Creating Sustainable Performance
by Gretchen Spreitzer and Christine Porath

Idea in Brief

Research has shown that managers can take four measures to help employees thrive at work. All four are necessary to promote a culture of vitality and learning.

Provide decision-making discretion.
Facebook employees are encouraged to "move fast and break things"—they have lots of leeway to solve problems on their own.

Share information.
Workers at Zingerman's restaurants—right down to the busboys—get up-to-the-minute feedback on every aspect of the business, from customer satisfaction ratings to the number of dirty mugs in the sink.

Minimize incivility.
Leaders at Caiman Consulting attribute the firm's 95% retention rate to a culture in which background checks look for a reputation for civility.

Offer performance feedback.
The mortgage finance company Quicken Loans has dashboards showing continually updated data on individual and team performance against goals.

Artwork: **Yue Minjun,** *Untitled,* 2005, watercolor on paper, 140 x 127 cm

When the economy's in terrible shape, when any of us is lucky to have a job—let alone one that's financially and intellectually rewarding—worrying about whether or not your employees are happy might seem a little over the top. But in our research into what makes for a consistently high-performing workforce, we've found good reason to care: Happy employees produce more than unhappy ones over the long term. They routinely show up at work, they're less likely to quit, they go above and beyond the call of duty, and they attract people who are just as committed to the job. Moreover, they're not sprinters; they're more like marathon runners, in it for the long haul.

So what does it mean to be happy in your job? It's not about *contentment,* which connotes a degree of complacency. When we and our research partners at the Ross School of Business's Center for Positive Organizational Scholarship started looking into the factors involved in sustainable individual and organizational performance, we found a better word: *thriving.* We think of a thriving workforce as one in which employees are not just satisfied and productive but also engaged in creating the future—the company's and their own. Thriving employees have a bit of an edge—they are highly energized—but they know how to avoid burnout.

Across industries and job types, we found that people who fit our description of thriving demonstrated 16% better overall performance (as reported by their managers) and 125% less burnout (self-reported) than their peers. They were 32% more committed to the organization and 46% more satisfied with their jobs. They also missed much less work and reported significantly fewer doctor visits, which meant health care savings and less lost time for the company.

We've identified two components of thriving. The first is *vitality:* the sense of being alive, passionate, and excited. Employees who experience vitality spark energy in themselves and others. Companies generate vitality by giving people the sense that what they do on a daily basis makes a difference.

The second component is *learning:* the growth that comes from gaining new knowledge and skills. Learning can bestow a technical advantage and status as an expert. Learning can also set in motion a virtuous cycle: People who are developing their abilities are likely to believe in their potential for further growth.

The two qualities work in concert; one without the other is unlikely to be sustainable and may even damage performance. Learning, for instance, creates momentum for a time, but without passion it can lead to burnout. What will I do with what I've learned? Why should I stick with this job? Vitality alone—even when you love the kudos you get for delivering results—can be deadening: When the work doesn't give you opportunities to learn, it's just the same thing over and over again.

The combination of vitality and learning leads to employees who deliver results and find ways to grow. Their work is rewarding not just because they successfully perform what's expected of them today but also because they have a sense of where they and the company are headed. In short, they are thriving, and the energy they create is contagious.

About the Research

Over the past seven years, we have been researching the nature of thriving in the workplace and the factors that enhance or inhibit it.

Across several studies with our colleagues Cristina Gibson and Flannery Garnett, we surveyed or interviewed more than 1,200 white- and blue-collar employees in an array of industries, including higher education, health care, financial services, maritime, energy, and manufacturing. We also studied metrics reflecting energy, learning, and growth, based on information supplied by employees and bosses, along with retention rates, health, overall job performance, and organizational citizenship behaviors.

We developed a definition of thriving that breaks the concept into two factors: *vitality*—the sense that you're energized and alive; and *learning*—the gaining of knowledge and skills. When you put the two together, the statistics are striking. For example, people who were high energy and high learning were 21% more effective as leaders than those who were only high energy. The outcomes on one measure in particular—health—were even more extreme. Those who were high energy and low learning were 54% worse when it came to health than those who were high in both.

