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The Naked Ape Dons the Designer Suit

What follows, with only a touch of dramatic license, is a true story. The details have been changed to protect the not-yet-indicted.

Three days remain in the quarter. You stare at the clock as if pure concentration can reverse the ticking of the minutes and hours until the reporting period closes. The cold, hard lump of dread settles in your belly: You will not make your numbers. This is not a fact that Wall Street will want to hear, not after your optimistic projections just six months ago that shot up the stock price four and a half points. Bad results now, barely halfway into the fiscal year, and the Street will hammer the stock. Never fool Mother Nature, or stock analysts.

But Wall Street will not be the worst problem. The board will ask probing questions. Your hard-won performance bonuses will be out the window. The board's executive committee might dig into the sales analyses and realize that not only have sales *not* been increasing, but they also have been on a slight *decline*. Truth be told, you made your numbers the first quarter of the fiscal year only because of the heroic efforts of the sales staff. But those efforts to bring sales forward have left the pipeline empty. No amount of haranguing the vice president of sales or his staff will generate any more bookings.

Your head hurts. You feel a fluttering in your chest, a bit of constriction when you breathe. Just a little stress-related hypertension. ("Nothing serious," the doctor said, "at least not in the short term.") You go to the executive washroom and splash cold water on your face. There are dark circles under your eyes.

This is what it's like at the top, you think. The loneliness of leadership. Just at the point when you have achieved your dream of running a company, at the point when all your striving and sacrifice have finally paid off, the tail end of the recession is going to cost you everything. To come this far and end up the victim of a lousy sales environment (or so you tell yourself). You look out the window. It's a beautiful day, but the campus lawn could be a wasteland for all that you can appreciate it. Your mind is whirling and blank at the same time. Neither a cloud in the sky, nor an idea in your head. 30 years in the business, and you see no way out. Except one. A little trick you used a time or two when you were in sales. A little trick that you suspect your VP of sales has used a time or two himself. Why 'fess up to the shortfall when you know you can turn things around, given enough time? Why let some other schmuck come in and take credit just at the moment when things would have turned around for you? You have worked too hard, come too far to lie down and quit. You are going to fight for your job and your company.

You get the VP of sales on the line. And the chief financial officer. They are both long-time associates. Their careers are as much on the line as yours.

* * *

24 months later

Three days remain in the quarter. Your VP of sales is in your office, along with the CFO. When they're not yelling at each other, they're yelling at you. You will not make your numbers this quarter. The nothingness you felt—it seemed like only a few weeks ago—has turned into a brick wall, one that you're hurtling toward at a hundred miles an hour. A couple of months before, several unidentified employees alerted the board to potential "irregularities" in the financial reporting. The board has launched an investigation. The problems began with your "trick," when you called up a couple of big customers and sweet-talked them into placing orders in exchange for hefty discounts. That saved one quarter's results. But in succeeding quarters, the discounts became more common and grew larger. Funny how fast the customers caught on. Just delay orders until the last week of the quarter and the customers would get a call offering the latest "one-time-only special." Then it took discounts *plus* extremely lenient credit terms. Then it took off-the-books deals with distributors (another form of discounts) to keep the sales flowing.

When those tactics were not enough, you began to book sales that were not quite "done," back-dating documents as needed. "What harm was there in advancing a real sale by a few days on the books?" you had thought. First it was a few days, then it was a few weeks, and then it was creating entirely faux sales to cover the ever-widening deficit. By now, the discrepancy between the reality of sales and the fiction of the financial statements has become what the CFO calls an "arbitrarily large number." The results of the board's investigation will not be known for a few more weeks, but you know in your heart the game is over. Check and mate. The issue is no longer the stock price or bonuses or even keeping your job. It is the hope that the board will not turn over its findings to the authorities.

"What are we going to do?" the VP of sales asks. "They've got all of the records. It's only a matter of time." He suggests another set of transactions that will put off the reckoning until you all can come up with a better plan.

