

# Positive Psychology in the Workplace

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**Abstract** An economy in a downward spiral, rising unemployment, anxieties about future job loss, lack of access to affordable health care, a crisis in the financial industry, and declining consumer confidence are among some of the challenges creating significant stress in the lives of workers and their families. What impact are these stressors having on the day-to-day lives of people in the workplace? What role do concepts of positive psychology have in helping people to not only cope more effectively, but open their hearts and minds to move forward with newfound confidence, resilience, determination, hope, and vision for a better future? How can workers and their organizations create a more positive and proactive workplace that bridges economic and human goals? The purpose of this article is to examine these questions through an integrative analysis of conceptual and empirical approaches to *positive organizational behavior and outcomes*. Theory and research covering such areas as self-determining behavior patterns, emotional intelligence, psychologic capital, innovation, and workplace change are described, analyzed, and applied to individuals, groups, and the overall organizational system. These themes come together through the concept of a *virtuous organization*. These organizations have cultures infused with a strong ethical–moral foundation and leaders who bring out the best of their employees. Organizations of virtue strive to do well by doing good and strive to do good by doing well. These organizations succeed by having multiple bottom lines, not just economic ones. As such, they bridge the goals of economic development with human development.

**Keywords** US economy · Workers · Organizational culture · Ethics · Self-motivation

## Introduction

The US economy is in a downward spiral with rising unemployment, a crisis in the financial services industry, stalled credit availability, and declining consumer confidence leading to further job loss. These interrelated factors have created a cyclical pattern that continues to fuel fear and uncertainty in the lives of many people. How are all this uncertainty, growing insecurity, and lack of confidence affecting the day-to-day lives of people in the workplace? How can this negativity be reshaped and transformed into something more resilient and positive for employees and their organizations? A central theme to be examined in this article is the role that positive emotions and related psychologic processes have in helping people to not only cope with economic stress and upheaval, but also open their hearts and minds to become more receptive, productive, and creative (Fredrickson 2009).

Driven in part by the turmoil in the current economy, organizational/workplace responses often lead to job loss and other cost-cutting measures. The reality or threat of job loss swirls around the lives of many in today's workplace, affecting the hopes and dreams of thousands of workers, their families, and their communities. With these formidable challenges facing so many, what kinds of conditions can help bring about positive change? How can workers and their organizations create a more positive and proactive workplace that bridges economic and human goals? This article will explore these and related questions and provide insights into the ways that positive psychologic principles can be applied to the processes of work motivation, job

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### Positive Psychology and the Workplace: An Overview

The impact on the current economic recession on the US workforce has been devastating. Consider the following indicators: The *unemployment rate* is about 8%, and over the last year, it has risen by 2.3% points. Nearly 4.5 million jobs have been lost since the recession began around January 2008. Beyond job loss, the number of workers *forced to work part-time*, because they cannot find full-time work, has risen by 3.4 million thus fueling a rise in the *underemployment rate* to 13.5% in December of 2008 compared to 8.7% a year earlier (Romer and Bernstein 2009).

Behind these grim statistics are workers and their families. The challenges that families face noted earlier combine to paint a dark and unnerving picture of today's realities for a growing percentage of the population. Among the mental health consequences of unemployment is loss of self-esteem (Bartley 1994) and anxiety and depression that can interfere with a person's ability to engage in constructive and adaptive behaviors (Linn et al. 1985).

While there are no quick fixes to these complex and challenging problems, positive psychology, with its forward-looking orientation, suggests that the potential for a more hopeful, productive, and satisfying future can emerge for people who are struggling to find their way through these tough times, as well as for many others who are somewhat more secure, but find themselves coasting along without much joy and meaning in their day-to-day work lives.

Hope is the starting point. "Hope is a good thing; maybe the best of things." So stated Andy Dufresne, the heroic fictional character in the Stephen King novel and movie based on the novel, *The Shawshank Redemption*. But hope must evolve into action as it did for Andy, as he brilliantly mapped out a plan that led to his eventual escape from prison. And like Andy, many people today are finding themselves in prison, albeit a psychologic one, where people feel trapped and beaten; and like Andy, through no fault of their own.

What kinds of positive emotions can help people envision and create a more hopeful future?

#### Positive Emotions

In a discussion of positive emotions, Fredrickson (2009) describes the forms it can take, ranging from joy, gratitude, serenity, and interest, to hope, pride, inspiration, awe, and love. Though there's much to be said about each of these

emotions, the focus of this section will be on the emotions of *hope, joy, gratitude, interest, inspiration, and pride*. The capacity to experience these emotions is a highly individualized process that depends largely on such dispositional tendencies as personality, character, and cognitive interpretations. However, and consistent with the workplace theme of this article, these emotions can also be triggered and sustained by supportive organizational environments. How these two broad factors, dispositional and organizational, interact to shape the attitudes, and behaviors of people in the workplace is a fundamental question to be examined throughout the article.

