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Happy Employees = More Money

Make More Money By Making Your Employees Happy

I assume all businesses want [happy employees](#). More important to most businesses, unfortunately, is they would rather have larger profits. What if happy employees quantifiably translated into larger profits? Well, a new book by Dr. Noelle Nelson, “Make More Money by Making Your Employees Happy,” explains how they do!

“When employees feel that the company takes their interest to heart, then the employees will take company interests to heart,” says Dr. Nelson, a clinical psychologist, best selling author and business trial consultant.

In her book, Dr. Nelson cites a study from the Jackson Organization, a survey research consultancy, since acquired by Healthstream, Inc., which shows, “companies that effectively appreciate employee value enjoy a return on equity & assets more than triple that experienced by firms that don’t. When looking at Fortune’s ‘100 Best Companies to Work For’ stock prices rose an average of 14% per year from 1998-2005, compared to 6% for the overall market.”

Of course, many business owners might think that employees need more money to be happy. With 66% of employees expecting raises in 2012, according to a survey by 24 Seven, a recruitment and talent management agency, that would make sense—although perhaps not necessary. What business owners need to do, says Dr. Nelson, is keep their promises and show compassion for their employees. So if you promised your employees a pay raise, give it to them. If you promised resources to help them be more efficient at their job, give it to them. Find what’s important to your employees and give it to them.

In “Make More Money by Making Your Employees Happy,” Dr. Nelson shares the example of when Paul O’Neil took the reigns of Alcoa in 1987, the world’s leading producer of aluminum; O’Neil announced that his sole priority was to increase worker safety! A shock to his board room. O’Neil understood, however, that safety was a major concern for his workers. Over the next 13 years employee productivity soared as accident rates decreased from roughly one per week per plant to some plants going years without an accident. When O’Neil stepped away just

over a decade later, Alcoa's annual income had grown 500%!

In another example, in 2011 after wrapping up a record-setting year, new Apple, Inc. CEO Tim Cook rewarded employees by giving them paid vacation through the week of Thanksgiving. In a memo to employees Cook wrote, "In recognition of the hard work you've put in this year, we're going to take some extra time off for Thanksgiving. We will shut down with pay on November 21, 22 and 23 so our teams can spend the entire week with their families and friends."

In her book, Dr. Nelson uses a similar example of Procter & Gamble also paying back company success to employees through extra paid days off. "It ate a little bit of their bottom line, a little bit from the stockholders, but oh my God what it bought them in employee loyalty and productivity," says Dr. Nelson. "If you're doing well, share. And for God sake, don't let your executives walk out with a bonus if the company is not doing well. People don't mind that execs make money, they mind if it's exorbitant if the company is not doing well."

If your company is not doing well (and even if it is), Dr. Nelson stresses the importance of sharing information. This will prevent in-the-dark expectations from bubbling into resentment. The last thing you want is employees feeling like they're being taken advantage of. Which leads to showing your employees compassion.

"By compassion it's really appreciation," says Dr. Nelson, "because people confuse compassion with being all milk toast. It has nothing to do with milk toast. Some of the people who drive this are really hard-nosed business people."

A study released last month by Bright Horizons, a provider of employer-sponsored child care, education, and work/life solutions, found that 89% of employees with high levels of well-being reported high job satisfaction and nearly two thirds of those employees reported consistently putting in extra effort at work. Again, happy employees are more productive employees, which positively effects the bottom line.

"People haven't yet connected the dots," says Dr. Nelson. "Frankly, that's why I wrote the book."

It's not too late, but business owners need to heed the warning, especially when 90% of employees are willing to consider changing jobs and unsatisfied employees are 11 times more likely to move to a new organization in the next year, according to 24 Seven.

It doesn't take much to make employees happy. In her book, Dr. Nelson shares the story of how Starbucks executives visited their coffee shops and noticed that good employees were losing it when faced with agitated customers. Instead of coming down on the individual employees, they developed new training material that eliminated the stress of these situations. The executives at Starbucks found what was making their employees unhappy and empowered them with the tools they needed to put a smile back on their faces.

"If you behave like Starbucks," says Dr. Nelson, "you put the compassion first and the profits will follow."

“Make More Money by Making Your Employees Happy” is available now exclusively as an e-book through Amazon.com.

Posted by [Cult Of The Blue Tongue](#) at [6:35 AM](#)

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