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ABSTRACT

Studies report that happier employees support better performance outcomes for individual employees and for their organizations. While happiness at work has increasingly become a popular topic within academic literature and the popular press, existing literature has focused on employees broadly and none specifically on the project management profession. This paper reports the findings from an exploratory study using the Happiness@Work survey developed by the new economics foundation and modified specially for the project management profession. Survey data was coded for multiple regression analysis and Structural Equation Modeling (SEM). The analysis shows a positive relationship between workplace happiness and its drivers including personal factors (personal health, sense of vitality, happiness and resilience), organizational factors (team and organization well managed, pleasant environment, open organization and good organization to work for), meaning of work (benefit to customers, stakeholders and society in general), organizational role, project management process maturity model stage, The most significant, albeit indirect, positive correlation was meaning at work which was mediated through personal factors. No significant correlations were found with happiness at work and work-life balance, fairness of compensation, job security, and achievability, constructive feedback and being trusted by manager.

KEYWORDS: Workplace Happiness, Meaning of Work, Project Management Maturity, Structural Equation Modeling, Project Manager

INTRODUCTION

Recently, the UN, countries and companies have been moving to measure the happiness of their citizens and their employees. Best place to work indices have proliferated and companies are increasingly striving to be an employer of choice as the competition to attract and retain highly qualified employees increases with the retirement of the Boomer generation. Happier employees are more productive yielding better performance outcomes for their organizations including increases in company value for publicly held companies. Empirical analysis by Edmans (2012) on top 100 best employee-satisfied companies exhibited an average of 3% higher stock return compared to their competitors. Oswald et al (2009), Freeman (1978), Boehm and Lyubomirsky (2008), and Amabile and Kramer (2011) reported that workplace happiness promotes innovation and employee productivity, as well as reducing employee turnover rate in an organization, contributing to better organizational performance through increased profitability, productivity, customer and employee loyalty and reduced absenteeism, healthcare

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costs, safety incidents and theft. Although research (Sirotta et al 2006) indicates that poorly managed organizations demotivate their employees, just how organizational attributes and factors as well as individual attributes and factors affect employee happiness and therefore organizational performance remains unclear.

The challenge is even greater for project managers and project oriented companies. Projects are a unique working environment, sometimes working outside of the formal organizational structure. Projects are time-limited, strategically important, often technically challenging, frequently used to implement significant change within organizations and always measured by the triple constraints of scope, schedule and budget. The relentless focus in projects and for project managers has been to deliver the project, emphasizing work efficiency to the detriment of considering working conditions, largely ignoring workplace happiness (Huemann et al, 2007). According to the U.S. Bureau of Labor Statistics (2008), engineering construction companies on average, for example, had low job satisfaction and a high employee turnover rate (Ferguson and Kessler 2009).

This paper focuses on the analysis of drivers behind workplace happiness for project management professionals, considering personal factors (personal health, sense of vitality, happiness and resilience), organizational factors (team and organization well managed, pleasant environment, open organization and good organization to work for), and the possible mediating role of meaning at work (benefit to customers, stakeholders and society in general), organizational role, and project management process maturity stage. An introduction and review of workplace happiness is presented in the next section followed by hypotheses development and design. Then findings and results are discussed based on statistical analysis and structural equation modelling.

WHAT IS WORKPLACE HAPPINESS

Happiness is generally described as pleasure, life satisfaction, and a positive emotional condition (Myer and Diener, 1995). Seligman (Seligman, 2002) defines happiness as the pleasant life (pleasure), the engaged life (using your strengths at work), and the meaningful life (using your strengths in service of something greater than you individually. Seligman, (2011), writing in Flourishing, expanded his original model of happiness to be PERMA: positive emotion, engagement, relationships, meaning, and achievement. The pleasure element of happiness, is subject to sometimes rapid fluctuation and an individual’s experience of pleasure varies across individuals. The other elements, however, in Seligman’s model yield more durable levels of happiness. As C.D. Fisher states: “the largest divide is between hedonic view of happiness as pleasant feelings and favorable judgments vs eudemonic views of happiness involving doing what is virtuous, morally right, true to one’s self, meaningful, and/or growth producing (Fisher, 2009).