Your CFO observes his shoes as if they have disappointed him in some way. "It's over," he says. "There's no more robbing Peter to pay Paul. Peter is broke. Peter and Paul are both going to jail."

You feel the urge to go over by the window, to find relief in the scenery. But you're wound so tight that it's an effort to stand. One quick move, you think, and you'll pull every muscle in your body. The two others take your movement as a decision. They look to you for advice, for a way out. You've never failed them before. You are the leader, but this time you have taken your troops down a blind alley. Before you turn to them, a phrase pops into your head: *survival of the fittest*. This is what the game has always been about.

Once again, you stare at the clock. Once again, you wish you could turn back time. You collect your thoughts, face them, and begin to speak.

"Let me understand what you are saying. You're telling me that for the past two years you've been taking shortcuts to run up the value of your stock options? All because you thought we could make up for the shortfall with additional sales? Are you crazy? Cooking the books—what am I supposed to tell the board?"

"You're kidding, right?" the VP of sales says, frozen in place by your words.

"So you're going to leave us holding the bag?" the CFO says. His eyes follow you with the coldness of a snake's. "You think you can get away with that?"

"I have no idea what you are talking about," you say. "Get out of my office, both of you, before I call security."

Cooking the Books a Common but Deadly Recipe

This day-in-the-life rendering is the slightly cloaked story of an actual accounting fraud involving a small manufacturer in the American South. A handful of people have pleaded guilty to various offenses; other people are standing trial. All of the accused face jail terms. Even those who escape legal censure will have lost their jobs, sullied their reputations, and humiliated themselves and their families. Fortunately for this company, scrupulous employees alerted the board of directors. Unlike other boards of directors, this one launched a serious investigation before the "cooking of the books" boiled over into bankruptcy. It was a close call, however. Another year of such behavior and the company would have gone out of business, costing hundreds of people their jobs. The criminality not only stained the company and its innocent employees and board members, but also adversely affected many others connected economically to the company. Customers remained wary for some time of buying products from a "bad" company. It took more than a year for the firm to recover its momentum, not to mention its repute.

Because of its size, this particular company and its felonies have not been splashed across the front pages of any national newspapers, or warranted coverage by the major news networks, or raised the ire of the Internet gossips. If this scenario seems familiar, it is because it is a template for the behavior of senior executives at companies such as Enron, Arthur Andersen, HealthSouth, WorldCom, Global Crossing, Adelphia Communications, Italian-based Parmalat, Swedish-Swiss Engineering, ABB—these and all the others, the corporate transgressors you *have* heard about. This particular series of actions has been repeated over and over again in the corporate world for many, many years. Next to direct employee theft, cooking the books is the most common white-collar crime behavior in the business world. It is particularly insidious because, whereas employee theft consists of people stealing from the company, cooking the books consists of the company stealing from everybody: employees, investors, and consumers.

The number of dollars involved and the complexity of the accounting shell games vary according to the size of the enterprises, but the conduct is the same: a rash act to cover a shortfall triggers another rash act to cover a bigger shortfall, eventually setting off an avalanche of fraud that takes the company to its knees. Sometimes, as at Enron, the participants become so caught up in the make-believe that they not only inflate sales, but they also siphon off sizable funds from the company for themselves. Andrew Fastow took $60 million from

Enron; the Rigas family took hundreds of millions from Adelphia. The primary motivator is an unwillingness to face up to immediate shortfalls in the business plan: to face the consequences of a bad month or quarter, to deal with hard times, and to admit failure.