#### Hope

Hope is an essential ingredient in nurturing the human spirit. It provides us with emotional strength. As noted by Fredrickson:

Deep within the core of hope is the belief that things can change. No matter how awful or uncertain they are at the moment, things can turn out better. Possibilities exist. Hope sustains you. It keeps you from collapsing into despair. It motivates you to tap into your own capabilities and inventiveness to turn things around. It inspires you to plan for a better future (Fredrickson 2009, p. 43).

In the context of the workplace, hope has been found to support and sustain the capacity of workers to be resilient, to overcome adversity, and to bounce back in ways that strengthens their effectiveness (Youssef and Luthans 2007). For those among the growing number of people who have lost their jobs or who are underemployed, hope and the capacity for resiliency are key psychologic anchors in helping people take the proactive steps necessary for them to achieve a better future. But this capacity for resiliency also requires that people engage in a sustained and vigilant process of being ready and able to respond to opportunities when they come their way. For when we have a more hopeful perspective on life, opportunities are more likely to be noticed and pursued than if our perspective is less hopeful.

#### Joy and Gratitude

Some of the more profound experiences of joy and gratitude come to us in unexpected ways. Consider the following example reported in a recent broadcast of ABC TV/World News Tonight segment called "Person(s) of the Week". One day, a young cancer patient at the renowned Dana-Farber Cancer Institute in Boston saw a group of construction workers outside his window. They were working on a building extension of the institute. Spontaneously, and for

whatever reason, the boy decided to paint his name on the window. The workers, from Iron Workers Local 7, were so moved by what they saw as this simple act of saying hi that they decided to paint the first names of all the young patients on building scaffolds. What started as a small spontaneous act on the part of one young patient evolved into a shared celebration of joy and gratitude, and those emotions were shared among the kids, among the workers, and between them. It brought joy to the workers to bring joy to the kids, and that shared joy brought with it shared gratitude. For gratitude, as noted by Fredrickson, “opens your heart and carries the urge to give back; to do something good in return, either for the person who helped you or for someone else (p. 41).” True gratitude is not about reciprocity, nor is it about being polite, or even indebted. It is as Fredrickson notes, “heartfelt and unscripted”.

Unexpected acts of kindness can happen anywhere, including the workplace. Consider a coworker who helps you with that important task so that you can meet the deadline. Consider another coworker who helps you resolve a customer’s complicated problem. And, consider yet another coworker who becomes your unofficial mentor and helps guide your career in the right direction. These unexpected occurrences bring both joy and gratitude to our jobs and work life. As such, they can help, nourish, and sustain us through difficult and trying times.

### *Interest, Inspiration, and Pride*

Something new may draw our attention and interest in ways that not only create excitement and joy, but fuel our motivation. We are ready to bring energy and focus to the task at hand. We are inspired by new possibilities and new pathways and want to find out where they lead. In the workplace, when we are assigned to a new job, or forced by circumstance to look for a new one, we are faced with new challenges. These challenges can bring with them opportunities to learn new skills—skills that otherwise might not have been learned, had the job changes not occurred. We feel ready to tap into this inner motivation and achieve a sense of excitement and purpose that people feel when they are thoroughly involved in their jobs.

This heightened state of self-motivation, when combined with those abilities and skill sets needed to perform our jobs effectively, can often lead to productive and creative work outcomes, outcomes that are both rewarding to employees and linked directly to organizational results. The rewards can be both tangible (e.g., economic) and psychic (e.g., job satisfaction and pride in doing good work). Having pride and a sense of achievement are emotions that when shared with others can create, inspire, and kindle dreams of even larger achievements.

We turn now to a discussion of research evidence that provides support for the relationship between positive psychology and organizational outcomes.

### **Positive Psychology: A Bridge to a Productive, Innovative, and Virtuous Workplace**

The discussion to follow is organized around five conceptual themes: (1) strengths, virtues, and self-determination; (2) emotional intelligence (EI) in the workplace; (3) psychologic capital and positive organizational behavior; (4) organizational behavior, innovation, and change; and (5) the virtuous organization.

