



# Employee Satisfaction.

Why it's important and how to increase it.



It is becoming increasingly common for big companies to invest money and time into keeping their employees happy and contented. Some, like Etsy and Google, are creating methods to measure employee happiness. Clearly, if multinational companies such as these deem it a concern, this section of workforce life is worth considering.

While it's impossible to satisfy everyone, it seems logical that employees perform better when they're not under extreme stress, or working under a tyrant.



# Why is employee satisfaction important?

Unsurprisingly, employee satisfaction is linked to employee retention.

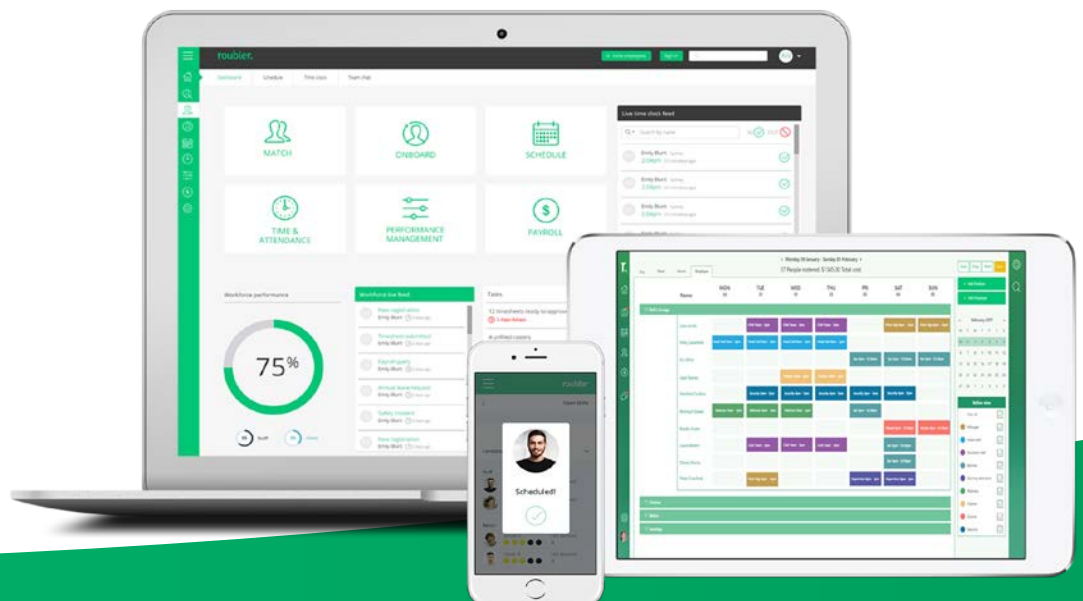
## Satisfied employees:

### Are more productive

In a study at University of Warwick, economists found that employee happiness resulted in a 12% rise in productivity. Conversely, unsatisfied employees were 10% less productive. What's more, employees who are unsatisfied with their job take on average 15 more sick days a year. There are statistics all over the internet about the success of companies who actively engage and satisfy their employees. They have turnovers up to 202% higher than the average, and can even make news as examples of how to run a successful business or corporation.