How Organizations Can Help Employees Thrive

Some employees thrive no matter the context. They naturally build vitality and learning into their jobs, and they inspire the people around them. A smart hiring manager will look for those people. But most employees are influenced by their environment. Even those predisposed to flourish can fold under pressure.

The good news is that—without heroic measures or major financial investments—leaders and managers can jump-start a culture that encourages employees to thrive. That is, managers can overcome organizational inertia to promote thriving and the productivity that follows it—in many cases with a relatively modest shift in attention.

Ideally, you'd be blessed with a workforce full of people who naturally thrive. But there's a lot you can do to release and sustain enthusiasm. Our research has uncovered four mechanisms that create the conditions for thriving employees: providing decision-making discretion, sharing information, minimizing incivility, and offering performance feedback. The mechanisms overlap somewhat. For instance, if you let people make decisions but give them incomplete information, or leave them exposed to hostile reactions, they'll suffer rather than thrive. One mechanism by itself will get you part of the way, but all four are necessary to create a culture of thriving. Let's look at each in turn.

Providing Decision-Making Discretion

Employees at every level are energized by the ability to make decisions that affect their work. Empowering them in this way gives them a greater sense of control, more say in how things get done, and more opportunities for learning.

The airline industry might seem like an unlikely place to find decision-making discretion (let alone a thriving workforce), but

consider one company we studied, Alaska Airlines, which created a culture of empowerment that has contributed to a major turnaround over the past decade. In the early 2000s the airline's numbers were flagging, so senior management launched the 2010 Plan, which explicitly invited employee input into decisions that would improve service while maintaining a reputation for timely departures. Employees were asked to set aside their current perceptions of "good" service and consider new ways to contribute, coming up with ideas that could take service from good to truly great.

Agents embraced the program, which gave them, for instance, the discretion to find solutions for customers who had missed flights or were left behind for any other reason. Ron Calvin, the director of the eastern region, told us of a call he had recently received on his cell phone from a customer he hadn't seen or spoken to since working at the Seattle airport, five years earlier. The customer had a three-month-old grandchild who had just gone into cardiac arrest. The grandparents were trying to get back to Seattle from Honolulu. Everything was booked. Ron made a few calls and got them on a flight right away. That day the grandfather sent Ron a text saying, simply, "We made it."

Efforts like this to meet individual needs without holding up flights have led to a number one rating for on-time performance and a full trophy case. The airline has also expanded considerably into new markets, including Hawaii, the Midwest, and the East Coast.

Southwest is a better-known story, largely because of the company's reputation for having a fun and caring culture. Flight attendants are often eager to sing, joke around, and in general entertain customers. They also radiate energy and a passion for learning. **One decided to offer the preflight safety instructions in rap format.** He was motivated to put his special talents to work, and the passengers loved it, reporting that it was the first time they had actually paid attention to the instructions.

At Facebook, decision-making discretion is fundamental to the culture. One employee posted a note on the site expressing his surprise, and pleasure, at the company's motto, "Move fast and break things," which encourages employees to make decisions and act. On just his second day of work, he found a fix to a complicated bug. He expected some sort of hierarchical review, but his boss, the vice president of product, just smiled and said, "Ship it." He marveled that so early on he had delivered a solution that would instantly reach millions of people.

The challenge for managers is to avoid cutting back on empowerment when people make mistakes. Those situations create the best conditions for learning—not only for the parties concerned but also for others, who can learn vicariously.

Sharing Information

Doing your job in an information vacuum is tedious and uninspiring; there's no reason to look for innovative solutions if you can't see the larger impact. People can contribute more effectively when they understand how their work fits with the organization's mission and strategy.

Alaska Airlines has chosen to invest management time in helping employees gain a broad view of the company's strategy. The 2010 Plan was launched with traditional communications but also with a months-long road show and training classes designed to help employees share ideas. The CEO, the president, and the COO still go on the road quarterly to gather information about the idiosyncrasies of various markets; they then disseminate what they've learned. The benefits show up in yearly measures of employee pride in the company—now knocking it out of the park at 90%.

