

# Fairness and Engagement: Where Pay Equity Fits In

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While fairness is a core expectation of any quality relationship, there are also a number of other values that people hold in high regard in both their personal and work lives. In the workplace, employees want to feel that they belong and are involved in meaningful and stimulating work. They value learning and development, responsibility, and the ability to respectfully exercise their judgment. The combination of these different attributes can contribute greatly to an employee's level of engagement.

Maintaining employee engagement is therefore critical and pay equity matters because it is a key component of the total impression employees form based on their lived experiences. It also influences their level of satisfaction and motivation to perform well and work productively. The importance of engagement is ubiquitous in today's workplace - although its promise as a cure-all has not always met organizational expectations. This may be because concepts like pay equity and other core employee expectations have not been synthesized in the right way.

Historically, engagement has been defined as the sum of what employees like and do not like within the workplace. 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. Indeed, these "positivity ratios" have been found to predict both relationship quality and durability. People with higher positive to negative experiences report better relationships and greater satisfaction both at home and at work. Studies also show that people with higher positivity ratios are more likely to 'flourish' – which is defined as striving toward one's potential, withstanding normal everyday stresses, and working more productively.

In general, employees with positive to negative ratios of greater than 3:1 are more likely to thrive. 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 in such a way that it takes approximately three good experiences to offset a single bad one.

In the case of pay equity, then, a perceived pay inequity must be counterbalanced by several other sources of satisfaction - which may be unlikely in an organization that allows inequities to persist. This attests to the weightiness of one injustice and the criticality of maintaining a fair and equitable compensation program.

Importantly, engagement conceived in this manner provides a reliable and stable reference for incentive programs and for tracking change. For example, these positivity ratios can be rolled up across employees by unit managers and used to reward leaders who are more adept at maintaining a positive and motivated workforce. Over time, these ratios can be tracked via surveys alongside other metrics and used to monitor the impact of organizational changes on employee attitudes and performance.

### **To be effective as a measure of engagement, survey items must satisfy two necessary conditions:**

1. They must have an emotional tone and cannot refer purely to fact-based beliefs such as: "I understand how the performance management system works."
2. They must connect to what people want in relational exchanges including workplace policies, programs, and practices in which basic human needs for growth, fairness, inclusion, autonomy, and more are implicated.

This new understanding of engagement dramatically changes how we approach employee motivation and intervene in the workplace. It suggests that any number of changes may

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