Corporate wrongdoing has wrought serious damage to the economy as well as to many personal lives. Various mismanagements have caused bankruptcies and collapses that cost tens of thousands of people their jobs. About 20,000 people lost their jobs at Enron alone. Close to 40,000 people nearly lost theirs as the result of the $11 billion accounting fraud at WorldCom. Many innocent people have lost college funds, retirement funds, and sometimes, entire life savings. Years of hard work and future prosperity for thousands and thousands of people evaporated, not just at the individual companies but also in the business networks of which they are a part. As just one example, about six months after Enron collapsed, a business author gave a speech in Tulsa, Oklahoma, in the heart of oil country. In casual conversations with many of the attendees, followed by a question from the podium, the author discovered that *every one* of the people among the 300-plus attendees, representing a hundred or so businesses, had suffered because of Enron. Some had been Enron employees who lost their jobs. Some had been employees of successful businesses bought by Enron, only to have Enron fail and take their unit down with it. Others were suppliers to Enron, left with unpaid invoices and unsold goods and no way to pay for them, or people who provided professional or other services and were never paid. Others were customers who, having lost access to Enron energy sources, had to pay inflated prices elsewhere. Still others held company stock that was worthless or bonds that were nearly so.

Aftershocks continue years after the original crimes. At WorldCom, CEO Bernie Ebbers was sentenced to 25 years in prison for 9 counts of fraud and agreed to turn over more than $40 million to investors, former CFO Scott Sullivan was sentenced to 5 years in prison, 290 of the top 300 executives lost their jobs, WorldCom directors agreed to pay $18 million out of their own pockets, and J.P. Morgan Chase paid $2 billion to settle claims that it did not adequately research WorldCom before marketing company bonds. At Enron, CFO Fastow pleaded guilty on conspiracy charges and faces 10 years in prison, treasurer Ben Glisan pleaded guilty and is serving 5 years in prison, Enron faces $1.7 billion in fines for fixing energy prices in California, and the president and CEO are awaiting trial at the time of this writing. Arthur Andersen, Enron's accounting firm, collapsed because of the scandal, throwing many hundreds of people out of work, and also paid $25 million because of its involvement with Global Crossing. CitiGroup,

Global Crossing's banker, agreed to pay $75 million. Adelphia's John Rigas was sentenced to 15 years in jail, his son Timothy was sentenced to 20 years in jail, and the family was fined more than $750 million. Tyco International CEO Dennis Kozlowski and CFO Mark Swartz were convicted of looting more than $600 million from their company, sentenced to 25 years each in jail, and between them ordered to pay $134 million in restitution and $105 million in fines.

The dubious behavior that brought on the convictions, fines, and lawsuits is in no way limited to high-growth or freshly deregulated industries where a "cowboy" mentality might prevail. In the past few months as of this writing, a financial services company paid an $850 million fine for fixing prices and taking kickbacks. A major computer company, a major pharmaceutical company, and a major insurance company piled up hundreds of millions of dollars in fines and dozens of lost jobs for overstating revenue, and a doughnut purveyor's internal audit found similar problems. A music company paid a $10 million fine for paying radio station programmers to play songs. A well-known lobbyist was indicted on fraud charges involving his purchase of a fleet of gambling boats. A newspaper executive pleaded guilty to hiding million-dollar payments to himself. The KPMG accounting firm paid $456 million in fines related to questionable tax shelters, and eight former executives were indicted. Time Warner agreed to set aside $3 billion to settle lawsuits over its merger with AOL, which was financed by overinflated AOL stock.

These and other miscreant behaviors have repercussions far beyond the individual company. Such misdeeds have put entire business sectors out of favor with the stock market and have stoked distrust of corporations in general. For several years after such debacles, senior corporate executives would not identify themselves to strangers as "CEOs" because of the virulent response by average citizens, who assumed that they too were criminals. Cumulatively, corporate wrongdoing in the past decade has caused more total economic harm than terrorist attacks against the United States. Only the direct human death toll of 9/11 makes the terrorist actions more grievous or horrifying.