At Zingerman's **(an Ann Arbor, Michigan, community of food-related businesses that has worked closely with Wayne Baker,** a colleague of ours in the Center for Positive Organizational Scholarship), **information is as transparent as possible.** The organization had never consciously withheld its numbers—financial information was tacked up for employees to see—but when cofounders Ari Weinzweig and Paul Saginaw studied open book management in the mid-1990s, they came to believe that employees would show more interest if they got involved in the "game."

By the Numbers

27%
Blue-collar workers who scored high on thriving performed 27% better overall than their lower-thriving colleagues.

53%
Thriving blue-collar workers were 53% more likely to experience positive career progression than other employees.

16%
White-collar workers who scored high on thriving performed 16% better overall than peers with lower scores.

Implementation of a more formal and meaningful open book policy was not easy. People could look at the numbers, but they

had little reason to pay attention and didn't get much insight into how the data related to their daily work. For the first five or six years, the company struggled to build the concept into its systems and routines and to wrap people's minds around what Baker calls **"the rigor of the huddle":** weekly gatherings around a whiteboard at which teams track results, "keep score," and forecast the next week's numbers. Although people understood the rules of open book management, at first they didn't see the point of adding yet another meeting to their busy schedules. It wasn't until senior leaders made huddling non-negotiable that employees grasped the true purpose of the whiteboards, which displayed not just financial figures but also service and food quality measures, check averages, internal satisfaction figures, and "fun," which could mean anything from weekly contests to customer satisfaction ratings to employees' ideas for innovation.

Some Zingerman's businesses began instituting "mini games": short-term incentives to fix a problem or capitalize on an opportunity. For instance, the staff at Zingerman's Roadhouse restaurant used the greeter game to track how long it took for customers to be greeted. "Ungreeted" customers expressed less satisfaction, and employees found themselves frequently comping purchases to make up for service lapses. The greeter game challenged the host team to greet every customer within five minutes of being seated, with a modest financial reward for 50 straight days of success. It inspired hosts to quickly uncover and fix holes in the service process. Service scores improved considerably over the course of a month. Other Zingerman's businesses started similar games, with incentives for faster delivery, fewer knife injuries in the bakery (which would lower insurance costs), and neater kitchens.

The games have naturally created some internal tensions by delivering bad news along with the good, which can be demoralizing. But overall they have greatly increased frontline employees' sense of ownership, contributing to better performance. From 2000 to 2010 Zingerman's revenue grew by almost 300%, to more than $35 million; the company's leaders credit open book management as a key factor in that success.

Simple anecdotes lend credence to their claim. For instance, a couple of years ago we saw Ari Weinzweig give a talk at the Roadhouse. A guest asked him whether it was realistic to expect the average waiter or busboy to understand company strategy and finance. In response, Ari turned to a busboy, who had been oblivious to the conversation: Would the teenager mind sharing Zingerman's vision and indicating how well the restaurant was meeting its weekly goals? Without batting an eye, the busboy stated the vision in his own words and then described how well the restaurant was doing that week on "meals sent back to the kitchen."

While Zingerman's is a fairly small business, much larger ones—such as Whole Foods and the transportation company YRC Worldwide—have also adopted open book management. Systems that make information widely available build trust and give employees the knowledge they need to make good decisions and take initiative with confidence.

Minimizing Incivility
The costs of incivility are great. In our research with Christine Pearson, a professor at Thunderbird School of Global Management, we discovered that half of employees who had experienced uncivil behavior at work intentionally decreased their efforts. More than a third deliberately decreased the quality of their work. Two-thirds spent a lot of time avoiding the offender, and about the same number said their performance had declined.

Most people have experienced rude behavior at work. Here are a few quotes from our research:

"My boss asked me to prepare an analysis. This was my first project, and I was not given any instructions or examples. He told me the assignment was crap."

"My boss said, 'If I wanted to know what you thought, I'd ask you.'"