#### Strengths, Virtues, and Self-Determination

A good and productive life incorporates the concept of deep and engaging involvement in intrinsically satisfying and motivating activities; referred to as *flow*, a state in which time stops and self-consciousness is blocked (Csikszentmihalyi 1991; Seligman 2002). The capacity to experience flow can trigger *self-determining attitudes and behaviors* that can lead to positive work and organizational outcomes. They can also serve as protective mechanisms against many of the externally driven constraints and pressures that would otherwise impede our effectiveness.

This capacity for flow and related self-determining patterns can also be understood from the lens of virtue. Virtue is about what is good, responsible, and uplifting. A sense of virtue informs and shapes our core values. In the workplace, for example, leaders of virtue make decisions in ways that take into account ethical and moral considerations (Cameron 2003). Whether in our jobs or elsewhere in life, when we are grounded by our core values and principles, we derive a sense of inner strength and confidence that enhances our effectiveness. While obtaining positive feedback, rewards, and recognition for our efforts are welcome sources of validation, *we do not have to rely on them to move forward*. We have built the capacity to sustain ourselves and move forward even in the absence of support and validation from others.

A concept related to the earlier discussion is “hardiness”, defined as “a combination of attitudes that provides the courage and motivation to do the hard, strategic work of turning stressful circumstances from potential disasters into growth opportunities” (Maddi 2006, p. 160). The link between hardiness and self-determining capacities is clearly suggested when considering, for example, the role that courage might play in our ability to sustain ourselves through difficult times, be it in the workplace or in other environments, particularly when support is lacking.

### Research on Self-Determining Capacities

Citing research studies that compared people whose motivation is self-regulated with those whose motivation is externally controlled, Ryan and Deci (2000) report that self-regulated motivational patterns are more likely to be associated with positive emotions of interest, excitement, and confidence. These patterns, compared to externally controlled ones, are also more likely to be associated with more productive work performance outcomes (Ryan and Deci 2000).

An organizational strategy that has been found to stimulate self-regulated patterns is an approach to job design known as the *Job Characteristics Model* (Hackman and Oldham 1980). Among the core job dimensions described in the model are “*task identity*,” “*task significance*,” and “*autonomy*”. Task identity refers to the degree to which a job requires completion of a whole and identifiable piece of work; task significance, the degree to which a job has a substantial impact on lives or work of other people; and autonomy, the degree to which a job provides substantial freedom and discretion to the individual on how job tasks and procedures are carried out. In a recent study that builds on some of these concepts, it was found that changes in job design and other organizational processes that provide people with jobs that they find inherently satisfying, result in effective and forward-thinking work behaviors (Isen and Reeve 2005).

### Emotional Intelligence (EI) in the Workplace

The concept of EI refers to the ability to accurately perceive, access and generate emotions, assist thought processes, and reflectively regulate emotions so as to promote emotional and intellectual growth (Mayer et al. 2004). EI addresses self-regulatory processes of emotions and motivation that enable people to make adjustments to achieve individual, group, and organizational goals.

Emotional Intelligence has also been defined as a set of competencies that promote a “*cooperative combination*” with intelligence (Mayer et al. 2004). As competencies, they encompass personality traits, motives, bodies of knowledge, and skills that can potentially facilitate individual achievement of positive work outcomes in such areas as job performance, career advancement, customer service, teamwork, and leadership (Goleman 1995; Dulewicz and Higgs 2000).

Some of the debate around the concept has centered on EI being viewed as a stable set of dispositional attributes (e.g., personality traits, character, core values) as compared to a set of social-emotional skills that can be learned and developed. While organizational studies have supported both perspectives, recent studies evaluating the

effectiveness of leadership development programs using EI concepts have provided increased support for the learned conceptual view (Boyatzis et al. 2002; Dulewicz and Higgs 2003; Gardner and Stough 2002; Riggio and Reichard 2008).

### Findings Related to Organizational Behavior and Customer Relations

Findings relating EI to organizational behavior suggest that EI strengthens positive work attitudes, altruistic behavior (Carmelli 2003), and organizational commitment (Nikolaou and Tsaousis 2002) and affects how people handle threats to job security (Jordan et al. 2002). Evidence supporting a positive relationship between EI and effective customer relations has been found in organizational studies, particularly among workers who have the most direct contact with customers (Mayer et al. 2004). Taken together, the concepts of self-determining capacity and EI reflect both dispositional and learned competencies that can be positively related to productive organizational outcomes.