After the fact, ordinary people—consumers *and* businesspersons—scratch their head and wonder how anyone could get caught up in such self-destructive acts. The easy answer is, "These guys are crooks." And, of course, they are. But to label the people responsible for these events as "greedy" or "arrogant" does not provide insight into the complexities behind these debacles. Unless we understand what motivates that crooked behavior, no number of ethics courses in school or ethics seminars in the workplace will ever stand a chance of

correcting it. What emotions and dynamics drive the already rich and powerful to behave with such destructive actions? Although not overtly evident to the casual observer, the driving factor is *maladaptive coping strategies of misplaced fear*. Fear is a great actor. It appears in many forms, expresses itself in many ways: greed, arrogance, anger, short-sightedness, and insecurity. These are some of the masks of fear. However different they look on the surface, these external behaviors track back to the fear centers in the brain, the result of a person feeling threatened. The threat may be real or imagined, may be the result of lifelong behavior or behavior learned in business. However it originates, the fear is real. The fear drives human behavior in predictable, unhealthy ways.

What triggers crooked behavior in business, then, is the oldest human emotion, the one most connected to survival. However much they may posture or strut, these guys are *scared*. That much may be obvious in retrospect. What may not be obvious is how deeply fear is rooted in human behavior, how deeply that behavior is rooted in the biology of the brain, and therefore how quickly fear can be activated in the business environment—or in any social context for that matter.

As we will show, this pattern of behavior is nothing more than a modern expression of a survival behavior, the fight, flight, or freeze response done up in pinstripes. Although biologically simple, this fear response is so compelling that it can override the moral and ethical conduct of the people involved. The fear is also contagious, in a cultural sense that is strongly driven by biology. Fraud at a big company requires complicity of many people. At least 15 people were involved at HealthSouth, including 5 different chief financial officers. Fear can also make people delusional. HealthSouth initially fabricated $50 million in earnings to meet profit projections in 1996, with expectations of erasing the shortfall later. Instead, quarter after quarter the deficits piled up. Each time, the company convinced itself that next time would be better. The company ended up creating $2.7 *billion* in fraudulent bookings before being unmasked. Three decades earlier, Ford's fear of missing the small-car market created the delusion among a dozen executives that they could hide the fact that rear-end collisions caused its Pinto sedans to explode.

Other Expressions of Damaging Unhappiness

When discovered, outright fraud is the most visible form of unhappy companies, but corporate fraud is rare. Unhappy corporate cultures in general are common, however, and they have many other costs. Some

costs are direct. High absenteeism and high turnover are two obvious ones. Far more often, the costs are hidden. Deriving from the same fear-driven actions that can lead to fraud, these behaviors can damage the company nearly as badly. The following two unhappy companies serve to show how corrosive fear and mistrust can become.

Demonstrating the problem of personal divisiveness, the first example involves a mid-level information systems manager at a major bank. Needing to take down the computer system for urgent maintenance, the IS manager had received approval from the most senior executive in the division. She issued a memo to all department heads alerting them of the shutdown the next day and the need to schedule important bank transactions around it. Shortly before the scheduled maintenance time, one of the department heads came to her office door and complained that the shutdown was going to seriously affect his department's work. He was a large, physical man, and he reached up to grab the top of the door frame, blocking entry to her office—as well as her escape. Growing ever angrier, he insisted that the younger manager reschedule around his needs. Through her office window, the IS manager was able to catch the eye of the more senior executive. This individual sauntered over as if he just happened to be passing by. His appearance caused the department head to back down. Having lost the fight he had picked, the department head promptly returned to his area and spent the afternoon screaming at his staff.

Demonstrating the problem of corporate divisiveness, the second example involves a Japanese manufacturing company and its American subsidiary. In the early 1990s, the company developed a reputation for not being able to meet product demand in the United States. The parts were manufactured in Japan and assembled in the United States, so that the machines were officially "made in the USA." To solve the problem of product shortages, the manufacturer brought in an outside consultant to improve its supply-chain management.

