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## **If You’re So Smart, Why Aren’t You Happy?**

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### CHAPTER 2: THE FUNDAMENTAL HAPPINESS PARADOX

It was a warm and sultry afternoon in mid-September when my cousin, who was fresh off the boat from India, and I strolled into a salad bar in Austin, TX.

“How does the salad bar concept work?,” asked my cousin.

“Well, you just load your plate with the things that you want to eat,” I said, pointing to the various items on display on the bar, “and once you are done, you carry your plate to the person sitting at the checkout counter and pay \$5.99 per pound. Then you join me and start eating.”

My cousin looked at the items in the salad bar. It was a typical salad bar with many vegetarian options (onions, tomatoes, lettuce, olives, chickpeas) and some non-vegetarian ones (bacon crumbles, ham pieces, grilled chicken).

“You mean, I pay \$5.99 per pound regardless of what I put on my plate?,” asked my cousin, his eyes bulging. He wasn’t used to the salad bar concept.

“Yes, it’s \$5.99 per pound regardless of what you put on your plate,” I confirmed, “but today you don’t pay—the meal’s on me.”

I knew exactly what my cousin was thinking. He, like many people, was price-sensitive. He recognized that, pound for pound, the non-vegetarian items were more expensive than the

vegetarian ones. This would tempt him to load his plate with the non-vegetarian items. But doing so would come at a cost to his enjoyment of the salad. He didn't eat bacon and he didn't care for grilled chicken; he liked his chicken marinated and cooked or fried, not grilled. And I knew that he loved chick-peas.

So, what would he do? Would he choose to maximize value-for-money and go for more of the grilled chicken, or would he choose to maximize enjoyment of the salad and go for more of the chickpeas?

The suspense was killing me, but thankfully, I didn't have to wait for long. He loaded his plate with much more of the grilled chicken than the chickpeas.

Value for money had trumped enjoyment.

As my cousin sat at the table, I turned to him and said, without a hint of sarcasm—well, maybe just a tiny hint of it—, “I hope you enjoy your salad.”

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My cousin had exhibited what I call the *Fundamental Happiness Paradox*. The paradox refers to the idea that, although happiness is one people's most important goals, people often act in ways that sabotages their own happiness. My colleagues and I have documented the paradox across a variety of contexts, and I am unhappy (sorry, couldn't resist the chance to pun) to report that the tendency to sabotage one's own happiness is very prevalent.

In many of our studies, participants are asked to read scenarios like the one below. As you'll notice, this scenario was inspired by my cousin's experience.

#### SCENARIO 1: SALAD BAR

*Imagine that you are at the salad bar at a restaurant that charges you by the pound. You fill your plate with whatever you want, and you pay \$5.99 per pound. There are many things you can add to your salad, and you know that certain things (e.g., mushrooms) are more expensive than certain other things (e.g., chickpeas). Imagine that you enjoy the less expensive items more*

*than you enjoy the more expensive ones. For example, you find chickpeas to be tastier than mushrooms.*

Now, answer the following question:

Which of the following two options would make you happier?

*-Option A: Adding more mushrooms to your salad so that you get your money's worth*

*-Option B: Adding more chickpeas to the salad so that you derive greater enjoyment from it*

The objective of this particular study was to confirm our intuition that, from the standpoint of maximizing happiness, enjoyment of the salad is more important than value-for-money. Results confirmed our intuition: an overwhelming majority of the respondents (95%) picked Option B. This told us that that Option B is better suited for enhancing happiness than is Option A.

But would people pick the happiness-enhancing option if given a choice? Or, would they—like my cousin— be tempted to enhance value-for-money instead?

To find out, we exposed a separate set of respondents to the same scenario, but instead of asking them to choose the option that would make them happier, we asked them: which of the two options (A or B) would you choose?

Assuming that maximizing happiness is more important than is maximizing value-for-money, one would expect that a similarly large proportion (98%) of respondents in this study would choose Option B. But, that's not what we found. Instead, we found that only 78% of the respondents chose Option B. In other words, 20% of respondents (or about 1 in 5) appeared willing to sacrifice happiness for the sake of value-for-money.

