

# Validating the importance of positivity in the modern organization:

## Quantifying the link between positivity and performance

Research by

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### OVERVIEW

This white paper will present the evolution of positivity — beginning with its origin, provide an updated, organizationally-focused definition, as well as introduce a scientifically-based measurement assessment with conclusive data that links positivity to improved organizational performance.

Positivity is a word broadly used in our everyday vernacular. It often connotes an intention, a mood, a mindset or an approach. And, while there are multiple definitions, there is a lack of clarity around the application, importance or measurement of positivity in the business environment. Many leaders conflate positivity with happiness, and while there is a direct link between the two, there is a significant divergence in how they manifest in the workplace, especially as part of the leadership equation.

Sadly, many organizations suffer from a lack of understanding of positivity — not viewing it as a competitive advantage, but as an inherent trait and one that is disconnected to any financial or performance metric. Research and performance norms of high performing companies will debunk the myth of positivity as only a feel good, nice-to-have

activity by progressive leaders. The power of positivity is now relatable, implementable and measurable. Most importantly, it is directly tied to performance.

Positivity serves as one of the most vital connectors of people, companies, and relationships. It is the glue that binds both companies and individuals to a desired future state and holds strong organizations together. The concept of positivity is challenging to define and has been labeled a pseudoscience of intangible qualities, unessential at an organizational level. However, there is significant data that supports that positivity provides a direct link to a more productive, higher performing work environment, and is comprised of tangible behaviors that can be learned, honed, and measured.

Positivity should not be characterized as some slippery ideal, misunderstood concept or buzzword with no real meaning or measure. Positivity is derived from the field of Positive Psychology, a widely studied and accredited discipline. Positive Psychology, simply put, is the scientific study of optimal human functioning (Linley, Joseph, Harrington, & Wood, 2006)

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+ **Positiv**

Positivity

This academic study incorporates the emotions and traits that enable people to live happy, fulfilling lives. In the scope of the workplace, Positive Psychology has become widely accepted as a lever to affect employee performance and ultimately, organizational performance. Yet still, many leaders struggle with the concept because of the amorphous evaluative and measurement tools leaders require to create a definitive link to performance. Without a definitive link to performance, leaders are less willing to invest in focused actions around positivity. In summary, without clear positivity performance metrics, leaders will invest in other, often less proven, but more widely understood, employee engagement and culture levers at the expense of positivity. The science behind positivity is transformative in that it provides definition, core elements and measurement to drive specific behavior change and validate performance with a group or enterprise.

# Pos vity

## THE ORIGINS OF POSITIVITY

Positivity is a practical evolution of Positive Psychology. Positivity, while often articulated and linked to a “positive leader,” goes unnoticed when present organizationally, but its absence is often keenly felt, even when it cannot be supported with specific data. A sustained reduction in positivity decreases performance, connectivity, happiness, and motivation across the workforce. There is quantitative data to suggest that positivity has a resounding impact on employees and will ultimately work to improve both individual and organizational productivity. One study — conducted by the University of Michigan Business School — worked to prove that positivity has an explicit linear relationship to success in an organizational setting. Their examination of positivity in organizations reveals that the high performing groups had a positive to negative (P/N) ratio (the amount of positive verbal input in comparison to the amount of negative verbal input) of 5.614 whereas the lower performing groups had a P/N ratio of .363. This validates the tangible impact of positivity and illustrates how it helps drive performance.

In the same manner, negativity is concrete and can impede individual and organizational performance. Negativity is a virus that insidiously mobilizes throughout organizations. A Harvard psychologist discovered a pattern of propagation regarding negative emotions; every happy companion increases an individual’s chances of being happy by 11%, but each negative-emotion laden companion doubles the chances of that individual becoming unhappy. Negativity generates more negativity. Within the confines of an office setting, one disgruntled employee can poison the moods within the office, and thus, the productivity of all his or her coworkers as part of an emotional chain reaction. Not only is negativity contagious, but it is innate. Human beings have a negativity bias, “a tendency not only to register negative stimuli more readily, but also to dwell on these events.” Without an intentional effort to infuse positivity in the workplace, there is limited antidote to combat the negative biases that naturally exist. Those negativity biases impact more than attitudes and performance — they create a psychologically unsafe environment where there is an unhealthy power dynamic between negativity, fear and the necessary trust, employee voice, and employee engagement that permeates healthy, positive companies.

The origin of positivity comes from the 13th century French word, *positif*, and Latin word, *positivus*, meaning “settled by agreement.” Throughout the 14th and 15th centuries, it had many different meanings, from “absolute,” “expressed without qualification,” “confident in opinion,” even mathematical use in the 1700’s, and in 1916, the psychological sense of “concentrating on what is constructive and good.” Positivity, even with earlier origins in other languages, appears to have entered the English language in the middle of the 17th century. The earliest known definition for this word comes in 1659 (Merriam-Webster). Definitions include: the quality or state of being positive; something that is positive (Merriam-Webster).