Before long, the consultant recognized that the problems were not technical but relational. The American subsidiary had the habit of placing a large number of orders, then canceling the orders months later—*after the U.S. salespeople had received their bonuses for the sales*. When the Japanese headquarters realized what was going on, the senior executives there arbitrarily cut ongoing U.S. orders by 50 percent.

In other words, rather than tackle head-on the subsidiary's bogus bookings, headquarters guessed at what the actual orders were so as not to over-manufacture parts. A bizarre dynamic emerged: When the orders were fake, salespeople received undeserved bonuses. When the orders were real, the arbitrary cutbacks meant that salespeople were unable to deliver sufficient product, which cost them bonuses

and future sales. The supply-chain management project was Japan's way of solving the difficulty without creating a conflict. It took months before the consultant could bring the two sides together to confront the unsavory behavior of the American subsidiary as well as the enabling behavior of their Japanese counterparts.

Almost every office has at least one bully, and most people learn to work around such individuals; but corporations seldom consider how much corporate time and energy is absorbed in those accommodations. The bank bully would have gladly disrupted operations for several other departments to suit his needs and to hide the fact that he had not bothered to read a time-critical memo. Instead, he had to be satisfied with disrupting productivity in his own department for much of the day. A single tantrum could easily have cost the bank $10,000 in lost time. A similar bully at an R&D company left not one but *two* successive departments in such shambles that the entire staffs of both groups had to be reassigned and entirely new teams brought in. *The loss set back the company more than a year in two key technology areas*. Higher-level bullies can bring entire companies down. Subordinates have testified that Richard Scrushy, the former CEO of HealthSouth, and Bernie Ebbers, the former CEO of WorldCom, used intimidation and manipulation to get underlings to cook the books. One HealthSouth employee said that Scrushy exploded in a rage at him when confronted about accounting irregularities. (The employee who left the company was one of the few in the department not indicted. Scrushy avoided a criminal conviction but faced civil charges for his actions.)

The conflict between organizations at the Japanese manufacturer took the company into the red for that product line. In most cases, companies are unwilling to confront either personal or organizational conflict in a constructive manner. In fact, few companies will acknowledge that social conflict exists, seeking answers in numbers analysis, reorganizations designed to shake up the group's performance, or misapplied technology such as the Japanese company's supply-chain solution, which would have glossed over deep human issues rather than addressed them.

How a Happy Company Would Operate

All of these companies are unhappy—dysfunctional, in the word of the day. A return to the small company in the American South shows how a *happy* company would have responded to the same slipping financial situation that bedeviled the preceding management. The

behavior serves as a *positive* template in contrast to the leadership of the scandal-ridden companies mentioned. The difference could not be any more clear or more telling than that shown in the behavior of the leadership team that followed the unhappy CEO and his cohort at the small manufacturer.

Consider that the new CEO had an even more serious problem than the previous one. Not only were sales down, but the corrected financials of the company were also now abysmal, and the company's credibility with all constituents was shot. Employees were dispirited, themselves fearful—legitimately so—that they might soon be out of jobs. Yet the new leadership refused to act on fear or panic or short-term expediencies. Indeed, the near-collapse of the company had left the new team with no choice but to act in a way that would put the company on a secure, long-term footing. A curious effect of brain wiring is that short-term problems often trigger the fear response because a reflex action might fix them, whereas deep, evident structural problems cause humans to step back and proceed sensibly because no amount of hysteria can solve them. You would be tempted to jump a 15-foot gap, but you would look for an entirely different way to cross a 100-yard chasm.

The new leadership began by carefully studying the problem with sales. The analysis quickly revealed that there were too many products in the product line. The old 80/20 rule applied: 80 percent of the sales were coming from 20 percent of the product line. By paring the product mix, the company trimmed costs in a hurry and was able to focus more effort on the profitable lines. In addition, the company discontinued the discounting. The new CEO and his senior executives met with all the important customers and said, "This is the right price. It's a fair price. If you want us to supply the equipment, we have to be in business. To be in business, we have to make a decent profit." Most of the customers stayed with the company, because the list prices were in fact quite reasonable, the products were solid, and customers understood that the firm had to operate on a sound financial basis. The new leadership's calm, no-nonsense approach also gave the customers confidence.