When I talk about these and other similar results to people, many wonder whether those who chose Option A were also maximizing happiness in their own way. Could it be, for example, that for some people value-for-money is more important than enjoyment for maximizing happiness? But I tell them that that is unlikely. Recall that an overwhelming majority of people (95%) think

that Option B is better suited for happiness-enhancement than is Option A. As such, it is doubtful that those who chose Option A were maximizing their happiness; rather, it seems that the participants were maximizing something else.

Before I tell you what this something else is, consider three other examples of the fundamental happiness paradox. The first of these scenarios is written from a heterosexual man's perspective, but you can easily imagine a similar scenario from other perspectives.

#### SCENARIO 2: HAPPY OR RIGHT?

*Imagine that you are in a very satisfying romantic relationship with a wonderful girlfriend. However, there is one area in which you want your girlfriend to improve: you want her to lose weight. You give her good advice on how to lose weight, but she never follows your advice. This continues for several months. Then, one day, she comes home very excited and tells you that she has met someone who has motivated her to adopt a new lifestyle—a lifestyle which will enable her to lose weight. As she tells you about this new lifestyle, you recognize that it is actually very similar to the one that you had been recommending to her all along! That is, your partner appears to have been convinced by another person to make the very changes that you have been asking her to make.*

What would you do?

Option A: Point out (angrily!) to her that the other person has not told you anything new

Option B: Congratulate her for having figured out how to achieve her goal

In this scenario, a majority of participants (86%, or 35 out of 40) reported that Option B was better suited for enhancing happiness than Option A. Yet, only 72% of the same set of respondents chose this option. So, 14% (about 1 in 7) appear willing to sabotage their own happiness—and, one might add, happiness of their partner—, for the sake of “being right.”

#### SCENARIO 3: BEAUTY AND FAME OR HAPPINESS?

Imagine that a genie offers you one of the following two choices:

*If you choose Option A, you will be a very happy person throughout your life. The things that happen to you won't be that spectacular or different from what happens to an average person, but you will have just the right attitude to extract maximum enjoyment from all the things that happen to you. If you choose Option B, instead, you will be an internally fragmented and unhappy person, although you will be very famous and beautiful. Everyone will admire you from a distance, and wish that they had your life.*

Which option would you choose?

In this scenario, Option A is explicitly presented as the happiness-maximizing option. A quick study confirmed this: 96% of respondents believed that Option A was superior to Option B from the standpoint of happiness-enhancement. So, if happiness is one of people's most important goals, a similar proportion should choose Option A. Yet, only 78% chose in this option later. So, 18% (or 1 in 6) appear willing to sabotage their own happiness for the sake of beauty and fame.

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One limitation with the scenarios I have just described is that they may not be considered important or familiar enough to our respondent pool of undergraduate students. What if the students were asked to make choices in a context—such as job-selection—that they consider consequential and with which they are more familiar? Would they make happiness-maximizing decisions in such a context?

To find out, we gave students the following scenario.

#### SCENARIO 4: INTRINSICALLY MOTIVATING VS. EXTRINSICALLY MOTIVATING JOB

Imagine that you have two job offers:

*Job A is high paying, and accepting this job will make you rich. This job will also set you on the path to a successful professional career. However, you have been told by former students who*

*have taken up this job that the work is very uninteresting, stressful, and involves long hours. The people who work at this job are known to be difficult to get along with.*

*Job B, on the other hand, does not pay as well as Job A; in fact, it pays only about half as much. While this salary is sufficient for a decent life, it won't make you rich. However, the work will be much more to your liking than the work in Job A. And the people who work at this job are easy to get along with, and genuinely nice.*

Which job would you pick?

When we asked students to pick the option better suited for enhancing happiness, a majority (57%) picked Job B—the intrinsically motivating job with lower pay. As such, if happiness is students' most important goal, a similar proportion should choose Job B.

And, indeed, contrary to what we had found in the previous studies, that is what happened. 64% of the students—a proportion very close to 57%—did choose this option!

Why were the results from this study different from the ones we obtained in the previous ones? That is, why did the students pick the happiness-maximizing choice in the job scenario when they did not in the salad-bar, happy or right and beauty/brains vs. happiness scenarios? Could it be that people make happiness-enhancing decisions in contexts that involve consequential decisions and in ones with which they are familiar?

At first glance, results from this study might seem to suggest exactly that.