Workplace happiness builds on the concept of happiness generally. Workplace happiness covers a broad spectrum of properties (Robertson and Cooper, 2011). Fisher (2009) stated that workplace happiness is a construct that reflects pleasant judgments (positive attitudes), pleasant experiences (positive feelings, moods, emotions, flow states) or positive affective experience in the workplace. Happiness at work includes a number of constructs: transient, person level, and unit level (Fisher, 2009). Transient constructs include state job satisfaction, momentary affect,
flow state, momentary mood at work, state engagement, task enjoyment, emotion at work, state intrinsic motivation (Fisher, 2009). Person level constructs include job satisfaction, dispositional affect, affective organizational commitment, job involvement, typical mood at work, engagement, thriving, vigor, flourishing and affective well-being at work (Fisher, 2009). Unit level constructs include morale or collective job satisfaction, group affective tone, group mood, unit-level engagement, and group task satisfaction (Fisher, 2009). A similar definition was provided by Pryce-Jones (2011) that workplace happiness is a mindset which allows one to maximize performance and achieve her potential. It should be noted that workplace happiness is decided by not only personal characteristics, but the social environment as well (McNulty, 2012). Studies show that work related satisfaction accounts for more than 25% of the variation in individual’s life satisfaction (Campbell, et al 1976) creating a virtuous circle. Workplace happiness as measured by the Happiness@Work survey includes the happiness-related constructs identified by Fisher (2009) using four metadomains: personal resources, organizational system, functioning at work (intrinsic motivation or engagement), and experience of work. Personal resources include health and vitality, happiness, confidence and resilience and work-life balance. Organizational system includes fair pay, job security and achievability, feedback, trust, team and organization well-managed, pleasant environment, open organization, good organization to work for and social value. Functioning at work includes self-expression (authenticity and use of strengths) sense of control, sense of progress, and work relationships. Experience of work includes positive and negative affect, flow and motivation and satisfying job. These interact with one another dynamically as the individual, the organization and the work change over time.

**RESEARCH HYPOTHESES AND DESIGN**

**Research Hypotheses**

This study explores the impact of personal factors and organizational factors as mediated by meaning of work, organizational role, and project management process maturity stage on workplace happiness of project managers. Happiness rests, in part, with the individual based on their temperament, emotional responses, mood, and behaviors. Happiness has been widely discussed on personal level from both “top-down” and “bottom-up” perspectives. The top down perspective considers personality traits as the major driver of individual’s overall happiness. The experience of positive and negative emotions has a high degree of heritability (Deneve, 1999) and the experience of happiness through pleasure may change based on experiences but will return to an inherited set point over time (Brickman et al, 1978). The bottom-up perspective of personal happiness is built on the idea that fulfilling basic and universal human needs leads to happiness (Diener et al 1999). Therefore, happiness is accumulation of happy experiences, which is influenced by external events, situation, and demographic factors. For example, favorable experiences in personal life, such as getting married or having new-born babies, can stimulate a good mood to work and improve the employee’s tolerance to difficulties at work; on the other hand, unfavorable experiences in personal life, such as getting divorced, can disturb an employee and make her feel frustrated and fragile, eventually decreasing her working efficiency.

Other personal resources including personal health and vitality can also contribute to happiness. Feeling good and healthy is the same as reaching happiness by maximizing pleasure and minimizing pain. Personal health is influenced by personal genetics, experiences, environment, and lifestyle. All these elements operate in an interactive and interrelated manner.
Vitality is another aspect of personal resources and defined as having energy and spirit in hedonic statements and “growing in many positive ways” in eudemonic ones (Spreitzer et al 2005). Other studies interpret vitality as feelings of energy (Stewart et al, 1992), vigor and activity (McNair, Lorr, and Doppleman, 1971), and full of pep (Thayer, 1987). Vitality also indicates a lack of personal health-related concerns, and freedom from negative feelings (tension, depression, anger, confusion and fatigue). Vitality represents the subjective perception of the nexus of physical and psychological parts.