### Psychologic Capital and Organizational Behavior

Drawn from positive psychology, the concept of “*psychologic capital*” refers to the psychologic strengths of *hope*, *resilience*, *optimism*, and *efficacy* within the context of workplace applications (Luthans et al. 2008). Interest in the concept emerged out of a growing recognition of the importance of *human capital*, defined as the experience, education, skills, knowledge, and ideas that people bring to their jobs, or in the case of knowledge and skills that can also be developed on the job. Along with human capital, the concept of *psychologic capital*, directly related to positive emotions, has been suggested as another important factor to be leveraged by organizations to achieve competitive advantage in today’s global economy. Like human capital, psychologic capital can be viewed as assets to be embraced, developed, and managed by organizations to achieve effective job performance and organizational results.

As noted in the discussion of EI, psychologic capital is conceptually defined as being both dispositional and learned developmental. Research studies have shown various measures of psychologic capital to be positively related to job satisfaction and job performance (Luthans et al. 2007), organizational commitment (Youssef and Luthans 2007), and employee absenteeism (Avey et al. 2006).

### Resiliency

In these turbulent times, an understanding of the factors that can strengthen and promote resiliency (i.e., the ability

to “bounce back” from adversity or personal setbacks) among employees has taken on an increasingly heightened sense of meaning and urgency. According to the Bureau of Labor Statistics, the average worker in the United States will hold more than ten jobs during his or her lifetime (Luthans et al. 2006). As current job losses and layoffs indicate, these changes may be involuntary and create much stress and upheaval in the lives of these workers and their families.

From a personality trait and dispositional attitude perspective, it is imperative that people tap into their capacity for resilience. We continue to peel away at the layers of our basic nature (i.e., dispositions) until we find those qualities that help us to deal with adversity and setbacks. But, as noted earlier, the learned developmental view comes into play as well.

### *Developing Resiliency in the Workplace*

The concept of *human resource resiliency* is offered (Luthans et al. 2006) to identify proactive ways in which organizations can strengthen resiliency among their employees. Three specific strategies are proposed to achieve this goal. First, organizations should foster a *supportive environment* (e.g., from coworkers, supervisors, managers) in ways that impact positively on job satisfaction and organizational commitment. Second, an *ethical and trustworthy culture* should be cultivated throughout the organization. Such organizations have cultures that support an inclusive decision-making process that seeks input not only from employees but from other key stakeholders (i.e., customers, government agencies) as well. While financial outcomes in business settings (the bottom line) continue to be the central focus more than ever, the current and future workplace needs to acknowledge, respect, and adapt “multiple bottom lines” (Toffler 1980). More than ever, organizations need to view ethical–moral considerations as part of their “bottom line”. Further discussion of this ethical perspective will be covered in the last section of the article.

A third strategy involves *investment in the human and social capital of employees* (e.g., training programs targeted to core competencies that employees need to be productive and to help their organizations sustain competitive advantage) and team-based organizational designs that foster supportive work relationships and collaborative learning. Taken together, these strategies can be viewed as interdependent entities that coalesce around the theme of “multiple bottom lines”, and thus enable a supportive, ethical, and collaborative culture to emerge. Such cultures position their organizations to link their financial goals to the broader well-being of their employees, their communities, and to the broader society.

The theme of dispositional tendencies interacting with environmental–developmental interventions has been a unifying thread throughout the earlier discussion. The next section provides further insights into how this theme plays out in the context of organizational behavior, innovation, and change.

### Organizational Behavior, Innovation, and Change

The role of positive psychology in the context of organizational behavior, innovation, and change within organizations can be viewed from three perspectives: *dispositional*, *stability-change interaction*, and *organizational/environmental factors*.

#### *The Dispositional Perspective*

The central hypothesis put forth here is that much of human behavior within organizations can be explained by individual dispositional factors such as personality traits, attitudes, abilities, and motivation. Studies have found personality traits to be related to performance motivation (Judge and Ilies 2002), job satisfaction (Judge and Larsen 2001), job performance (Judge et al. 1998), and other kinds of proactive work behaviors (Parker et al. 2006).

A tool widely used in personality research assessment, with demonstrated reliability and validity (McCrae and Costa 1987), is the Five-Factor Model of traits (neuroticism, extraversion, openness to experience, agreeableness, and conscientiousness). Studies by Judge et al. cited earlier have not only sought to identify the dispositional sources of work motivation, job satisfaction, and job performance, but have also sought to respond to a fundamental problem found in this type of research: *the lack of a unified theoretic perspective* for understanding how and which personality constructs influence motives and attitudes in work organizations.

One such unifying approach might be found in the connection between personality assessments such as the Five-factor Model with constructs of positive psychology. For example, the capacity to be hopeful, grateful, and joyful enables one to not only overcome adversity (i.e., to be resilient) and prevent a downward spiral of negativity (e.g., neuroticism), but to engage in proactive, forward thinking, and goal-oriented behaviors (e.g., openness to experience) as well.

