | .492 | .655 | — | | | | | | | | | | | |
| 5. Satisfaction | .755 | .638 | .700 | .842 | — | | | | | | | | | | |
| 6. Job versus satisfaction | .193 | .221 | .146 | .254 | .239 | — | | | | | | | | | |
| 7. Achieve life | .148 | .208 | .145 | .184 | .112 | .357 | — | | | | | | | | |
| 8. Leave company within 2 years | .278 | -.412 | -.331 | -.379 | .312 | -.359 | -.174 | — | | | | | | | |
| 9. Alignment of work & life | .026 | .127 | -.016 | .015 | .003 | -.009 | .252 | -.138 | — | | | | | | |
| 10. Find happiness at work | .225 | -.279 | -.208 | -.194 | .157 | -.470 | -.476 | .369 | .240 | — | | | | | |
| 11. Work primary | .322 | .243 | .216 | .146 | .231 | .121 | .089 | -.137 | .016 | -.149 | — | | | | |
| 12. Culture–performance | .042 | -.001 | .064 | .163 | .019 | -.031 | .145 | -.084 | .356 | -.040 | -.035 | — | | | |
| 13. Years at organization | .077 | -.003 | .094 | -.061 | .021 | .055 | -.129 | -.080 | .015 | -.065 | -.037 | .065 | — | | |
| 14. Performance rating | .036 | .005 | .043 | -.016 | .055 | .077 | .055 | -.008 | .020 | .025 | -.174 | -.163 | .078 | — | |
| 15. Gender | .016 | -.086 | .019 | -.041 | .089 | -.067 | -.041 | .095 | .193 | .032 | .028 | -.239 | .105 | .023 | — |
| 16. Age | .031 | .031 | .014 | .047 | .007 | .167 | -.071 | -.158 | .156 | -.144 | -.143 | .053 | .475 | .110 | -.216 |

*Note.* $N = 243$. Correlations greater than .20 are significant at $p \leq .05$.

Table 2

*Descriptive Statistics for Key Variables*

| Variable | M | SD |
|---|---|---|
| 1. Happiness | 3.59 | 0.90 |
| 2. Pleasure | 3.43 | 0.96 |
| 3. Gratification | 3.62 | 0.85 |
| 4. Fulfillment | 3.61 | 0.91 |
| 5. Satisfaction | 3.50 | 0.95 |
| 6. Job versus satisfaction | 3.13 | 1.04 |
| 7. Achieve life purpose | 3.36 | 1.04 |
| 8. Leave company within 2 years | 3.36 | 1.38 |
| 9. Alignment of work and life | 4.46 | 0.75 |
| 10. Find happiness at work | 1.23 | 0.42 |
| 11. Work primary | 2.64 | 1.04 |
| 12. Culture–performance | 4.46 | 0.61 |
| 13. Years at organization | 4.49 | 4.15 |
| 14. Performance rating | 4.31 | 0.67 |
| 15. Gender | 1.54 | 0.50 |
| 16. Age | 1.72 | 0.82 |

result in higher levels of happiness among the workforce. Another significant factor contributing to an employee's happiness is one's level of optimism. Being optimistic leads to an employee's satisfaction and commitment to the company, and even to the employee's happiness. Given these findings, Hypothesis 2 was supported.

Hypothesis 3 suggested that organizations with a more positive culture would provide an environment that enhances happiness, commitment, satisfaction, and, ultimately, higher performance. Organizations such as Southwest Airlines, Jet Blue, and others have often been touted as being successful because of their organizational cultures. By collecting data on more than 240 managers, I was able to analyze the impact of organizational culture on commitment, satisfaction, and performance. Most organizational scholars consider organizational culture to refer to the shared attitudes, beliefs, assumptions, and core values of organization members, which influence not

Table 3

*Nominal Logistic Regression*

| Predictor | Odds (95% confidence interval) | | | |
| --- | --- | --- | --- | --- |
| | Coefficient | *SE* coefficient | $Z$ | $p$ ratio |
| Logit 1 (4/5) | | | | |
| Constant | 1.627 | 1.143 | 1.42 | .154 |
| Satisfaction | 0.013 | 0.159 | 0.08 | .936 |
| Alignment of work purpose | −0.344 | 0.208 | −1.65 | .098 |
| Logit 2 (3/5) | | | | |
| Constant | −3.977 | 2.375 | −1.67 | .094 |
| Satisfaction | 0.150 | 0.252 | 0.60 | .551 |
| Alignment of work purpose | 0.437 | 0.450 | 0.97 | .331 |

only the behavior of members, but also the systems created (e.g., Denison, 1996; Hatch, 1993; Ulrich & LaFasto, 1995).