With all above personal resources, it is hypothesized that attributes of personal resources influence workplace happiness directly.

**Hypothesis 1 (H1): Personal resources of individual employee are positively correlated with reported levels of workplace happiness.**

Business leaders are increasingly aware of the importance of happier organizations (David et al 2013). A happier organization consists of engaged employees with high levels of workplace happiness. A happier organization makes employees feel good about coming to work and provides the motivation to sustain them throughout the day. Organizational factors including pleasant working environment, open and transparent communication, good organization to work for, well-managed at both organizational and team levels, contribute to workplace happiness have been identified as possible drivers of happiness at work. Pleasant environment goes beyond safe, healthy, and comfortable workplace; it includes a pleasant physical environment. Whitehurst (2015) described open and transparent organization as being characterized by: transparency (to share information early and often), authenticity (to be real and down-to-earth), access (to make the information available and easy-to-use) and openness (to be open and avoid hurdles and hoops). A good organization to work for means that the organization itself is reputable and willing to recognize and reward employees for their hard work, building organizational commitment and increasing intrinsic motivation. Working in a good organization improves job satisfaction and workplace happiness (Carmeli and Freund, 2002; Riordan et al, 1997). Organizations and teams being well-managed supports happiness at work. (Parker et al, 2003) cultural and social conditions influence individual’s happiness at work by promoting collaboration and personal development. Teams (a group of people effectively and cohesively collaborating to achieve certain objectives under a systematic administration (Katzenbach, 1996)) are the basic collaboration unit in an organization, where employees are influenced by their co-workers and direct managers. Research indicates that the employee-manager relationship is key to employee engagement and to employee retention. A well-managed team is characterized by good leadership, group members with team spirit, a clear job perception, target setting, and regular performance appraisals. Eisenhardt (1997) commented that a good leader has been described as one who can encourage team members to achieve a higher level of participation, collaboration, and cooperation. A well-managed team can offer administrative and organizational support to its team members.

All these organizational factors can be interrelated and function together to contribute to workplace happiness. The influence may be a direct effect or even an indirect one through personal resources. It is hypothesized that high level of organizational factors lead to high workplace happiness.
Hypothesis 2 (H2): Organizational factors are positively correlated with the reported level of workplace happiness either directly or indirectly.

In addition to personal and organizational factors, there are other drivers of workplace happiness. In this study, two factors are examined with respect to meaning of work. The meaning of work can be interpreted in two ways, providing beneficial impact to customers/stakeholders and/or to society at large. Empirical studies observed higher engagement and motivation for employees who understand client benefits and interact with clients well. For example, salesmen who would spend time on amusing clients to build rapport with them can be more motivated at work (De Berg et al 2010). The same workplace engagement can be seen in theme park employees and zookeepers who can perceive their work as creating value and pleasure to customers (Bunderson and Thompson 2009). Societal benefits include providing valuable products and services which increase living standards, social welfare and community service, and environmental stewardship. This study explores whether meaning at work influences PM happiness at work, particularly given the high mobility of project managers between projects and organizations.

Hypothesis 3 (H3): Meaning at work (social value or beneficial impact on customers or stakeholders and/or to society at large) is positively correlated with reported levels of workplace happiness.