#### *Positive Psychology, Organizational Innovation, and Change*

What personality constructs relevant to positive psychology can help explain differential responses to organizational change? Some of the dispositions studied have

included: positive self-concept and risk tolerance (Judge et al. 1999); personal resilience (Wanberg and Banas 2000), job satisfaction—defined as an intrinsic career outcome—(Shipton et al. 2006), proactive problem solving, and job change self-efficacy (Cunningham et al. 2002). A key issue suggested by these studies, and addressed in previous sections of this article, relates to the role of learning, development, and change. How stable are these personality traits? To what extent can they be strengthened by workplace interventions? And, how do dispositional tendencies interact with organizational change initiatives?

### *Stability-Change Interaction*

The kinds of organizational changes occurring in today's workplace (e.g., job cuts, downsizing, mergers) are very emotional events. Much of the literature on organizational change, however, has focused on rational cognitive approaches, often viewing emotions in the narrow context of factors that interfere with rather than facilitate effective change management (Kiefer 2002). A useful way of viewing change and stability is to recognize that while organizations need to adapt to the inevitability of change, they also *need to identify and maintain those stable components of their cultures that have positive value* (Leana and Barry 2000).

Over the past decade, much has been written about the need for organizations to implement flexible and adaptive strategies and practices to meet business needs. Practices such as downsizing, noted earlier, contingent employment, and other forms of restructuring result in fewer core processes, and workers thus making it easier, according to this line of thinking, for organizations to respond to changes in market demands or preferences. Change is inevitable, and the need for organizations to become increasingly adaptive, not only to survive but also to gain competitive advantage, is self-evident. What remains a source of debate, however, is the *extent to which forces of stability can actually enable the kind of change that supports longer-term productive outcomes*.

A prime example of this dynamic stability-change process can be found in building and sustaining effective social relationships. These relationships require a longer time horizon than the typical “make it happen now” mindset, often fueled by externally imposed economic pressures (e.g., the investment culture of Wall Street). They also require organizations, at all levels of management, to “walk-the-talk” by incorporating principles of ethics, integrity, trust, and collaborative teamwork into their day-to-day operations. For these principles to take hold and impact on behavior, they first need to be connected to positive, results-oriented organizational outcomes, and then be rewarded in timely and appropriate ways. Effective

change management practices, therefore, need to be implemented in ways that reflect an appreciation of the longer-term competitive advantages made possible by trustworthy and collaborative organizational cultures.

### *Linking Organizational to Dispositional Factors*

How employees perceive their organizations (i.e., the psychologic climate), can influence their acceptance of organizational change (Gagne et al. 2006), their adjustment, defined as higher job satisfaction, psychologic well-being, and organizational commitment (Martin et al. 2005).

A growing practice in organizational development and change that was launched by aspects of positive psychology that focuses on those things in our lives that are going in the right direction and that identifies causes for celebration is *appreciative inquiry* (AI) (Cooperrider and Whitney 2005). As an approach to organizational change, AI seeks to inspire and energize employees and managers to shift their thinking from a narrow, and at times, overly rigid focus on specific problems that need fixing, to one that builds on existing strengths to help bring the organization to more productive and creative outcomes. AI also places great emphasis on change processes that emphasize dialog, collaborative learning, and participative decision-making (Boyd and Bright 2007; Bushe and Kassam 2005; Skinner and Kelley 2005).

### *Positive Psychology and Business Teams*

A fascinating link between positive psychology and business teams based on the ratio of positive to negative behaviors, referred to as *positivity ratios*, has been discovered (Losada and Heaphy 2004). A detailed look at the research methodology used by Losada and his team as described in Fredrickson (2009) provides some interesting insights as to how positive psychologic concepts are given operational definitions in empirical research. With trained research assistants using video cameras in specially programmed computers, statements made by team members observed during hour-long business meetings were coded on three dimensions: whether team member's statements were (1) *positive* or *negative*, (2) *self-focused* or *other-focused*, and (3) based on *inquiry* (asking questions) or *advocacy* (defending a point of view).

A further look into the operational definitions used to define the earlier concepts as described by Fredrickson opens an interesting and revealing window into team applications of positive psychology. Statements were coded *positive* if speakers showed support, encouragement, or appreciation, and as *negative* if they showed disapproval, sarcasm, or cynicism. Statements were identified as *self-focused* if they referred to the person speaking, the

group present, or the company, and as *other-focused* if they referred to a person or group neither present nor part of the company. And, statements were identified as *inquiry* if speakers offered questions aimed at exploring an idea, and as *advocacy* if speakers simply offered arguments in favor of their own points of view (Fredrickson 2009).