But something about the pattern of results from this study did not sit well with me, or with my collaborators. The more we thought about the results, the more we started having second thoughts about it. And if you know b-school students as well as I do, you can probably guess what was bothering us. Think about what comes to mind when you consider the typical of b-school students: desire to pursue intrinsic motivations or desire to make money?

Having graduated from a b-school myself, I know that the reputation that b-school students have—of being cut-throat mercenaries—is, well, well-earned. And yet, a majority of the students in our study had chosen the intrinsically motivating job. How come? Were the students in our study different?

Perhaps, but a more likely possibility is that the students in our study were unwilling to admit their true preferences to us. They were telling us that they would choose the intrinsically motivating job with low pay when, in fact, they would actually have chosen the less-motivating job with the higher pay.

Why? Because of the desire to come across as an authentic person—as someone interested in following their passion even if doing so comes at a financial cost, than as someone interested in maximizing pay.

My collaborators and I hatched a plan to explore whether students in the job-selection study had been dishonest.

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When psychologists' want to ferret out the truth from people who don't want to admit it, they use a trick called the *projective technique*. The technique involves asking people their opinions of what *other* people think, rather than ask them what they themselves think. The technique works because people care much more about their own reputation than about the reputation of others. In the job selection scenario, for example, students may not be willing admit to their own money-mindedness, but most will have little hesitation in "admitting" that their peers are money-minded. The projective technique is as effective as it is simple, and as a result, has had a long history of use in psychological studies.

Here's a simple example of how you could use the projective technique in your own life. Say you want to know how many people pee in swimming pools (why wouldn't you?). You would get a much better estimate if you asked people to answer the question, "How many *other* people do you think pee in pools?" than if you asked them the more direct question, "How

often do you pee in pools?" If the answer is, "most people," you can rest assured, in a manner of speaking, that peeing in pools is very common.

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The next time I was in the MBA classroom, I projected descriptions of the same two jobs—Job A and Job B—onto the screen, and asked students to assume that they had received both job offers. Then, after giving them some time to consider the two options, I asked them to choose one.

"How many of you would choose Job A—the un-motivating job with the high-pay?," I first asked. A few hands—about 5 in the class of 40—went up.

I then asked, "How many of you would choose Job B—the low-paying, but intrinsically motivating job?" Many more hands—around 20 this time—went up.

The pattern of results was similar to the one we had obtained earlier in the job scenario study: a larger proportion appeared to prefer the low-paying intrinsically motivating job over the less-motivating but high-paying job.

I feigned surprise and said, "Interesting! One would think that MBAs are a money-minded bunch, but you guys seem different. How come?"

If the MBAs were surprised too, they didn't let on. So, I pressed them, "Isn't anyone else surprised?"

Finally, one of the students spoke. "We are different," she said, "We are less interested in making money and more interested in following our passion."

"What about MBAs from other schools?," I asked, "How many of them would have chosen the high-paying job do you think?"



“Definitely a lot more than in our school,” said one other student, looking around at her classmates for support, which they readily provided.

“How about the undergraduates at our own school?” I asked next, “Are they more like you or are they more like MBAs from other schools?”

“Oh, definitely more like MBAs from other schools,” said one of the students from the back-row with a grunt of disdain, “As an undergrad, all you care about is making money. It’s only after you have worked a few years that you realize money isn’t everything.”

“Hmmm...,” I wondered to myself, “I would love to find out what the undergrads think.”

I soon got the opportunity. I did the same exercise with my undergrads, and you can guess what I found: the undergrads believed that they were far less money-minded and far more interested in following their passion than the MBAs.

So, our hunch appeared to be right: students seemed to have a desire to hide their true preferences in job-selection contexts.

But how does one prove it more directly? Could we show that MBAs select happiness-eroding choices for themselves in a job-selection context?

This is the task to which we turned next.

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I knew, having gotten an MBA myself, that students’ greed is most likely to be displayed during the job-interview season. It was no secret that the best-paying jobs—jobs in investment banking and consulting—are generally the most sought after. So, in our next study, my colleagues and I simulated the conditions of a job-interview.

Here’s what happened.

Students took part in a “test,” which involved answering 12 questions on various topics. One-third of the students were told that performance in this test would reveal how well they would perform in job-interviews. Another third of the students was told that their performance in the test would reflect their “social skills”. A final third were not asked to participate in a test. Then, all three groups of students were exposed to the same two job-descriptions (Job A and Job B) and asked to choose one.