## DEFINING POSITIVITY

While there is ample research to support the concepts of positivity, often through literature on Positive Psychology, there is limited scholarly work that produces a clear or consistent definition. Social scientists and researchers at Deutser Clarity Institute conducted an extensive literary review of positivity, in order to develop a definition that encompasses all the diverse elements that comprise positivity in both individuals and organizations. Our goal was to have a deeper understanding of the different realms that comprise positivity and create an appropriate definition beyond the overly simplistic focus on happiness and building upon the principles of Positive Psychology.

Our research and work with leaders in diverse organizations helped us to define positivity. We view positivity as a frame of mind that transforms one or more individuals and their organizations through the ability to collectively harness five essential elements — inspiration, mindfulness, happiness, optimism, and gratitude. The continued development and adoption of these five elements as a way of life help to continually manifest productive changes in one’s life, and when amplified among other individuals, within an organization.

# Perform ance

The Deutser Clarity Institute gives meaning and measure to a word that lacked definitive structure or an ability to be precisely evaluated and influenced, especially in the business environment.

The segmentation of positivity into these five distinct elements serves as a foundation to identify specific levers that can be influenced, individually as well as organizationally, through operational and culture efforts to improve positivity. Within the current available management, industrial/organizational, and positivity literature, there lacks a consistent instrument that clearly defines, let alone measures, positivity. Positivity is an umbrella term for a number of behavioral factors that combine to build psychological capital within an organization. By naming these factors, the Deutser Clarity Institute gives meaning and measure to a word that lacked definitive structure or an ability to be precisely evaluated and influenced, especially in the business environment.

Performance

## MEASURING POSITIVITY

Understanding the basic five element construct of positivity is critical for leaders to begin to leverage positivity inside their organizations. However, it has become clear that definition alone is not enough for leaders to embrace the concept. Leaders demand results and will only place attention and resources where results can be measured and directly impacted. Without measurement, leaders in our work and studies simply were not willing to invest in the concept. The outcome of the work of Deutser Clarity Institute social scientists and executive coaches is a validated research assessment that accurately measures positivity.

The measurement tool centers around the five elements of positivity: **Inspiration** — the ability to motivate and lift up, **Mindfulness** — the ability to be fully present and aware in a given moment, **Happiness** — the ability to feel a sense of joy, **Optimism** — the ability to anticipate the best possible outcome, and **Gratitude** — the quality of being thankful. The assessment produces the Positivity Quotient™, which measures positivity and assigns a positivity score (thus the Positivity Quotient™) for an organization, department and/or an individual. The Positivity Quotient™ (PQ) is comprised of a series of scientifically validated questions that focus on the definitional concepts of Positivity:

- I feel inspired every day to do my best work.
- I practice mindfulness by staying in the present moment while doing my work.
- People that I work with care about my happiness and well-being.
- People I work with generally feel optimistic about the organization's future.
- People in my organization express genuine gratitude toward one another.



Five elements of positivity: Inspiration, Mindfulness, Happiness, Optimism, and Gratitude. The assessment produces the Positivity Quotient™

# Measure

Through the Positivity Quotient™, we are able to quantitatively measure positivity inside an organization. More than the actual score for each element or the aggregate score from the Positivity Quotient assessment, leaders can conclusively understand the correlation between their success and the positivity in their organization. Our research team has been able to identify a deeper connection between positivity and performance, as well as determine a direct relationship between positivity and the employee Net Promotor Score (eNPS), known to be a highly predictive measure of employee engagement.

These advanced findings redefine the approach decision makers should take to meet productivity goals and drive organizational outcomes. A regression analysis was run to examine the relationship between the Clarity Performance Index™ and Positivity. The Clarity Performance Index™, a scientifically validated instrument and study conducted with more than 18,000 individuals and 37 organizations over the past decade, measures organizational health and performance in four quadrants (Direction, Operations, People and Engagement) evaluating effectiveness in 12 distinct dimensions.

The dimensions are scored separately, and all 12-dimension scores can be compared and correlated to the five fundamental elements of positivity — Inspiration, Mindfulness, Happiness, Optimism, and Gratitude. Ultimately, each dimension signifies an aspect of the organization that correlates to implementable solutions that can assist in increasing employee positivity and performance.

Leveraging data aggregated from the Clarity Performance Index™ in conjunction with the data collected on positivity by more than 3,800 respondents, there is conclusive validation that the four quadrants predict positivity ( $r = .79$ ).

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## The Five Primary Findings From The Positivity-Performance Study Are:

**FINDING 1:** There is a strong correlation ( $r = .64$ ) between positivity and organizational performance.

The research validates the concept that positivity does in fact directly influence and impact performance. There is a high correlation between positivity and each of the 12 performance dimensions in the Clarity Performance Index™. The correlation is so significant that positivity is nearly synonymous with overall performance on the Clarity Performance Index™. No longer can positivity be brushed aside as a soft, immeasurable concept utilized as a “feel good” culture tool to drive “happiness” in the company. The research and ensuing leadership work demonstrate that there is a direct link with performance and positivity, making it the organizational glue that binds leaders together with the organization and with its desired future state.