Results reported by Losada and Heaphy (2004) showed that high performance teams demonstrated significantly more positive functioning defined in mathematical modeling terms as “positivity ratios” when compared to average and low performance teams. High performance teams also had higher connectivity—a quantifiable measure of how much each team member influenced the behavior of others. Essentially, this concept reflects how attuned or responsive team members were to one another.

In summarizing the implications of Losada’s work, Fredrickson (2009) points to two theories: *systems theory*, based on principles of how organizational units are interdependent with each other, and *broaden-and-build theory* based on how positive emotions can change patterns of thought and behavior.

Organizations and teams function as “*systems*” so that one entity is interdependently related to other entities (e.g., Department/Division X influences and is influenced by Department/Division Y; or team member A’s statements and behaviors shape the behavior and are shaped by the statements and behaviors of other team members). So, for example, as Losada’s research showed, just as a team’s positivity could trigger an emphasis on inquiry and outward focus, so too could its inquiry and outward focus trigger its positivity—referred to by Fredrickson as “reciprocal causality” (p. 251). In other words, when team members behave in ways that demonstrate support, encouragement, and appreciation, people feel safe and trusting enough to ask questions, learn from one another, and test out new and creative approaches beyond the confines of the group and organization. Operating within a more positive psychologic climate, high performing teams are typically more open to new ideas than low performing teams.

Consistent with “*broaden-and-build*” theory, Losada’s observational coding of team member behaviors provided quantifiable support for the positive relationship between positive team functioning and connectivity. That is, a positive psychologic climate created a more responsive pattern of team member interaction. Results also provided support for a direct link between positivity and productive team and organizational outcomes. A final example of empirical support was shown in how positive emotions among team members were associated with resilient team behaviors. Teams working within a positive psychologic climate were able to bounce back from adversity, never allowing them to get stuck in critical and self-absorbed advocacy.

We turn now to the importance of building virtue in organizational life. The focus of this section will consider how concepts of positive psychology can help shape the core values and leadership practices of the workplace culture.

### The Virtuous Organization

Virtuous organizations infuse an ethical perspective into their cultures have *multiple bottom lines*, promote self-determining, emotionally intelligent, and team-oriented behavior patterns and develop supportive leaders that enable others to succeed, all of which can lead to productive and creative outcomes. They have at least five attributes (Cameron 2003): (1) virtues foster a sense of meaning, well-being, and ennoblement in people; (2) they are experienced cognitively, emotionally, and behaviorally; (3) they foster harmony in relationships; (4) they are self-reinforcing and amplify positive behaviors; and (5) they serve a buffering function and foster resilience.

These attributes are directly linked to positive psychology and will now be examined within the context of the overall organization.

### Three Levels of Organizational Behavior

Behavior within organizations is typically understood and viewed through the prism of three levels: the *individual*, the *group/team*, and the overall *organizational system*. While these levels are useful organizing categories, pragmatic realities suggest that they should be viewed as interdependent entities (i.e., what happens on one level influences and is influenced by what happens on other levels, referred to in the previous section as *reciprocal causality*).

Consider the following examples of *reciprocal causality* across the three levels: An individual employee described as optimistic, supportive, appreciative, kind, encouraging, and intrinsically motivated, can trigger harmonious relationships among his/her team members and inspire a deep sense of meaning in the work to be done. As discussed in the previous sections on *appreciative inquiry* and *broad-and-build theory*, such individuals can amplify what is already working well to higher and more creative levels of achievement, an example of *individual-to-team causality*. However, as noted in the discussion of Losada’s work with teams, this kind of elevation of *positivity* through connective influence can set in motion an upward spiral of positive impact on other team members—members who prior to team exposure had been less positive, motivated, and productive, an example of *team-to-individual causality*.

A final example emerges out of the organization itself; through its culture, structure, policies, and leadership

practices reflect attributes of virtue. Some examples of virtue at the organizational level that impact on groups and individuals (i.e., *organization-to-group & individual causality*) are as follows: Core values that support an ethical culture, progressive human resource policies (e.g., work–family balance, flexible work schedules), investment in workforce training and development, empowering employees by giving them a voice in decision-making, and developing authentic leaders (May et al. 2003) who are trustworthy, reliable, guided by ethical core values, and act with integrity.

### *Ethical–Moral Leadership*

Virtuous organizations require ethical leaders. These leaders have the moral courage to stand up to intense situational pressures (i.e., short-term financial considerations, political expediency) to do the right thing. Two aspects of moral courage that have relevance for positive psychology are moral efficacy and resiliency (May et al. 2003).

