



HAPPINESS MATTERS

6 ways to keep your key people

By Jo Smith, CMC

Jo Smith, CMC, is president of Jo Smith Associates, Inc.; a certified management consultant; an executive coach; and an instructor for NWPPA, Willamette University, and Portland State University.

May 13, 2026

Workplace happiness leads to increased engagement, retention, and productivity. Do you think happiness is soft? Are you too busy working on the success of your team and organization to worry about whether people are happy? Do you think their happiness isn't up to you, it's up to them? Employee happiness or satisfaction, not to be confused with complacency, is critical to your team's and organization's success. And while your team's personal happiness is their own responsibility, it is in your best interest to create an environment that encourages happiness and engagement. Happy employees are more engaged and productive, leading to more efficiency. They serve their customers well, leading to greater customer satisfaction and profitability or cost-effectiveness. Happy employees stay and grow with you, your team, and your organization.

You can encourage employee happiness in the following six ways:

1. **Set an example of self-care.** Leadership starts with you. Your happiness matters. In an article titled "Better Bosses," McKinsey & Company reported that relationships

with bosses and supervisors are the top factor in employee satisfaction, but most employees think their bosses are far from ideal. They recommended that bosses be kind, thankful, positive, and well. Take care of yourself so you will do better and set an example of self-care for others.

2. **Lead with values.** Are you met with resistance or inertia when you and your team try to make changes? Maybe people agree to the changes, then go back to business as usual when you turn your attention elsewhere. These are often indicators the changes are not clearly aligned with the values or culture of your team. Worse, they might conflict with your team's values. Mixed messages and the inability to get the right things done are frustrating, especially to people who want to be high performers. Get clear about your organization's values, list them, perhaps incorporate them into guiding principles, communicate them consistently and, most importantly, use them as the foundation for decision-making and behavior on your team and in your organization.
3. **Respect your people.** Whether you're a leader by title or simply by influence, you will have greater influence if you clearly respect people. If you're a leader who seeks success through the efforts of others, then it is critical you value people and demonstrate that value with respect, not just for your key people, but for everyone. As a teenager, I worked for my father when he managed a photo-finishing plant in Hawaii. I had a menial role, and I didn't work for him directly, but I've always remembered seeing how much respect he showed his employees as he walked through the plant floor and how much they admired him in return. He had a highly successful career, becoming a vice president of Technicolor, and his example helped me achieve success in my future leadership roles. Respect is a critically important part of effective leadership. One way to respect your people is to understand their lives encompass more than their work and careers. Like you, they have families, friends, interests, commitments, and unlike earlier generations, they're no longer willing to forgo personal success for professional success. Respect your employees and support their efforts to be successful professionally and personally.
4. **Create an environment that encourages people to use their Highest Talents.** This begins with a shared appreciation for your employees and their talents, recognizing that each employee offers a unique set of skills and talents, what I call their Highest Talents. People's greatest talents usually come more easily to them than to others, so they often underestimate them, thinking, "It's easy for me, so it's easy for everyone." Help your employees identify their most valuable

skills and talents. Maximize those Highest Talents with encouragement, appreciation, and training. As much as possible, have the right people doing the right work. One of Gallup's questions that most positively links employee satisfaction and organizational success is, "Do I have the opportunity to do what I do best every day?" Create an environment where all your employees can answer, "yes," to this question, and you'll improve happiness, satisfaction, productivity, and retention.

5. **Ensure effective supervision.** Research has repeatedly found that people don't quit their companies, they quit their managers. My own experience consulting, coaching, and occasionally conducting exit interviews bears that out. Too often, organizations promote successful people to management roles, only to discover they don't have managerial or supervisory skills. The failure that follows can be enormously damaging and costly. Worse is the opportunity cost when the manager's skills are lackluster, but not sufficiently bad to prompt a reassignment. Good supervisors bring out the best in themselves and others, which requires the attributes and skills of leadership. Give leaders the training and support they need to develop their leadership skills. Good supervisors utilize and develop their organization's greatest asset: its talent.
6. **Provide needed resources.** Another question Gallup links positively and powerfully to employee satisfaction and organizational success is, "Do I have the materials and equipment I need to do my work right?" I suggest you expand the concept to include training and development. Your employees want to be successful. They want the necessary tools, knowledge, and skills to do their work as well as possible. Understandably, you need to evaluate your return when investing in resources, but don't overlook the opportunity cost of not providing the best you can. Keep in mind that new technology, information, and training are often more effective ways of engaging and retaining employees than raises or perks.

The above list is not exhaustive, but when implemented, can achieve highly positive results in any workplace. Which ones are you currently doing well? Which ones can you improve? Consider picking one to improve, focusing on it for a month or two, then selecting another to improve. When you master—or simply improve—these six behaviors, you will be a more effective and successful leader, engaging and retaining your key people.