Eliminating the discounts solved another major problem: the bottlenecks in manufacturing that occurred at the end of each quarter. Putting the pricing on a rational basis caused orders to arrive in more regular fashion, as customers needed product. The company required less overtime, employees were less stressed, mistakes were made far less frequently. The company was able to linearize shipments to roughly one third each month rather than two thirds in the last two weeks of the quarter. Manufacturing and shipping costs plummeted.

After a while, the company was profitable again, as it had been for two decades before the unhappy CEO took over.

From a social standpoint, the outgoing regime's crime was fraud, and the perpetrators deserve whatever legal punishment they get. From a business standpoint, the real crime of succumbing to the "shell-game ploy" is that the focus on pumping up the short-term financials served to create and mask *poor operating performance*. The focus on the short term and the need to cover up the first one or two fraudulent acts became so intense that the discounts alone were enough to ruin the company. Tens and tens of millions of dollars were given away in discounts—effectively all of the company's profits! (As common as quarterly discounts are in some industries, they are the bane of a well-run company.)

While senior managers kept thinking that they could somehow beat the odds and "win the lottery"—have a truly outstanding quarter that would square accounts—they failed to address the hidden issues that kept them from having that same outstanding quarter. They were so focused on the target of making sales that they never addressed the weaknesses in the business model or other fundamentals. They attempted to cover up their weaknesses rather than build on their strengths, such as a good core product line and sound customer base, as the successor management did. The tragedy is that a single, relatively small act of fear quickly corrupted the entire management culture and took the concentration away from the right business issues.

That tragedy is an order of magnitude larger at a company the size of Enron. An outsider has to marvel at the complexity of the fake deals, the ingenuity of the sham accounting, the creativity of the nonexistent entities, the sheer audacity of the swindle. An outsider also has to wonder: If Enron's senior executives had taken all that energy and put it into addressing the real business opportunities of the company, wouldn't they have made just about as much money and felt a whole lot better about themselves? And tens of thousands of employees and other stakeholders would be far better off. If it had behaved honestly, Enron probably would have shown less growth early on, as it built its fundamentals, and more growth later, as it capitalized on those fundamentals. This comparison assumes that the self-styled "smartest guys in the room" actually had some level of basic business skills.

If the company had faltered honestly at some point, recovery would have been far more likely because the losses would not have been so staggering and many more productive assets would have been available to rebuild the company or to repay creditors. Interestingly, the first legal maneuver of the three top executives at Enron was

to request a change of venue from Enron's hometown of Houston, Texas, a flight response not too much different from that which got them in trouble in the first place—fleeing from bad numbers by covering them up rather than addressing them.

The approach taken by the new management at the southern manufacturer shows that the answer is to never let fear drive business decisions. The new management at the small manufacturer showed good old common sense. They practiced sound business; they did the right blocking and tackling. This makes them a good business, but how does that make them a "happy" business? Well, honesty and health are two great predictors of happiness. (Later, we show how health and happiness interweave biologically.) The new managers created a healthier emotional environment by reestablishing an atmosphere of trust, both within and without the firm. They created a healthier economic environment by giving the sales force products that would sell. (The sales force had healthier psyches as a result.) The new managers created a healthier physical environment through regularizing shipments and by reducing fatigue, stress, and the job hazards that stress created. At every level and in every sense of the word, they turned a culture that was insane into a culture that was sane.