Moderator variables were introduced to investigate the influence of other factors on the relation between workplace happiness and independent variables - personal resources, organizational factors, and meaning of work. These moderator variables are all qualitative variables: gender, age, employment status, work experience, time with organization, project organization type, industry, role in organization, sector, and project management process maturity stage. By including the level of project management maturity of the organization, the study can also examine the impact of project management best practices on workplace happiness. The Project Management Process Maturity, PM², describes five levels of project management processes within organizations: ad hoc, planned, managed, integrated, and sustained (Kwak & Ibbs, 2002). Organizations invest significant time and effort into building more mature project management processes to support higher project success rates. Testing this hypothesis may help evaluate the utility of that investment both absolutely and relatively and expand the knowledge for the PM profession.

Hypothesis 4 (H4): Project management process maturity model, PM², stage is positively correlated with reported levels of workplace happiness for project managers.

It has been observed that employee satisfaction, employee engagement and happiness at work are experienced differently depending upon the position of the employee within the organization’s hierarchy with more senior employees reporting higher results. Respondents’ results decrease the lower they are in the organizational hierarchy. This is an important
observation for senior managers who are often tasked with initiating programs and policies to support lower ranked employees’ performance. This study seeks to assess whether the same impact of hierarchy is experienced by project managers who work in relatively temporary organizations. Compensation is a difficult variable to assess in employee engagement and in happiness at work. Gallup reports that it is important that it not be a dissatisfier but the research does not yet provide further guidance. This study will seek to understand whether and to what extent happiness at work is positively correlated with compensation levels and identify other possible positive correlates which may be actionable by the individual and their employer. This is especially important in the highly cost competitive environment in which most project managers work; if actions other than increasing compensation positively impact happiness at work (and performance at work), then these may prove to be more cost-effective in the long run.

Hypothesis 5 (H5): Role in Organization and Compensation of the project manager is positively correlated with reported levels of workplace happiness.

These five hypotheses are reflected in the conceptual framework in Fig 1. Personal resources are expected to positively correlate directly with workplace happiness (H1). Organizational system elements are expected to positively correlate with happiness at work directly and/or indirectly through personal factors (H2). The meaning of work is expected to positively correlate with workplace happiness directly or indirectly through personal resources (H3). Project management process maturity stage and role in organization and compensation are hypothesized as moderator variables which may influence the relation between organizational factors and workplace happiness (H4 and H5, respectively). See Figure 1 below.

Fig. 1 Conceptual model of workplace happiness

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Data Collection and Measures

A survey was conducted in October 2014 targeting project management professionals at a regional PM conference held in Montgomery County, Maryland. More than 400 PM professionals attending a continuing education event were contacted for data collection. 227 questionnaires were returned and 2 were eliminated because they were incomplete, which represents a 56% of response rate. The standard questionnaire from HappinessWorks (Marks, 2011) was used in this study. The questionnaire includes 40 questions grouped into four interrelated categories namely personal resources, organizational system, functioning at work, and experience of work. These four categories reflect the dynamic model of measuring workplace happiness (Marks, 2011). Happiness scores are calculated following a bottom-up approach with each question integrated to produce a series of subscales, which are then aggregated into the four categories. Finally, scores of four categories are integrated into an overall happiness index. A self-report workplace happiness is also included in the questionnaire survey. Correlation between self-report happiness and calculated happiness is determined so that bias of self-report happiness can be determined and analyzed. Detailed questionnaire is available upon request. All questions are also accessible through Happiness works website maintained by the New Economics Foundation (http://www.happinessworks.com/).

The demographic traits of respondents were collected through the survey. These included: gender, age, employment status, work experience, time with organization, industry, sector, project role, type of project organization, and project management process maturity stage.