**FINDING 2:** Positivity is the primary driver of high performing culture (people B = .46 and engagement B = .30) in an organization.

The research findings show the direct relationship of positivity with the People and Engagement quadrants of the Clarity Performance Index™. These two dimensions in the study comprise the culture system in a company. The correlations between the People and Engagement quadrants, the six culture dimensions (Teamwork, Talent, Coaching, Fit, Customer, Climate) and positivity scores demonstrate a connection that places positivity as the nucleus of culture and employee engagement. The research shows the interconnectedness of the culture system, and that by focusing efforts on positivity, a company will elevate all other organizational drivers of culture.



**FINDING 3: Teamwork (B = .28) is the greatest predictor of positivity in an organization.**

At the most granular level, of the 12 dimensions that comprise the Clarity Performance Index™, Teamwork is the greatest predictor of positivity. The higher the Teamwork capability and performance, the increased likelihood of a higher positivity score. While often overlooked in an increasingly siloed, distanced work environment, Teamwork remains at the heart of a high performing culture. A strong team is capable of exhibiting all five elements of positivity — Inspiration, Mindfulness, Happiness, Optimism, and Gratitude — reinforcing the influence that teams have on performance, even in environments that prize individual performers. The research validates the importance of the “team before me” leadership focus as it directly influences positivity, culture and performance norms across the enterprise.

**FINDING 4: Positivity has a direct impact on the organization’s strategic system with direct correlations to leadership (B = .16) and adaptability dimensions (B = .11).**

The research provides data that shows that positivity not only drives the culture system, but also directly influences the other enterprise system, the strategic system. The data shows that two dimensions within the strategic system, Adaptability and Leadership, have a direct correlation to positivity. This finding establishes positivity as more than just an employee morale booster — it positions it as instrumental in driving the strategic system and supporting

the overall direction and operations of the organization, as well as the company’s ability to navigate change and achieve its business goals. Further, this finding reinforces the effect of leadership and the impact of leaders who embrace positivity, individually, as well as organizationally.

**FINDING 5: There is a direct correlation between positivity and eNPS (r = .60), demonstrating a conclusive link to employee engagement.**

When comparing organizations whose Positivity Quotient™ score is in the top 25% with those in the bottom 25%, there is a 59-point differential, on average, in employee Net Promoter Score. Organizations scoring in the top quartile carry an average eNPS of 65, whereas those in the bottom quartile average 6. This is a significant variance of eNPS, demonstrating positivity’s influence as a driver of engagement within an organization. The data reinforces that high performing organizations are anchored by leaders and employees consistently exhibiting positivity, thus perpetuating a strong culture and an engaged workforce.

In a previous Deutser Clarity Institute study of employee engagement with more than 14,000 respondents, the data conclusively linked increased eNPS with improved engagement (r = .60). In leveraging the findings of both studies, an increase in positivity has a direct correlation to improved eNPS (Positivity Study), which has a profound impact on employee engagement. This creates a conclusive link between positivity, eNPS, employee engagement and organizational performance.



## CONCLUSION

With the lack of a clear historical definition or any metrics that effectively measure positivity in the work environment, the concept has not been widely considered an important part of the organizational performance equation or an effective leadership tool. By defining positivity with five distinct elements (inspiration, mindfulness, happiness, optimism, and gratitude) and developing a scientifically validated assessment to measure positivity with performance, leaders now have a powerful, measurable tool to drive culture, engagement and performance.

Analysis of data collected by researchers in the Deutser Clarity Institute conclusively demonstrates the fact that positivity drives organizational performance and supports the premise of positivity as the glue that binds an organization to its desired future state. The study further shows that positivity permeates through all aspects of an organization's culture, as well as an organization's strategic system, suggesting manipulatable levers-of-change exist universally. Perhaps most telling, the strong and direct correlation between eNPS, employee engagement and positivity validates leadership investment, attention and performance objectives.

When an organization has a high Positivity Quotient™, there is a higher likelihood that the company has a high performing culture, a strong team orientation and an increased ability to achieve its desired future state in a more expedient manner. Performance and positivity are intricately and indelibly linked. This finding not only supports the business objective of increased performance, but the leadership imperative of an engaged, focused and retained workforce.

Performance and positivity are intricately and indelibly linked.



#### SUMMARY OF FINDINGS

- **Positivity is a core driver of performance and can determine a company's ability to achieve its desired future state in a more expedient manner.**
- **Positivity has a tangible, measurable impact on business outcomes.**
- **Positivity is a distinguishable and essential factor in all high performing organizations.**
- **A culture devoid of positivity breeds a lack of psychological safety.**
- **It is possible to identify individual drivers that can influence positivity.**
- **Increasing positivity will improve key drivers of organizational culture and performance.**
- **There is a significant variance of eNPS in high and low performing companies, demonstrating positivity's influence as a driver of engagement within an organization.**
- **There is a direct link between eNPS, employee engagement, positivity and performance.**



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