Based on Seligman's (2002a, 2002b) work on positive psychology, participants were asked to identify the extent to which their respective organizational cultures depict a culture that is positive and instrumental in creating an environment that fosters commitment to the organization, employee satisfaction, and happiness, and leads to higher individual and firm performance. The mean for the question dealing with one's organizational culture including positive characteristics (e.g., purity, fearlessness, sacrifice, calmness, absence of pride) was 2.81. The extent to which participants' organizations depict egoism, personal desires, and improper performance was a mean of 2.87. When participants were asked if a positive culture will provide an environment that enhances happiness, commitment, satisfaction, and higher individual and firm performance, the mean was 4.46. On average, respondents indicated a score of 3.36 when they were asked how likely they are to leave the company within the next 2 years. It is clear that with a less than positive organizational culture, employees will search and accept employment at other organizations. Also, the correlations show a positive relationship between organizational culture and performance. Given these findings, Hypothesis 3 was supported.

Hypothesis 4 predicted that positive employee characteristics would be directly linked to higher individual performance. When they were asked the extent to which they displayed certain characteristics at work, participants' means were 4.09, 3.77, 4.11, 3.95, and 3.75 for kindness, creativity, humor, optimism, and generosity, respectively. Lower scores for optimism and creativity are significant, given that such characteristics have been argued to be important in enhancing performance at the individual and organizational levels. Participants responded with a mean of 3.39 for the ability with which they could influence their respective environments to foster personal happiness. Employees were generally a bit more optimistic than pessimistic, with means of 3.80 and 2.31, respectively.

Through descriptive statistics and other statistical techniques (including correlation), kindness, creativity, humor, optimism, generosity, optimism, and having the ability to influence one's work environment were all related to employee performance. Given these findings, Hypothesis 4 was supported.

## Discussion

As proposed by Luthans (2003), a positive approach to organizational behavior is much needed. As he explained, the importance of positive feelings has been recognized through the years in the academic organizational behavior and popular literature. Management scholars and practitioners alike have arguably too often taken a negative perspective: trying to fix what is wrong with managers and employees, and concentrating on weaknesses. The findings of the present research are consistent with arguments proposed by scholars in positive organizational behavior and positive psychology (Gardner & Schermerhorn, 2004; Judge & Ilies, 2004; Seligman, 2002a; Ulrich & LaFasto, 1995; Wright, 2003).

*Purpose of Work and the Relationship to Satisfaction, Commitment, and Performance*

The implications for organizations are numerous and critical. Given the quest for sustainable competitive advantages through people and other sources, POB provides the basis for sustaining high employee and firm outputs over the long term. Hiring employees with a positive attitude has shown to be important in maintaining high performance. Showing high energy, excitement, and pride in one's job can lead to higher levels of customer satisfaction.

Luthans (2003) stated that POB is directly applicable to leadership development through organized programs or on the job (e.g., career assignments,

mentoring). The same is true for human resource development, which can be administered either through formal training programs or through employees' leaders on the job (e.g., coaching).

The link between one's defined purpose of work with one's overall purpose of life creates higher satisfaction levels at work and outside of work, as well as commitment to the job and eventually higher outputs. Supported by the findings of the present research, this suggests that regardless of the nature of one's employment, there must be a high degree of fit with one's work and the general purpose of one's life.

## Work as a Significant Source of Happiness

The normal workload for an exempt employee in the United States is at least 40 hours per week. By spending such significant time at work, one's happiness is directly tied to being happy at work and being happy performing the work.

Promoting a good life, as exemplified by companies such as Southwest Airlines, has proven to influence employee and firm performance significantly. Happiness enables one to be creative, to use humor, to be more optimistic, and to be less stressed. These are all factors that influence and are correlated to higher individual performance. Furthermore, the benefits extend to families, communities, and society in general.

## Positive Organizational Cultures and the Impact on Employee Satisfaction and Performance

Research has supported Seligman et al.'s (2005) theory of positive organizational cultures impacting employee satisfaction and firm performance. Many organizations are said to have positive organizational cultures. Even Enron, WorldCom, and others who have been found guilty of corruption have espoused the positive aspects of their cultures. Unfortunately, espousing alone does not fulfill the expectations. The values, beliefs, and practices that comprise an organization's culture must be fully enacted, championed by senior leaders of the organizations, and supported throughout the organization.

Similar to the results of this study, other empirical evidence exists to support the relationship between organizational culture and firm performance. For example, O'Regan and Ghobadian (2004) confirmed the close association between strategic planning, organizational culture, leadership, and performance and depicted the attributes of each concept associated with performance.

*Positive Employee Characteristics and the Impact on Performance*

As Luthans (2003) advised,

> the real value of a POB approach will be its application to the
> development and performance improvement of both managers
> and employees. This development and performance orientation
> is what separates POB from the broader based, more end-
> in-itself positive psychology movement and the normative
> self-development popular books. (p. 14)

Indeed, the challenge has been for researchers to show the empirical relation-
ships between positive employee characteristics and performance. The
present research has found a reasonable relationship between the two.

These findings are powerful in showing how organizational behavior
theories and research findings can be of great utility in informing and guiding
managers on their thoughts and actions in managing employees in today's
workforce. In the end, these are the very theories, research findings, and
frameworks that will create sustainable competitive advantages for progres-
sive organizations. As positive psychology and positive organizational
behavior continue to be studied and practiced, it is the sincere hope that
studies such as this one will eventually lead to more positive environments
creating healthier organizations, more satisfied and committed employees,
and societies that value and display these positive characteristics.

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