Approximately half of the 227 respondents are female. The age of all respondents ranges from 25 to over 60 years, 72% being over 45 years of age as indicated in Figure 2. A majority of respondents have full time jobs in project management field. Work experience of the respondents was heavily skewed towards those with more than 20 years of work experience, 71.36%, with 14.98% between 15 and 20 years of experience, and 11.01% between 11 and 15 years of experience. Less than 2.60% had fewer than 10 years of experience. With respect to the industry sector, respondents are project management professionals from various sectors including construction, engineering consulting, defense, education, IT service, financial and insurance, telecommunication and other industries. Respondents to the survey were from all sectors: 35.68% private sector, closely held and 28.63% private sector, publicly held for a total for the private sector of 64.31%. Public sector respondents were 29.52% of the sample and not for profit respondents accounted for 6.17% of the sample. Reflecting the higher mobility of project managers, the largest segment of the respondents, 27.31% had been with their organizations between 2 and 5 years. 22.91% had 2 years or less time with their current organization, 19.38% had 5-10 years, 20.70% had 10 to 20 years, and 9.69% had more than 20 years with their current organization. Project roles of respondents were more frequently subject matter expert (14.54%), project manager (33.48%), senior project manager (14.98%), and program manager (19.38%). Less than 1% of respondents were entry level. Task managers and team leaders combined to account for slightly less than 10% of the sample, while very senior positions (portfolio manager and PMO director together accounted for slightly more than 7.00%. Project management process maturity model stages reported by respondents were dominated by managed stage (45.37%), followed by planned stage (18.94%), integrated stage (16.30%), and ad hoc and sustained stages accounted for 10.13% and 9.25%, respectively. The data also shows that respondents work for
both public and private organizations as well as a small size of project managers in non-profit organizations.

![Profile of Respondents](image)

**Figure 2: Respondents profile**

Five indicators are included in the survey to measure organizational factors. Responses vary from 1 (totally disagree) to 7 (totally agree). The Chronbach’s Alpha of 0.849 indicates each indicator is aggregated well within the scales to collectively build the construct of organizational factors. The principal component analysis shows that five indicators explain approximately 62.76% of the variance. Since the factor loadings of the indicators are greater than 0.5, the organizational factor is considered effective. Personal factors are assessed by four indicators. These indicators are similarly scored on the 7-point Likert scale. The Chronbach’s Alpha of 0.78 indicates each indicator is well aggregated within the scales collectively, the personal factors. The principal component analysis shows an explanatory capability of 60.88% to the variance of the latent variable. The factor loadings fit well. Meaning of work has two indicators which account for 87.66% of the variance in the principal component analysis test and the factor loadings are over 0.5. The Chronbach’s Alpha of 0.853 also exceeds the aggregation criteria.

**ANALYSIS AND DISCUSSION**

**Overall Results from Structural Equation Model**

Based on the conceptual model of workplace happiness for project managers in Fig. 1, survey data was used to build structural equation models to examine the five hypotheses. In the first step, we tested whether the organizational factors and meaning of work influence workplace happiness indirectly through their effects on personal factors. Then, direct paths from organizational factors to workplace happiness and/or from meaning of work to workplace happiness were tested to assess whether organizational factors and/or meaning of work were positively correlated with happiness at work without the moderation of personal factors. Based on this analysis, indirect, statistically significant, factors were retained from organizational factors and meaning of work. We assumed the latent variables, i.e. project management maturity levels, role and compensation, had no impact on personal factors in the third step. Although
higher level roles within PM organizations were expected to correlate positively with PM happiness at work, we did not find a statistically significant result when the PM role was considered as moderator between organizational factors and happiness at work. These three relations were tested in SPSS AMOS program. The significance of model paths was examined, and four fit indices, including CFI, IFI, PCFI, and RMSEA were used.

The SEM tested the last possibility of the functioning paths between the latent factors and workplace happiness, that all latent factors operated independently and directly impacted workplace happiness. With a higher Chi-square value (188.328, p<0.05) compared with the value of step 2 result (108.375, p<0.05) and lower CFI, IFI, and PCFI, we can obtain the best explanatory structural model of our research as shown in Fig 3. Factor loading of all elements in the survey is shown in Table 1.

Meaning of work, acting directly and also indirectly through personal factors, has the highest positive statistical correlation with PM happiness at work (1.00*, directly, and .63*, indirectly through personal factors). Meaning of work is comprised of providing benefits to customers/stakeholders and to society in general. This finding is consistent with the broader literature about the role of meaning in happiness generally and at work.

