



SOCIETY OF ACTUARIES

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Good Business: Leadership, Flow and the Making of Meaning

by Gerry Fryer

This is a review of Mihaly Csikszentmihalyi's remarkable book, Good Business: Leadership, Flow and the Making of Meaning.

The author, who introduced the concept of flow in 1975, now extends its application to the role of business in society. He describes the new work as “a guidebook for a way of conducting business that is both successful and humane,” focusing on “how leaders and managers and...employees...can learn to contribute to the sum of human happiness, to the development of an enjoyable life that provides meaning, and to a society that is just and evolving.”

These are lofty goals indeed. But Csikszentmihalyi argues that the centrality of business in today's world—it controls vast resources and has a disproportionate say in the governance of nations—makes his endeavor an essential one. Further, he suggests that some of the strains now appearing in the free market model—for example, excessive greed, unethical practices and the exploitation of inequities among workers around the globe—may threaten its primacy, unless an improved model can be developed, one in which other elements beyond achieving short-term financial returns become markers for success.

Good Business was based on an extensive tri-university research project that utilized interviews with 39 “visionary business leaders” who modeled the desired behaviors. They ranged from Sir John Templeton to Anita Roddick of The Body Shop to Leon Gorman, chairman of L.L.Bean, and are quoted extensively throughout the book.

Happiness: Not So Simple

Csikszentmihalyi begins with an examination of happiness itself, as anchored in the work of Abraham Maslow in the 1960s and others in the field of positive psychology since then. People can find happiness in the basics of food and shelter, then in security, all the way up to the holy grail of self-actualization, which is when they are using the full complement of their talents to succeed, to innovate and to grow.

Organizations with happy people are demonstrably more productive and have higher morale and lower turnover; therefore leaders need to know how to develop the conditions that produce happier employees.

The visionary business leaders broadly agree on this simple proposition: “To be successful you have to enjoy doing your best while at the same time contributing to something beyond yourself.” Breaking this statement into its parts, we are all unique, but integrated beings. Each of us has particular strengths and opportunities for development and is responsible for our full development. However, as we are connected irretrievably with other people and entities, we must live our lives in harmony with that reality as well. Success in these two realms, according to Csikszentmihalyi, makes a person a “complex” individual, a person with the best chance for happiness and a life filled with meaning.

Flow is a special kind of happiness or enjoyment. The author is able to cite wide-ranging examples of people who experience flow—mountain climbers, stay-at-home mothers, workers in ostensibly boring jobs, and then the visionary leaders who are at the core of the book.

What happens when people are in flow? Csikszentmihalyi's research has shown that there are many common elements:

Goals are very clear...there is total immersion in the activity...you get immediate feedback throughout... deep concentration and focused attention, sometimes to the point of ecstasy...a sense of inspiration and harmony... it's challenging but your skills are up to it... you are in total control...distortion of the passage of time...a loss of ego in favor of the task at hand...it leads to personal growth.

A flow activity is intrinsically rewarding—it is worth doing for its own sake, whether or not it involves monetary reward. Experiencing flow, says Csik-szentmihalyi, contributes to our happiness and improves the quality of our existence.



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Good Business: Leadership, Flow and the Making of Meaning

Flow Applied to Business

It is the central conceit of *Good Business* that flow experiences are not merely circumstantial; that the sheer number of such experiences, particularly in the business environment, can be engineered much higher, to the betterment of all. Surveys in the United States and elsewhere show that more than 80 percent of adults do not experience flow on a regular basis. The potential for increasing flow and enjoyment in the working population is immense.

Flow experiences, with their balance of challenges and skills, lead to ever more refined skills and/or a fuller understanding of the subject at hand. If leaders and managers can design jobs to make workplaces more amenable to flow, there will be major benefits for the organization and for employees. The best way to manage people is to create an environment where employees enjoy their work and grow while doing it.

Csikszentmihalyi draws a vivid parallel to our hunter-gatherer ancestors, who may well have experienced work as flow—which one realizes by visualizing their work situation and looking back at the common elements listed above. Flow opportunities have diminished in today's workplace because purpose or goals can be ill-defined, feedback may be inadequate, skills are not often well-matched to opportunities for action, and many workers are not in control of the final result.

"The ideal organization," says Csikszentmihalyi, "is one in which each worker's potentialities find room for expression." The leader becomes an enabler, rather than a doer, in this environment. The prerequisites for flow to emerge are as follows:

1. From top management, commitment to an environment that fosters flow.
2. An overriding purpose or mission for the organization.
3. Continuous communication of this throughout the organization.
4. Clear performance goals at all levels.
5. Good feedback mechanisms.
6. Matching of challenges to skills.

Beyond Mission and Vision

Anyone who has been involved in strategic planning is aware that the highest level of a plan is its vision statement, in which the organization defines the future state it wishes to work toward. Csikszentmihalyi wants us to go one step further and capture the vision's motivating force, something he chooses to call the soul of the organization. This is the most powerful, if difficult, section of the book.

Two examples of organizational soul are attempting to achieve excellence and doing something of benefit to others. Properly conceived and applied, these kinds of overarching goals can galvanize a company's workers in a way that the financial bottom line cannot. In Csikszentmihalyi's words:

"The search for a life that has 'relevance or meaning'...is the primary concern of soul. This is...the need that motivates us to become part of something greater or more permanent. If a leader can make a convincing case that working for the organization will provide relevance...then his vision will generate power..."

If...a vision is genuine and is carried into action, it becomes a powerful attractor for members of the organization. It provides a goal that is worth pursuing over and above the extrinsic rewards that can be provided by the job."

How Can You Use This Book?

- Think about the occasions when you have experienced flow in the past—when they occurred, what you were doing, whether at work or not—and use them as a springboard for increasing future flow opportunities.
- Consider how you can contribute to the prosperity of your current or future organization, beyond the financial bottom line, and begin to act upon your ideas.
- As a manager or leader, put in place more of the prerequisites for flow in your organization.
- As an employee, try to get goal clarity and better feedback—or consider finding an organization that will provide them. Find work that matches challenges to your skills, as well as growth opportunities that will meet your increasing competencies.
- Read *Good Business* yourself if you have been intrigued enough by this review—and has many more riches than I have been able to describe.
- If you find any of the areas that Csikszentmihalyi delves into particularly compelling, use his Notes and References to do further reading, or hire a personal coach to help you on your own journey to greater happiness. □

Bibliography:

Mihaly Csikszentmihalyi. *Good Business*. New York: Penguin Books, 2003.

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