How Positive Employee Morale Benefits Your Business

William Craig, Forbes, 2017

Employee satisfaction and retention are common key performance indicators for business success, but beyond a surface level, how well do you know your employees? Isn’t there a work-life balance for a reason? Past generations of employers have gone by the mantra of “Leave your personal life at home where it belongs” to employee and employer detriment.

The new generations of employers understand that the dash between work and life in the term “work-life balance” is critical to the success of the company beyond a surface level. These employers realize how an employee’s personal life directly impacts their professional life through morale, environment and productivity. Promoting positive employee morale and getting to know more about your employees on a personal level directly benefits your business.

Putting the “Human” in Human Resources

Not every CEO has time to memorize every employee's hobbies, the names of their children or their zodiac sign. But employers do need to take the time to acknowledge the "human" in "human resources," by developing more inclusive policies and recognizing individual, yet essential, employee needs.

It's especially important for employees who are putting in 12+ hour days, because their dedication may literally be killing them by increasing stress and risk for depression, diabetes, heart disease, sleep deprivation and more.

In fact, employees who think they have a positive work-life balance are more productive and dedicated by 21 percent than those who don't think so, according to a survey of 50,000 employees worldwide. To gain these benefits, the employer only has to offer beneficial work-life services and policies that employees can choose to participate in.

You don't necessarily have to know every employee's favorite pizza topping, but it's vital to recognize their needs from a human perspective and address those issues. In the long run, prioritizing your employees' morale will be beneficial to the company as a whole as well as to the individual employees.

The Case for Prioritizing Employee Morale

Most employers would agree that keeping employees happy and healthy is intrinsic to a company's success, but is focusing more resources on boosting employee morale less cost effective than an old-fashioned pat on the back?

Paid sick-leave days cost employers $160 billion annually, but decreasing stress and health risks saves employers money. Meanwhile, extending paid sick leave to contract workers decreases their stress levels because they know they have access to financial security.
In either situation, employees are less likely to show up to work and spread illness due to an unfortunate catch-22: personal health or a roof over your family's head?

Keeping work hours reasonable can increase productivity. For example, employees in Greece work an average of 42 hours per week or 2,042 hours a year. In 2014, German workers, who averaged a 28-hour work week, or 1,371 hours a year, were more productive by 70 percent.

Burned out employees are more likely to quit. Add in recruitment costs and your business costs skyrocket over what it'd cost to retain that employee and improve their work situation. One study revealed that one out of four workers who felt they had no support structure for adequate work-life balance made plans to quit in the following two years, in comparison to 17 percent who felt they had support.

Interestingly, a separate study found that those who implemented flexible work plans reported an 89 percent retention increase from HR. These arrangements benefit employee satisfaction, health and retention, but it's important that employers take active steps in making these types of arrangements known to their employees.

The median cost of employee turnover is 21 percent of their annual salary for all positions except physicians and executives, so it's more economical to retain employees and invest in employee morale. By prioritizing employee morale, employers acknowledge the importance of staff contributions on a personal and professional level.

Cultivate a work environment that promotes true work-life balance by providing access to supportive services and making employees aware of these initiatives. Employees simply having the knowledge of support systems is enough to boost morale, but employers can go the extra mile by being willing to provide realistic and flexible work plans and actively promoting a positive, healthy work environment.