

The Ratio of Positive to Negative Attitudes in Predicting Turnover: A New Employee Engagement Concept

AUTHORS



Michael O'Malley
Managing Director

The concept of engagement is ubiquitous in organizations, although efforts to promote and measure engagement have not always met expectations. Initially called on to fight in the war for talent and armed with a seductive business rationale that promised better business results, the concept of engagement has been a staple of organizational thought for 20 years. Yet, what if we discovered our methods for measuring engagement all these years have been wrong? Is there a better way that is consistent with psychological principles and imparts more practical applications in the workplace?

Historically, we have defined engagement as the sum of what employees like and do not like about the policies and practices of their employers, often as relayed through their managers. However, employee engagement may not be as dependent on what people like and dislike as much as the relative balance between their likes and dislikes. The idea that individuals' satisfaction is dependent on the ratio of their positive to negative experiences has been around for some time, solidified by researcher John Gottman's analysis of married couples. He showed that couples were likely to stay married if their positive experiences and feelings about each other outnumbered their negative experiences and feelings. Observational and diary studies showed that couples with "positivity ratios" of 5:1 were almost certain to weather the inevitable storms and stay together, and almost certain to divorce/separate as these ratios approached 1:1. These positivity ratios, then, were found to predict both relationship quality and durability.

Researchers extended work on positivity ratios to other facets of life, showing that people with higher positive to negative experiences report better relationships, greater personal satisfaction, and higher work satisfaction. Studies also show that people with higher positivity ratios are more likely to "flourish," defined as striving toward one's potential, withstanding normal everyday stresses, working productively, and contributing to one's

"Engagement conceived in this manner provides a stable referential standard for incentive programs and tracking change."

community. When the positives in the workplace increase, people think more expansively and flexibly, are more willing to undertake novel activities and experiment, are more resilient, exhibit greater self-control, are more self-efficacious, and see their environments as more supportive and encouraging. Positivity is like the proverbial perpetual motion machine that fuels itself: positive people can generate their own resources to persevere and succeed.

Applying this revised concept of engagement, we tested the relationship between positivity ratios and turnover within the salesforce of a technology company and found employees with positive to negative ratios over 4:1 were significantly less likely to have looked for work outside their current employer. Conversely, employees with ratios below 2:1 were significantly more likely to say they had looked for other jobs (we now use a cut-off of 3:1). These results demonstrate ratios of positive to negative attitudes are indicative of potential turnover. The fact that more positive experiences are required to offset negative experiences is consistent with what is known as the negativity bias. Negative experiences weigh more heavily on people than corresponding positive experiences. The good things that happen to us are less potent and decay faster than negative experiences so that it takes approximately three goods to equal one bad.

Importantly, engagement conceived in this manner provides a stable referential standard for incentive programs and for tracking change. For example, ratios can be rolled up across employees by unit managers and used to reward leaders who are more adept at maintaining a workplace where the number of goods outnumber the bads. Over time, these ratios can be tracked along with other organizational metrics, such as productivity, and be used to monitor the impact of organizational changes on employee attitudes and performance. However, to be effective as a measure of engagement, survey items must satisfy two necessary conditions. First, they must have an emotional tone and cannot refer purely to fact-based beliefs, e.g., “I understand how the performance management system works.” Second, they must connect to what people want in relationships, including employer-employee relationships. Therefore, items include those that relate to workplace policies, programs, and practices in which basic human needs for growth, inclusion, autonomy, etc. are implicated.

This new formulation for engagement dramatically changes how we approach employee motivation and intervene in the workplace. This revised definition suggests that many things may make work life more satisfying and worthwhile and that any of a number of changes may make the workplace more appealing and increase engagement. We need not hunt for the one program improvement that will change everything. Creating a more experientially invigorating workplace in its myriad manifestations will go a long way. Nevertheless, to the extent that people have similar motives and interests, it is possible to explore possible commonalities of opinion among employees. In the aforementioned study, we were able to show that employees whose ratios exceeded 4:1 said they had a more fulfilling work environment, felt a greater sense of accomplishment through their work, had managers who



appreciated and recognized their work to a larger degree, and were more optimistic of longer-term opportunities in the company.

Engagement reconceived in this new manner also more directly connects events that are external to the workplace to people's attitudes and positivity ratios in the workplace: to employees' ability to derive pleasure from their work. Given the well-known spillover effects between work and personal life, companies would do well to widen their perspectives on employees to include the life of the whole person. Interventions will certainly entail the customary work-life considerations but will extend beyond that to consider how to enrich employees' lives more generally so that the work environment is not adversely affected by other negative life experiences. For example, many companies now offer life skills classes for employees such as budgeting and financial planning that are designed to build general competencies and ease anxieties at home.

Our research and this new conception of engagement represent a significant and promising shift in the way engagement surveys are structured and analyzed. This new view more aptly represents an index of organizational health that is highly contingent on the aptitude of leaders. This is not an index of happiness or prescription for escape from hard work—far from it. Most of what people do at work is work, and they would prefer to derive a robust sense of purpose and satisfaction in doing just that. Therefore, we are in search of something more substantive than pleasure when we invoke a new and different era for engagement. Let's call it fulfillment.

About the Author

Michael O'Malley is a managing director at Pearl Meyer, where he is responsible for a broad range of talent management initiatives centered around compensation design, leadership development, and organizational effectiveness. He is an expert in developing human resource programs to foster behavior change, team effectiveness, and system-wide growth.

About Pearl Meyer

Pearl Meyer is the leading advisor to boards and senior management on the alignment of executive compensation with business and leadership strategy, making pay programs a powerful catalyst for value creation and competitive advantage. Pearl Meyer's global clients stand at the forefront of their industries and range from emerging high-growth, not-for-profit, and private companies to the Fortune 500 and FTSE 350. The firm has offices in New York, Atlanta, Boston, Charlotte, Chicago, Houston, London, Los Angeles, and San Jose.



Pearl Meyer

NEW YORK

461 Fifth Avenue, 19th Floor
New York, NY 10017
(212) 644-2300
newyork@pearlmeyer.com

ATLANTA

One Alliance Center
3500 Lenox Road, NE, Suite 1708
Atlanta, GA 30326
(770) 261-4080
atlanta@pearlmeyer.com

BOSTON

93 Worcester Street, Suite 100
Wellesley, MA 02481
(508) 460-9600
boston@pearlmeyer.com

CHARLOTTE

3326 Siskey Parkway, Suite 330
Matthews, NC 28105
(704) 844-6626
charlotte@pearlmeyer.com

CHICAGO

151 North Franklin Street, Suite 450
Chicago, IL 60606
(312) 242-3050
chicago@pearlmeyer.com

HOUSTON

Three Riverway, Suite 1575
Houston, TX 77056
(713) 568-2200
houston@pearlmeyer.com

LONDON

Collegiate House
9 St. Thomas Street
London SE1 9RY
+44 (0)20 3384 6711
london@pearlmeyer.com

LOS ANGELES

550 S. Hope Street, Suite 1600
Los Angeles, CA 90071
(213) 438-6500
losangeles@pearlmeyer.com

SAN JOSE

333 West San Carlos Street
San Jose, CA 95110
(669) 800-5704
sanjose@pearlmeyer.com

**For more information on
Pearl Meyer, visit us at
www.pearlmeyer.com or
contact us at (212) 644-2300.**