Moral efficacy focuses on capacity (i.e., ability, skills, motivation); whereas resiliency in this context refers to those adaptive and coping mechanisms that enable moral decisions and actions to be sustainable over time. The concept of *reciprocal causality* discussed in the previous section can be applied here as well. Leaders who possess those dispositional attributes related to both moral efficacy and resiliency can, through formal and informal paths of influence, help shape team functioning and organizational cultures that are based on ethical and moral values, another example of individual-to-team organizational causality. The reciprocal process, however, as described earlier, would start with an ethical–moral organizational culture and through systemic organizational influence over team and individual behaviors, develop and sustain ethical–moral leadership practices.

### *Case Examples of Organizational Virtue*

Two studies described by Cameron (2003) point to ways in which virtuous organizations can lessen the negative performance outcomes of downsizing and contribute to higher levels of organizational performance.

In the first study, two organizations, one in health care and the other in engineering & environment, were investigated based on their reputations (as reported in the media) as having developed especially virtuous practices. Both had recently downsized, yet despite the inevitable tensions and anxiety that typically occur, both were able to sustain improved financial results. What qualities existed in these organizations that enabled them to not only prevent negative outcomes from occurring, but move forward and thrive? The studies were designed to address that question.

Results from both studies provided evidence that *organizational virtuousness* and high performance outcomes were positively related (Cameron 2003).

In the health care organization, interview data revealed stories of compassionate acts of kindness and virtue on the part of the CEO and others who were responsible for implementing the downsizing. A representative sample of responses from focus group interviews referred to a “*compassionate and caring culture*” that throughout the downsizing, “*our leader maintained the highest levels of integrity*”, and that “*he told the truth.....and got the support of everyone by his genuineness and personal concern*” (p. 56).

In the second firm, a similar pattern of responses emphasized the *personalized and compassionate culture*, the people *committed to doing what’s right and committed to helping each other*, and to the CEO who “*genuinely loves the company and the people who work for it*”. An interesting side note to this study noted by Cameron is that patterns of virtue could exist in an organization that has a “*quantitative culture*”, operates within a “*highly competitive industry*” and within a “*fast-moving business environment*”, “*conditions usually presumed to be incompatible with talk of virtuousness*” (p. 56).

A second study conducted was of eight independent business units randomly selected within a large corporation in the transportation industry. All eight units had recently downsized, and as was the case with first study, there was much concern over potential negative outcomes occurring such as perceptions of injustice, blame, interpersonal conflict, retribution seeking, and overall deterioration of organizational performance. A survey instrument designed to measure virtuousness addressed such themes as compassion, integrity, trust, and optimism. Organizational performance measures consisted of objective measures of productivity, quality, and voluntary turnover. Consistent with the findings of the first study, these results also provided evidence of a positive relationship between organizational virtuousness and positive organizational outcomes (Cameron 2003).

An inspiring example of organizational virtue was recently described in a recent broadcast of the Public Broadcasting System’s News Hour. The Pura Vida Coffee Company, based in Seattle, was founded by John Sage, a former Microsoft professional. Its mission is to “*create good*” through the profits of its coffee sales—primarily generated by sales on college campuses. Using “*green technology*” in its production processes, the company donates a significant portion of its profits to support health and education programs in several countries in Central America. Its profit-making goals are aligned with its mission; indeed, it strives to do well so that it can position itself to serve the greater good. The company’s good works



reflects the ethical–moral vision of its leadership. It is a vision that defines itself through the productive and inspired work of its employees, and a vision that defines itself through effective leadership practices. It is to these practices that we turn now.

### *Enabling Leadership*

The concept of enabling leadership (Kaplan and Kaiser 2009) grew out of earlier work on self-leadership (Manz and Sims 1987) and reflects both dispositional traits and organizational support systems that create conditions for employee self-management, productivity, and creativity. Enabling leaders engage their employees through an ongoing process of listening and learning. They build relationships based on mutual trust and respect, and help shape their organizational cultures to become organizations of virtue.

Self-leadership capacities are shaped by self-directional competencies such as emotional intelligence and related dispositional behavior patterns. Some examples of strategies that promote self-leadership are self-awareness, self-goal setting, self-correcting feedback, self-rewarding capacities, and constructive thought patterns (D’Intino et al. 2007). While not to be viewed as complete substitutes for traditional leadership practices based on authority and control, they offer alternative and creative ways to *expand leadership capacity* within organizations, and thus *lessen dependence on top-down and authority-driven leadership practices*. These strategies can be nurtured and sustained by organizational cultures that emphasize and build upon employee strengths, resilience, skill sets, creativity, and vision.