As it turned out, 55% of the students in the first group chose the high-paying job. In comparison, only 26% of the students in the “no test” group chose this job. Those who believed that the test was meant to assess social skills fell in between: 44% of this group chose the high-paying job.

What these results show is that, the greater the stress, and the more it resembles that the type of stress that people feel during the job interview season, the more one is likely to sacrifice happiness and choose, instead, the high-paying job. This study provides more direct evidence for the fundamental happiness paradox.

But, we weren’t done yet. We wanted to document it in a real-world job selection context.

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Our final study was run in two stages. In the first stage, which took place about two months before the actual job-interview season, MBAs were given a list of companies that regularly come to hire on campus. This list included companies from a variety of industries—packaged goods (e.g., P&G), investment banking (e.g., Morgan Stanley), retailing (e.g., Walmart, Wholefoods), technology (e.g., Dell), etc. Students were asked to rate each company on a 7 point scale. A rating of “7” meant that the job at the company was “very intrinsically motivating but low-paying,” and a rating of “1” meant the job was “very un-motivating but high-paying”. A rating of “4” meant that the job was balanced in terms of intrinsic motivation and pay.

After rating each company, students were asked to rank the jobs in order of their personal preference, from highest to lowest. For example, a student interested in retailing could rank a

job with Wholefoods higher than a job with Walmart. Finally, students were given the descriptions of the two jobs—Job A and Job B—from the job-selection scenario, and asked to indicate which type of job would make them happier.

Results from this (first) stage of the study showed that intrinsic motivation had a bigger influence than pay on preferences: jobs that scored 4 or higher were ranked higher than those that scored 4 or lower. In other words, before the interview season had begun, students seemed to be saying that they would rather take a job that is more intrinsically motivating than one that is higher-paying. Results also showed that the majority of students (73%) considered the intrinsically motivating job with lower pay (Job B) to be better suited for enhancing happiness than the less-motivating job with the higher pay (Job A).

Stage 2 of the study took place after the job-interview season, once the students had made their final job-selections. Students were asked to indicate the number of job offers they received, and their final job choice. These two pieces of information allowed us to compare the students' final job-choice—which had been made during or immediately after the stressful interview season—with the preference-ordering they had provided in Stage 1.

Our prediction was that the students' final job-choices would be inconsistent with the ranking they had provided in Stage 1. Specifically, we expected preferences to have shifted in the direction of pay and away from intrinsic motivation. And that's what we found. Among the students with 2 or more offers (66% of the class), a vast majority (75%) had reversed their preferences: their final job-choice reflected higher importance for pay over intrinsic motivation although they had earlier weighted intrinsic motivation higher than pay. The single most important determinant of final job-choice was pay. Prestige of the company and location came next. Intrinsic motivation had *no effect* on the final job-choice.

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What do these findings imply? My interpretation, of course, is that people seem to be sabotaging their own happiness. By their own admission, students think that intrinsic motivation is more

important than pay for enhancing happiness. For example, across multiple studies, they rated Job B as better suited for happiness-enhancement than Job A. Further, before the interview season, they preferred jobs that are more like Job B than like Job A. And yet, come interview season, they can't help but choose jobs that sacrifice intrinsic motivation—and therefore happiness—in favor of pay.

I recognize that this is not the only interpretation of the results. It's possible, for example, that the students were maximizing "future happiness" over "present happiness." Jobs with higher salaries provide greater potential for repaying loans, and for saving for the future and retirement. So, it is possible that the students chose to sacrifice present-happiness for future-happiness by choosing the job with higher pay. Perhaps the students would have preferred the intrinsically motivating job if they had enough money to pay off their loans or were assured that they would have saved money for retirement.

But this explanation has some problems with it. First, it does not account for why the students' preferences changed over time. If students were maximizing future happiness, why did they not prefer the high-paying jobs in Stage 1 of the study? Second, in our study, we collected data on whether students had loans to pay off, and also collected information how important it was for them to save money for the future/retirement. Even after accounting for all this, it turned out that their preferences had shifted over time toward the less-motivating but better-paying jobs.

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The idea that people often make choices that sabotage their own happiness is actually quite consistent with findings from several streams of research, of which I will highlight two. Findings from the first stream of research, referred to as "medium maximization," suggest that people get distracted by the goal of maximizing the *mediums* to happiness (think of money as a medium) and forget why they wanted to maximize the medium in the first place.