"My boss saw me remove a paper clip from some documents and drop it in my wastebasket. In front of my 12 subordinates he rebuked me for being wasteful and required me to retrieve it."

"On speakerphone, in front of peers, my boss told me that I'd done 'kindergarten work.'"

We have heard hundreds of stories, and they're sadly familiar to most working people. But we don't hear so much about the costs.

Incivility prevents people from thriving. Those who have been the targets of bad behavior are often, in turn, uncivil themselves: They sabotage their peers. They "forget" to copy colleagues on memos. They spread gossip to deflect attention. Faced with incivility, employees are likely to narrow their focus to avoid risks—and lose opportunities to learn in the process.

A management consultancy we studied, Caiman Consulting, was founded as an alternative to the larger firms. Headquartered in Redmond, Washington, in offices that are not particularly sleek, the firm is recognized for its civil culture. Background checks

in its hiring process include a candidate's record of civility.

"People leave a trail," says Caiman's director, Greg Long. "You can save yourself from a corrosive culture by being careful and conscientious up front." The managing director, Raazi Imam, told us, "I have no tolerance for anyone to berate or disrespect someone." When it does happen, he pulls the offender aside to make his policy clear. Long attributes the firm's 95% retention rate to its culture.

Caiman passes up highly qualified candidates who don't match that culture. It also keeps a list of consultants who might be good hires when an appropriate spot opens up. The HR director, Meg Clara, puts strong interpersonal skills and emotional intelligence among her prime criteria for candidates.

At Caiman, as at all companies, managers establish the tone when it comes to civility. A single bad player can set the culture awry. One young manager told us about her boss, an executive who had a habit of yelling from his office, "You made a mistake!" for a sin as minor as a typo. His voice would resonate across the floor, making everyone cringe and the recipient feel acutely embarrassed. Afterward, colleagues would gather in a common area for coffee and commiseration. An insider told us that those conversations focused not on how to get ahead at the company or learn to cope by developing a thick skin but on how to get even and get out.

In our research, we were surprised by how few companies consider civility—or incivility—when evaluating candidates. Corporate culture is inherently contagious; employees assimilate to their environment. In other words, if you hire for civility, you're more likely to breed it into your culture.

Offering Performance Feedback

Feedback creates opportunities for learning and the energy so critical for a culture of thriving. By resolving feelings of uncertainty, feedback keeps people's work-related activities focused on personal and organizational goals. The quicker and more direct the feedback, the more useful it is.

The Zingerman's huddle, described earlier, is a tool for sharing near-real-time information about individual as well as business performance. Leaders outline daily ups and downs on the whiteboard, and employees are expected to "own" the numbers and come up with ideas for getting back on track when necessary. The huddles also include "code reds" and "code greens," which document customer complaints and compliments so that all employees can learn and grow on the basis of immediate and tangible feedback.

Quicken Loans, a mortgage finance company that measures and rewards employee performance like no other organization, offers continually updated performance feedback using two types of dashboard—a ticker and kanban reports. (*Kanban,* a Japanese word meaning "signal," is used frequently in operations.)

The ticker has several panels displaying group and individual metrics along with data feeds that show how likely an employee is to meet his or her daily goals. People are hardwired to respond to scores and goals, so the metrics help keep them energized through the day; essentially, they're competing against their own numbers.

The kanban dashboard allows managers to track people's performance so that they know when an employee or a team needs some coaching or other type of assistance. A version of the kanban chart is also displayed on monitors, with a rotating list of the top 15 salespeople for each metric. Employees are constantly in competition to make the boards, which are almost like a video game's ranking of high scorers.

Employees could feel overwhelmed or even oppressed by the constant nature of the feedback. Instead, the company's strong norms for civility and respect and for giving employees a say in how they accomplish their work create a context in which the feedback is energizing and promotes growth.

The global law firm O'Melveny & Myers lauds the use of 360-degree evaluations in helping workers thrive. The feedback is open-ended and summarized rather than shared verbatim, which has encouraged a 97% response rate. Carla Christofferson, the managing partner of the Los Angeles office, learned from her evaluation that people saw her behavior as not matching the firm's stated commitment to work-life balance—which was causing stress among employees. She started to spend more time away from the office and to limit weekend work to things she could do at home. She became a role model for balance, which went a long way toward eliminating the worry of employees who wanted a life outside of work.