In the earlier discussion of stability-change interaction, it was noted that individuals and organizations are continually engaged in a process of simultaneous pursuit of both forces. The challenge is to first recognize the inevitable conflict of these forces, but then to find ways to forge a harmonious balance. That is, stability and change can, and indeed must, coexist for organizations to thrive. And so it is with leadership. An interesting parallel to this dynamic can be found in the concept of *balanced and versatile leadership* (Kaplan and Kaiser 2003). The concept refers to the need for leaders to reconcile opposing behavioral approaches such as “*forceful vs. enabling leadership*”.

Similar to an earlier version of this approach referred to as the *Path-Goal Theory of Leadership* (House 1996), balanced and versatile leadership practices are based on several principles: (1) there is no one best leadership style across situations; different situational contexts require different leadership practices; (2) it is the leader’s job to assist followers in attaining their goals; and (3) effective leaders are flexible in choosing whatever leadership style

best adapts to situational requirements. For example, a leader should use a more directive style for those employees who are new, inexperienced, and lack confidence, while a more participative approach would work better for those who are more experienced, skilled, and confident.

To test their hypothesis that balanced leadership approaches are more strongly related to positive organizational outcomes than imbalanced ones, the authors used a survey instrument called the *Leadership Versatility Index* (LVI). They collected data from multiple respondents, representing three groups of people within the authority structure who typically interact with the leaders: direct report subordinates, coworkers, and senior level managers to whom the leaders report. These multiple perspectives, referred to as 360° feedback, provide a useful and effective way to identify shared perceptions of leader strengths and weaknesses, and with LVI assessments, provide insights into the leader’s ability to be flexible and adaptive. Results of the study showed that balanced versatile-adaptive leadership practices were found to have a stronger positive relationship to high performance levels compared to less balanced ones (Kaplan and Kaiser 2003).

### *Leadership Development in the Virtuous Organization*

Using a model designed by the Center for Creative Leadership, Spreitzer (2006) applies concepts from *positive organizational studies* (POS) to a three-part approach to leadership development: (1) *assessing leadership competencies*, (2) offering *developmental challenges* based on leader strengths and performance gaps, and (3) providing *supportive organizational programs* (e.g., mentoring, training) for leaders to grow. In each of these areas, the author suggests that the implementation approaches have typically conformed to a *somewhat narrow perspective*. For example, in the assessment of leadership competencies, the focus tends to be on *performance gaps* more than on strengths. The challenge phase typically focuses on “*creating discomfort and hardship* to break people out of their comfort zones—i.e., no pain, no gain” (p. 305). Supportive programs tend to be designed and implemented through *top-down processes*. The central thread that binds the three approaches is premised around the idea that negative motivation (i.e., gaps, pain, and discomfort) can facilitate growth and that the organization is charged with the responsibility of figuring out how to fix the leader’s deficiencies.

While acknowledging that this traditional framework of leadership development can be effective, Spreitzer offers a *complementary approach* based on principles adopted from POS. In terms of assessment, the POS approach suggests the importance of *leveraging leader strengths*, rather than

focusing primarily on performance gaps. An example of an instrument designed to measure strengths in leadership development programs is an assessment called the *Reflected Best Self* (RBS). Its purpose is to enhance self-knowledge as a pathway to increasing authenticity as a person and to help leaders overcome their blind spots so that they get a more complete picture of their strengths and contributions (Spreitzer 2006).

### *Leadership and the Ideal Self*

Along these same lines of inquiry, a related approach focuses on the concept of the *ideal self* (Boyatzis and Akrivou 2006), as emotional and cognitive drivers of intentional change. The authors provide a framework for the ideal self as being comprised of three components: an image of a *desired future*; attributes of *hope, optimism, and self-efficacy*; and a person's core identity based on strengths, traits, and other enduring dispositions.

These ideas of *best* and *ideal* can help shape meaningful paths for leaders, groups, and individual employees. Incorporating concepts from positive psychology, they can help paint a picture of what an organization of virtue can look like.

### Conclusion

The purpose of this article was to identify meaningful connections between concepts of positive psychology and the workplace. In these times of economic upheaval, stress, and uncertainty, great importance was given to the idea that organizations need to develop cultures of virtue, cultures built around principles of integrity, ethics, trust, and respect. Organizations bring out the best in their members by focusing on such positive psychologic concepts as strengths, hope, optimism, self-confidence, self-motivation, resilience, joy, and gratitude. Organizations of virtue strive to do well by doing good, and strive to do good by doing well. They create conditions for their members to thrive and flourish in ways that bridge economic and human development.

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