

# peak end theory



# *Peak well and end well*

*Dr Adam Fraser explores how Peak End Theory can improve job satisfaction and your employer brand*

**ANYONE IN HR KNOWS** that job satisfaction is a key predictor of whether someone will stay in his or her role or not. Job satisfaction also affects that very important metric called employer brand. There are many factors that create our employer brand. One of the most powerful is how our employees and ex-employees talk about our company to others. Therefore, how satisfied our employees are determines our recruitment costs and whether we attract the best people into our organisation. But the real question is how does an employee determine if they are satisfied or not? The good news is that it is far easier to make people satisfied in their jobs than you think.

Prominent psychologist Daniel Kahneman is the founder of Peak End Theory. This theory proves that, when people reflect on an experience, they remember the peak moments (either good or bad) and how it ended. What people do not do is look at the experience as a whole and average it out. We don't measure pleasure or pain by how long it lasts; rather, by the most intense feeling experienced and the impression left by the final moments of the experience. Your decision to repeat an experience or buy a product associated with it is controlled by whether the experience had any peak pleasurable moments and how it ended.

An experiment was done in which people had to place their hands in painfully cold water under two different conditions. First, they immersed their hands for 60 seconds. After their hands returned to a normal temperature, they repeated the test but this time held their hands in the cold water for 90 seconds. However, for the last 30 seconds the water temperature was increased by one degree. When asked which experience they would go through again, the majority of people said the 90-second trial was the one they would repeat. Why? The ending was more pleasurable (or less painful).

The same relationship has been seen in various medical procedures. During a colonoscopy, patients rated the quality of the experience by the peak moments of pain and how it ended. The duration and total pain was not a factor. Some people whose procedures lasted over 30 minutes said they could come back next year for the same treatment as it had ended with less pain than in the beginning, while other patients whose procedures lasted a mere eight minutes said they were not coming back because the experience had had high peak moments of pain and ended painfully.

I saw this first-hand recently. I had been coaching an MD of an organisation on his presentation for the company's national conference. We worked for two months on his presentation, and on the day of the conference he nailed it. The feedback was amazing, and one of the most frequent comments was how funny he was. But the interesting thing was that there were only four funny moments in the one-hour presentation. This was deliberate as we didn't want the presentation to be all humour and no substance. If you looked at the whole

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presentation, it wasn't that funny, yet people remembered the funny moments and the humorous ending.

This theory is the reason why you can have a series of good experiences with a company, but that one rude staff member is the one you remember (peak moment of pain) and causes you to never deal with that company again.

## PEAK END THEORY AND JOB SATISFACTION

The University of Brunel asked if this theory affected someone's desire to stay in their job. Turns out we do not average out the good or bad experiences over the entire job; instead we recall peak moments (good or bad) and the most recent interactions. When we think, am I happy here, what comes up are things like 'My manager was really kind and supportive when my mum was sick', and 'In front of the whole team my manager made reference to a strategy I implemented and how it was innovative and genius'. Conversely, we might remember negative peak moments such as 'My manager belittled me in front of other people', or 'They yelled at me when I made a mistake during a presentation'. The study showed that peak moments of satisfaction were twice as powerful as any other variable in the person's decision to stay in their job.

How do you run your performance reviews? The traditional way is to tell an employee all the great things they are doing but then finish with 'here are all the things you are terrible at and need to improve'. What do you think they are going to remember?

It also pays to think about how we treat staff when they leave. So often we create a love fest when they join the company. We have induction programs and treat them really well. However, when they decide to leave we ignore them or remind them of the hard situation they have put us in. Peak End Theory tells us that we need to treat people like gold even when they leave. Why? Because that is the memory that will inform their opinion of our company and determine if they come back one day or recommend our company to anyone else.

As a manager, aim to create peak positive moments for your staff and love them even when they leave. In every interaction you have with your employees, start to explore how the Peak End Theory can get you a better outcome.

Ensure that you peak well and end well. 



**About the Author**  
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