

Happy Employees = Hefty Profits



[Meghan M. Biro](#), Contributor

I can walk into a company and tell within seconds whether or not its employees are well treated and happy on a basic level. The level of employee engagement, warmth and sense of a shared purpose is palpable. It's something I simply feel after being in the business of talent management for several years. And while my conclusion may be subjective, there's plenty of hard evidence that shows that happy employees lead directly to better performance and higher profits. Last year revenues increased by an average of 22.2 percent for the 2014 [Fortune 100 Best Companies to Work For](#). And according to the Bureau of Labor Statistics in the US, these same companies added new employees at rate that was *five times higher* than the national average.

In other words, it pays [to invest in your people](#). It also happens to be the right thing to do.

And what makes for happy employees? Here's a list of 5 tools to create a culture and workplace that is growing, dynamic, fun, [wildly productive and highly profitable](#).

1) Pay fairly. At the end of the day, it's about the pay. Yes, many employees love their work, love their jobs, love their colleagues, but the bottom line is they are there to earn a living. Smart leaders pay people well. This is non-negotiable.

2) Deliver awesome benefits. Whether it's a good health plan, childcare, transportation, a fitness center or free lunch on Fridays, benefits make people's lives easier and better. They feel appreciated and cared for, which leads to increased loyalty and a willing to go the extra mile.

3) Keep an open leadership door – and an open mind. Numerous studies have shown that when management is approachable and responsive, employee engagement soars. People spend a big chunk of their lives at work, and when they feel voiceless their frustration grows. Actively solicit feedback via social media and old-fashioned management by walking around.

4) Share the profits. When employees share in the good times, their investment in the company grows and they will be far more likely to work hard – and to dig deep during the not-so-good times. When the international literary sensation *Fifty Shades of Gray* lifted publisher Simon & Schuster to record profits, the company gave every employee a \$5000 bonus. This is just plain smart leadership.

5) Make your workplace fun. No, I don't mean cheesy balloon-a-thons and annoying rah-

rah rallies. This is about encouraging people to bring their personalities, quirks and passions to work. This leads to an increasingly seamless work/life mesh, a sense that people can really be themselves at work. Games, laughter, fun are great stress relievers, they renew and refresh us, and build very real bonds between employees.

None of this is rocket science, in fact it's Leadership 101. But like all simple truths, it bears repeating because it is so important. Talent simply won't hang around in a cold, mechanical, stifling, repressive culture. Developing happy employees is what twenty-first century management is all about. And guess what? It makes leadership a lot more fun, too!

This article is available online at:

<http://www.forbes.com/sites/meghanbiro/2014/01/19/happy-employees-hefty-profits/>