### Stay longer

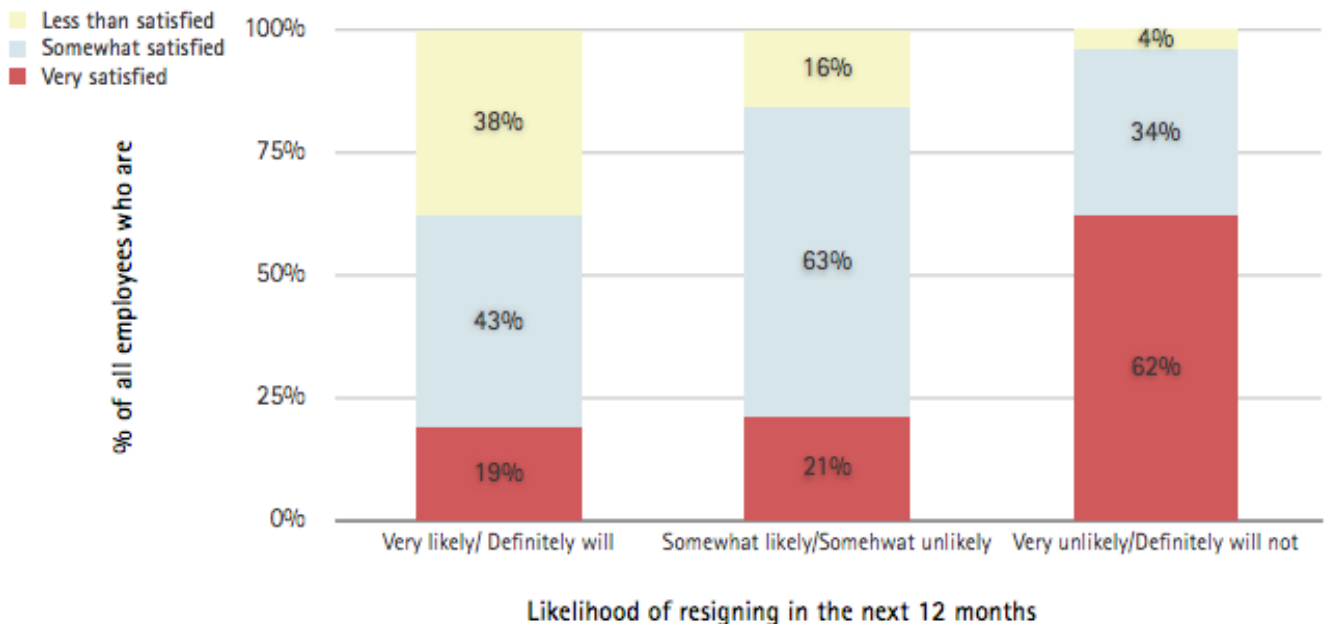
A survey by the HR council asked employees how likely they felt they were to resign within the following year. They also asked how satisfied they were in their current position. It found that 62% of employees who were very satisfied in their job were very likely to stay more than a year, while only 4% who were less than satisfied would do the same. This survey shows



the correlation between employee satisfaction and the likelihood of retaining a workforce. A commonly cited statistic claims that employee turnover costs businesses over 11 billion a year. Keeping your employees happy and present is in your best interests financially at the very least. Keeping your employees satisfied has monetary benefits in reducing the cost of onboarding and offboarding employees who won't stay long-term due to unhappiness with their position.

## Make happier customers

Employee satisfaction can lead to another positive boost in your company outlook - customer satisfaction. Studies have found that the correlation between employee engagement and subsequent customer satisfaction is  $r = .43$ . To put this in perspective, it is stronger than the correlation between sleeping tablets and insomnia reduction, which is  $r = .3$ , and significantly stronger than the likelihood of a smoker being diagnosed with lung cancer within 25 years;  $r = .08$ . While customer satisfaction does not impact how an employee feels, by changing how an employee feels, you can impact the very people you are serving - your customers. Increased customer satisfaction leads to greater revenue and more business, and thus, by making a few small changes to make your employees' lives more comfortable, you can set off a chain reaction which benefits the entire company.



# How to increase employee satisfaction

## Be consistent

Consistency is key to running any well-oiled machine like a business. If your meetings never happen, employees are taking on more than their capabilities, or there's a downturn in company friendships, it could be a sign your employees are in survival mode; maintaining short term goals and just doing their best to get their work done and make it through. So provide a stability that reassures employees their job will be around for a while, and they will have the tools to keep it. If you say you're going to pay an employee \$100 on a Monday, make sure that happens. If you planned a meeting, keep the booking. If you have a set of rules for the workplace, make sure they're not conflicting, or people know different ones. It's important that the message remains the same.

This consistency builds trust with employees, making easier for them to feel safe to flourish, learn, grow, and in turn become more productive.

## Provide opportunities for advancement – empower your employees!

A study by Bersin by Deloitte looked at training and development budgets for corporations between 2014 and 2015. It found that they had raised those budgets by 15%. BlessingWhite found a quarter of employees would be happier about work if they were doing what they were best at. It is important to employees that they feel they are improving themselves and moving forward in their career. Make opportunities for employees to learn and better themselves readily available.

You could do this by making it clear to both supervisors and employees that lack of knowledge is not a fault, it is an opportunity for growth. Both the teacher and the student can gain something from the act of teaching something new. It builds better leaders and a more educated workforce, and this kind of serendipitous learning does not take too much allocated time from a day.

You could also set up webinars or conferences, or provide online training or physical courses where employees can become more qualified.

McDonald's, the largest fast food chain in the world, spends more than \$40 million a year in Australia on training their staff. It is seen as a way to help people work together more happily and effectively, and gives employees the chance, regardless of status, to provide equally opportunity. You may even find previously quiet employees blossoming under the learning, creating a more harmonious and successful place to work.

## Celebrate achievements

It may seem like employees leave due to overburdening or salary issues, but research suggests employees quit more commonly when they feel underappreciated or not valued for what they do.