This book is about happy companies and how to become one. A happy company is not a giddy company, any more than a happy person is someone who runs around with a smile plastered on his or her face all the time. Happiness is an attitude rather than emotion, a prevailing way of life, an overriding outlook composed of qualities such as optimism, courage, love, and fulfillment. Corporate happiness has the same composition at the organizational and social level. Happiness is not a mood (moods are biochemically regulated) or an emotion (emotions are subject to situational influence), but an approach toward life. Happiness is knowing what is truly important and living in accordance with what is important. On an individual level, happiness is developing your potential and engaging your life to make a difference for the better. A definition relevant on an individual level must be at least as relevant in organizations that are made up of a multitude of individuals. As happiness applies to the psyche of an individual, happiness applies to the culture of a company.

Developing potential invariably involves making emotionally mature choices. If the need for immediate gratification is the mark of a child and the ability to wait for delayed gratification is the mark of an adult, so too is short-term thinking the mark of an immature company and long-term thinking the mark of a mature one. Short-term thinking is fear driven, which means that it is not *thinking* at all but a gut-level

reaction to a threat; long-term thinking is conscious, proactive contemplation of what truly matters to the company and where its future truly lies.

For the purposes of this book, then, the definition of a happy company is this: *an organization in which individuals at all levels of authority exhibit a diversity of strengths, constructively work together toward a common goal, find significant meaning and satisfaction in producing and providing high-quality products and services for profit, and through those products and services make a positive difference in the lives of others.*

Although we expect satisfaction from work, we do not associate "happiness" with it. If you ask senior executives or mid-level managers or blue-collar workers if they expect to be happy at work, they would likely scoff, or even feel a little embarrassed for you. At the highest levels of a company, leaders may feel the pressures so greatly—and take themselves so seriously—that they do not think of the fun that should accompany the job. Fun is not the goal, yet fun naturally arises when people do work that they enjoy and find meaningful. Typically, people spend one third to one half of their adult lives at work. They have most of their social interaction at work. They most commonly meet future spouses at work. Who in their right mind gets up in the morning hoping to have a miserable day in the vast majority of their personal interactions?

Yet countless people react negatively to the idea of going to work. They know that the company is not succeeding or that their own work has little to do with what makes the company succeed. Because work is no fun, they do not want to go. Often, people have personal animosities toward peers or superiors. The bank bully mentioned previously illustrates a frightening fact: The biggest reason most people quit their jobs is not the company or the nature of the work but the hatred they have for their boss. Their *hatred*. In his book on toxic managers, Roy Lubit even suggests that symptoms of serious personality disorders are often mistaken for "leadership" in today's aggressive marketplace.

Most people know when there is something wrong in their work environment, but they often are not aware of how caustic it is until after they have left. Conversely, just about all of us can remember the job that had us bouncing out of bed in the morning and that completely engaged us all day long. Companies that have such engaged, enthusiastic CEOs and employees tend to do extremely well. Such jobs are happy occupations. A reason exists for the folk saying, "Find a job you love, and you'll never have to work."

By exploring the social and biological origins of fear-based behavior, we can learn not only how to avoid major ethical lapses but also avoid other fear-driven actions that cause companies to collapse or that otherwise hinder their success and keep them from sprinting to the front of their industry. More than that, leaders can create a positive climate that generates creativity. Organizations can create more profits, more opportunity for market growth, and more personal satisfaction for employees. They can blow by their competitors. They can establish a solid foundation for long-term growth. All it takes is one thing: a little organizational happiness. Not more fiscal discipline. Not better change processes. Not better technology. Not an expanded product portfolio. Companies just need to foster happiness. By happiness, we do not mean an immature giddiness, the corporate equivalent of puppy love, which might come from some short-term win. We mean instead a deep, mature delight that comes from a committed group of people energetically engaged in a fulfilling corporate mission. Some call this a state of "flow."

Through real examples of the principles and practices of leading companies, in-depth research, and the application of years of business experience, this book contrasts the negativity that haunts struggling organizations with the positivism that imbues successful organizations. Any leader, any employee, any organization can grasp and apply the lessons.

What happy companies know, other companies can learn.