Individual Strategies for Thriving

Although organizations benefit from enabling employees to thrive, leaders have so much on their plates that attention to this important task can slip. However, anyone can adopt strategies to enhance learning and vitality without significant

organizational support. And because thriving can be contagious, you may find your ideas quickly spreading.

1. Take a break
Research by Jim Loehr and Tony Schwartz has shown that breaks and other renewal tactics, no matter how small, can create positive energy.

In our teaching, we let students design regular breaks and activities into the class to ensure that they stay energized. In one term, students decided to halt every class for two minutes at the midpoint to get up and do something active. Each week a different foursome designed the quick activity—watching a funny YouTube video, doing the cha-cha slide, or playing a game. The point is that the students figure out what is energizing for them and share it with the class.

Even if your organization doesn't offer formal mechanisms for renewal, it's nearly always possible to schedule a short walk, a bike ride, or a quick lunch in the park. Some people write it into their schedules so that meetings can't impinge.

2. Craft your own work to be more meaningful
You can't ignore the requirements of your job, but you can watch for opportunities to make it more meaningful. Consider Tina, the staff administrator of a policy think tank within a large organization. When her boss took a six-month sabbatical, Tina needed to find a short-term replacement project. After some scouting, she uncovered a budding initiative to develop staff members' ability to speak up with their ideas about the organization. The effort needed an innovative spirit to kick it off. The pay was lower, but the nature of the work energized Tina. When her boss returned, she renegotiated the terms of her think tank job to consume only 80% of her time, leaving the rest for the staff development project.

3. Look for opportunities to innovate and learn
Breaking out of the status quo can trigger the learning so essential to thriving. When Roger became the head of a prestigious high school in the Midwest, he was brimming with innovative ideas. He quickly ascertained, however, that quite a few staff members were not open to new ways of doing things. He made sure to listen to their concerns and tried to bring them along, but he invested more of his efforts in the growth and learning of those who shared his passion for breakthrough ideas. Mentoring and encouraging them, Roger began to achieve small wins, and his initiatives gained some momentum. A few of the resisters ended up leaving the school, and others came around when they saw signs of positive change. By focusing on those bright spots rather than the points of resistance, Roger was able to launch an effort that is propelling the school toward a radically different future.

4. Invest in relationships that energize you
All of us have colleagues who may be brilliant but are difficult and corrosive to work with. Individuals who thrive look for opportunities to work closely with colleagues who generate energy and to minimize interaction with those who deplete it. In fact, when we built the research team to study thriving, we chose colleagues we enjoyed, who energized us, with whom we looked forward to spending time, and from whom we knew we could learn. At the Center for Positive Organizational Scholarship, we seek to build good relationships by starting every meeting with good news or expressions of gratitude.

5. Recognize that thriving can spill over outside the office
There's evidence that high levels of engagement at work will not lessen your ability to thrive in your personal life but instead can enhance it. When one of us (Gretchen) was dealing with her husband's difficult medical diagnosis, she found that her work, even though it was demanding, gave her the energy to thrive professionally and in her family life. Thriving is not a zero-sum game. People who feel energized at work often bring that energy to their lives beyond work. And people inspired by outside activities—volunteering, training for a race, taking a class—can bring their drive back to the office.

The four mechanisms that help employees thrive don't require enormous efforts or investments. What they do require is leaders who are open to empowering employees and who set the tone. As we noted earlier, each mechanism provides a different angle necessary for thriving. You can't choose one or two from the menu; the mechanisms reinforce one another. For example, can people be comfortable making decisions if they don't have honest information about current numbers? Can they make effective decisions if they're worried about being ridiculed?

Creating the conditions for thriving requires your concerted attention. Helping people grow and remain energized at work is valiant on its own merits—but it can also boost your company's performance in a sustainable way.

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