This is where it is important to provide feedback and congratulations for a job well done. Richard Branson is a firm believer in praising for a job well done. He once said "lavish praise on people and they will flourish. Criticize and they will shrivel up." On hearing of a Virgin flight crew who was commended for exceptional service on a delayed flight, he called them and personally they know they were appreciated. Taking a few minutes out of a day to get to know what your employees are doing and commending their efforts, whether through money, compliments, or status improvements, could go a long way in raising morale and retaining your workforce. An often-used technique in leadership seminars or workshops is shout-outs – coming together in a circle and allowing everyone to shout out individuals who they want to appreciate or commend for a specific or measurable action. For example – "Shout out to Jenny for the other day when she taught me how to fix that computer glitch – I would have been lost without you Jenny." This improves overall workforce mood immensely, knowing that you are appreciated.

## Be available and communicate

In a 2013 BlessingWhite study, results found 25% of employees thought having a better relationship with their boss would improve their level of satisfaction at work. Having an open door policy can be a major selling point for companies looking to increase employee satisfaction. Give employees the opportunity to voice their questions and concerns, and if

necessary, air their grievances. Being seen as transparent and upfront can help boost the workplace atmosphere, because not only do employees know where they stand, they feel comfortable coming forward with ideas. This could lead to better and brighter things for your business.

Furthermore, you should communicate with your employees constantly. This doesn't mean a million emails that are irritating and get caught in the inbox. Make sure someone, even if it's not you, lets them know about small developments. It's important to know why things might be moving a little slower this week, or that one of the corridors is blocked for painting. It moves their day along quicker, and makes them feel included. Share good news as often as you can, and face to face is even better. Excitement is contagious.

## Be understanding

Some jobs require employees to maintain a level of friendliness and decorum at all times, as dealing with the public is a special kind of skill. This act of putting on a happy façade is known as emotional effort, and is thought to be one of the most exhausting forms of labour. It requires constantly hiding feelings such as frustration, tiredness or confusion in order to help and appease customers.

Everyone has been at the bottom of the food chain at some point, but as some climb the ladder, they forget what it was like. As a boss or supervisor, it's important to understand that while employees may be putting on a happy and cheerful demeanour, it could be taking all they have.

So listen to employees. Ask them if they are struggling, or if they are alright. Ensure you understand the complexities of each separate task, so you can allocate difficult or easier tasks depending on how much work the employee has already completed. Understanding how the system works, or how the simplest of tasks may require a lot of physical or emotional effort, can help you get along better with employees, and make them feel their workplace is a more safe and comfortable environment for them to grow.

## Be nice

It seems like the simplest of concepts, but it's easy to forget that other people may be having just as bad a day at work. Everyone has to be at work, regardless of what's going on at home, or what kind of sleep they had. Smile when you're smiled at; ask how their day is going. 75% of people don't quit their jobs; they quit their bosses. Employees respond far better to a boss they can connect with and understand. Make an effort to be the reason they come to work in the morning, not the reason they dread it. When someone does something wrong, explain how to do it the right way – at least at first. Set clear boundaries and expectations, and let them know what is expected of them, but also that they should never feel bad about coming forward and asking for help. When in doubt, listen to the advice of Stephen R. Covey: "Always treat your employees exactly as you want them to treat your best customers."

## Reward good work

After a year of record profits, Apple CEO Tim Cook sent a memo to employees. 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." This may seem a ludicrous idea – cutting into already earned money, however it did wonders for productivity and loyalty to the job. While it doesn't make sense to buy your employees, giving a little extra when you have a little extra makes for hardworking employees who see the rewards of when they do their work well. In addition, paid days off can help employees recharge and be more productive when they return, in essence buying back the time you lost.

## Create a positive atmosphere

A productive and positive atmosphere can help employees get into a good mindset for working and being happy about it. Studies show people respond well to plants and natural light – try to include these as much as is possible with the design of your building. Employees surrounded by greenery have higher overall job satisfaction. Allow employees to personalise a workspace if they have it, and make water and fresh air readily available. There is nothing like a stuffy room and dehydration to dampen your spirits. The same comes from making a room too hot

or too cold – people will become frustrated or stagnant, especially if the indoor temperature is significantly different from outside and they can't just take off a few layers.

Employee satisfaction is not an easy thing to quantify or organise, but talking to your employees, and making sure they are willing to come forward if something isn't working out, is a great way to ensure you keep the best of the best working for you. Happy employees brighten the workplace, bring new ideas and revenue, and stay with their job for longer. Every aspiring great business should recognise the importance of making the workplace the best it can be, if only to make it a place you enjoy getting out of bed for in the morning.



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