Personal factors which analysis identified as key correlates of PM happiness at work included personal health, vitality, happiness and resilience (.63*). The remaining factors in personal resources in the survey model were not statistically significant correlates of happiness at work. These included supportive personal relationships, personal confidence or self-efficacy, and work-life balance. Within personal factors, the greatest impact was provided by a reported sense of vitality (.91) followed by personal health (.69), personal happiness (.66), and personal resilience (.53).

Organizational factors (.26*) positively correlated with PM happiness at work and were moderated by project management process maturity stage (.21*). Based on the analysis of this sample and contrary to the H5: Role in Organization and compensation of the project manager is positively correlated with reported levels of workplace happiness, compensation does not positively correlate to PM happiness at work. Two factors within organizational factors were prominent: good organization to work for (.91) and team well-managed (.90) followed by open organization (.65), pleasant environment (.61), and organization well-managed (.54). Several organizational factors included in the survey were not found to have a significant positive correlation with PM happiness at work. These included: fair pay, job security, achievable job, constructive feedback, and trusted by manager.
Figure 3. Structural Equation Model for Workplace Happiness
It’s a perennial question for organizations about who has responsibility, who can act effectively, and what actions to take to sustainably enhance employee performance in organizations, and especially PM organizations.

**PM Maturity Model Favorably Influences PM Happiness at Work**

The custom question relative to the level of project management process maturity stage within the organization was asked to support preliminary exploration of the relationship, if any, between project management process maturity stage and happiness at work for PM’s. Data was gathered using the full project management process maturity stages (ad hoc, planned, managed, integrated, and sustained). We tested two conditions, either the organization was using a project
management process, PM1, or it was not, PM0. We tested these two conditions because the data was highly skewed towards lower levels of project management process maturity. Our expected result of a positive correlation between higher levels of project management process maturity stage and PM happiness at work was not found in this sample. In Fig. 4, project management process maturity stage has a moderator effect over the link between organizational factors and workplace happiness, which reflected as a significant positive effect over the slope (0.21, p<0.05). The slope of the line relating organizational factors to workplace happiness changes at different levels of PM maturity level. According to the suggestion of Cohen (2013), we depicted the moderation effect of PM maturity level. In this figure, organizational factors are shown to have a different degree of influence on employee’s workplace happiness, under two different conditions of project management maturity.

![Graph showing moderation effect](image)

**Fig. 4** The moderation effect of project management maturity level on the relationship between organizational factors and workplace happiness.

**CONCLUSION**

With an increasing interest in workplace happiness, this paper presents a direct relationship between organizational factors and workplace happiness for the project management professional. In particular, meaning of work, providing benefit to customers/stakeholders and to society at large was a key driver of workplace happiness through its impact on personal factors. This means that organizations which clearly and consistently articulate and focus on the “why” of the work being done can contribute to an improvement in workplace happiness and thereby increase project performance outcomes through increasing PM happiness at work. Personal factors which included personal health, sense of vitality, personal happiness, and resilience are positively correlated with PM workplace happiness. These personal factors are certainly impacted by workplace practices of the organization and culture within specific project teams; however, these are also substantially under the control of the individual employee. Coordinated
actions between individual employees and their organizations to support the level of personal factors may increase workplace happiness and yield better project outcomes for organizations. Organizational factors which influenced workplace happiness included team well-managed, organization well-managed, pleasant environment, open organization, and a good organization to work for. We also found that for less mature organizations, the project management maturity level supported higher levels of workplace happiness. This finding suggested that start-up organizations might benefit from focusing first on project management methodologies and then on broader organizational management structures. We also found that compensation and other demographical variables were not critical drivers behind workplace happiness. It implied that much of management’s focus on extrinsic rewards may not effectively enhance workplace happiness in the project management domain.

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