In one experiment, participants were told that they could choose to engage in either a short (20 minute) or a long (25 minute) task in return for a reward. If they chose the short task, they

would receive 1 pound of snickers bars. If they chose the long task instead, they would receive the option of choosing between 1 pound of snickers bars and 1 pound of almond joy bars. Another set of participants in the experiment were given the same two (long vs. short) tasks from which to choose, but with a twist: a “medium” was introduced. Participants were told that engaging in the short task would give them 60 points, which they could use to procure 1 pound of snickers bars, whereas engaging in the long task would give them 100 points, which they could use to procure either 1 pound of snickers or 1 pound of almond job. As it turned out, a majority of participants in both sets generally favored snickers to almond joy. However, the introduction of the medium changed the preferences: when there was no medium, participants chose the short task, and the snickers bar, but when there was a medium, participants favored the long task and had a greater preference for the Almond joy bar.

Think about what these findings imply for money—the most common medium. They suggest that people can get so caught up in maximizing money that they forget that money doesn’t provide any value in and of itself—it only provides value when it is exchanged for something else. Money is what money does. But, most people forget this and chase after money even if doing so reduces their enjoyment from life.

People can get distracted from their goal of being happy not just by money, but by other things as well. Incredibly, the desire to make a good choice can distract you away from making the choice that maximizes happiness. In one experiment, freshmen at a university were offered a choice between two posters to take to their dorm rooms. Before indicating their choice, one set of participants was asked to first think hard about the reasons for the choice of their poster before indicating their choice. The other set was not compelled to think of reasons for their choice. Both sets of participants were granted their choices. Then, a few weeks later, both sets of participants were asked to indicate how satisfied they were with their choices. It turned out that those who *hadn’t* been asked to think of reasons for their choice were more satisfied. Several other studies have found similar results, indicating that the choices we make are often worse if we think about them. And yet, many of us believe that it is decisions that are well thought out that yield higher happiness.

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Results from these studies not only provide additional evidence for the fundamental happiness paradox, they also point to why the paradox exists. In a nutshell, they suggest that the paradox exists because we are distracted from making happiness-maximization decisions by other priorities. In the “salad bar scenario,” the other priority is value-for-money. In the “happy or right scenario,” the other priority is being right. In the “beauty/brains or happiness,” the other priority is beauty/brains. And in the “job-selection scenarios,” the other priority is money.

The fundamental happiness paradox wouldn’t be a big deal if these “other priorities” were few and generally not potent enough to erode into happiness. But, sadly, that is not the case. As we will see in the chapters to come, most of us are *overrun* with priorities—goals, values, lay-beliefs, etc.—that significantly reduce our happiness levels. Indeed, it wouldn’t be inaccurate to say that almost all decisions we make—and certainly the most important ones—are guided by priorities that derail us from leading a happy and fulfilling life.

Consider the results from a study that my collaborators and I ran using employees in a large firm as participants. We asked these employees to keep track of their happiness on a daily basis. For one set of employees, we provided daily reminders that were designed to help them focus on the goal of being happy. These reminders took the form of gentle nudges, rather than heavy-handed instructions, to focus on making decisions in a way that enhanced their happiness rather than other priorities. The other set of employees were not sent any such reminders. Then, we examined how happy these two sets of employees were for the duration of the study, which lasted several weeks. We found, consistent with the idea that people routinely make happiness-eroding decisions left to themselves, that receiving the daily reminders made people happier.

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An important reason for the prevalence of the fundamental happiness paradox is that most of are unaware—unless alerted—that we routinely make happiness-eroding decisions. And we are

unaware that we routinely make happiness-eroding decisions because we do not consciously examine the implications of our decisions for our happiness. So, over time, we subconsciously let other criteria—goals, beliefs, values etc.—assume greater priority over happiness.

We then blindly assume that the decisions we make are conducive for enhancing our happiness. When it turns out that we are less-happy than we would like to be, we blame others or the circumstances for our misery, rather than questioning our priorities.

So, if you are serious about enhancing your happiness—and you should be, since being happy will make you more productive, healthy and helpful—it is important that you examine the ways in which you are sabotaging your own happiness.

This is the task to which I turn in the next chapter.