



STATE OF  
WORKPLACE  
**EMPATHY**

Overview  
E-book





# study background



# Respondents Across Job Roles, Company Sizes, and Industries

Audience	Sample Size	Margin of Error
Employees	N=1000	±3.1% at the 95% confidence level
HR Professionals	N=100	±9.8% at the 95% confidence level
CEOs	N=150	±8.0% at the 95% confidence level
Industry Employees (6 industries)	N=600 (100 per industry)	±9.8% per industry at the 95% confidence level

**Method**  
20-minute online survey

**Timing**  
Survey fielded from January 16-30, 2018



**31%**

of U.S. employees are **engaged** at work.

# Is the American Workplace in Turmoil?

Social and technological changes are impacting workplaces like never before, and businesses are scrambling to keep up.

How To Address The Root Cause Of Your Employee Engagement Issues



Artificial Intelligence Will Take Your Job: What You Can Do Today To Protect It Tomorrow

BusinessTechnology

How to address tech's lack of diversity: Understand it first

For American Factory Towns, Loss of Good-Paying Jobs Hurts the Most

HR/BENEFITS

**54 Percent of Women Report Workplace Harassment. How Is Your Company Responding?**

The wrong approach to sexual harassment can lead your company to lawsuits, or a visit from the feds.

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**What have we learned** from the events that have shaken up the American business landscape?

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# The Solution for Many Business Problems May Have Been More Obvious than Leaders Realize.


**campaign** Account

Latest | Top Brands & Agencies | Experiences | Opinion | Creative Work | Intelligence | Case Studies

Gary Bryant | Added 35 hours ago | How long? | 2-3 minutes

## Uber needs to build empathy into its brand to become a credible public transport player

There's no doubt Uber has revolutionised the taxi industry, now, it will need to use its strengths as well as transform its brand into something far more meaningful for passengers.



At SXSW this week, London Mayor, Sadiq Khan, praised the Khosrowshahi, has shown in working to address TfL's concerns.

9 | f | t | in | G+

03.12.18 | SXSW

## How Radical Empathy Can Improve Employee Performance and Morale

Really listening to someone's personal story of belonging can help you understand them and forge a connection not often present in the office.



**Human Resource Executive**


BENEFITS AND COMPENSATION | EMPLOYMENT LAW | TALENT MANAGEMENT

## Linking Empathy and Innovation

...wellspring for innovation because it comes from... to grasp the needs of others, says Microsoft CEO

Wharton | March 27, 2018 - 7 min read

...hip | HR Technology | Learning and Development | Talent Stories




PER | ... | ...

## A \$600 Billion Employee Engagement Problem Solved: Empathy

Shep Hyken, CONTRIBUTOR | FULL BLOG

Opinions expressed by Forbes Contributors are their own.



Today's workforce is experiencing everything from an alarming skilled labor shortage to an increasing lack of employee engagement that concerns every business – no matter if you're a startup or a Fortune 100 company. Gallup research shows that the average U.S. employee is not only unengaged at work, but half of U.S. employees are actively searching for a new job. This war for skilled and engaged talent can impact businesses' bottom lines by more than \$600 billion in lost productivity per year. That's according to Rae Shanahan, Chief Strategy Officer at Businessolver.

AI

## Google Empathy Lab founder: AI will upend storytelling and human-machine interaction

KHARI JOHNSON | @KHARIJOHNSON | MARCH 11, 2018 2:23 PM



Above, Google Empathy Lab founder and principal Danielle Kordak at the YouTube House at SXSW 2018 in Austin, Texas.

**insight.tech**  
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**VB Recommendations**

- Google Maps helps developers make massive real-world games
- Block Party unveils blockchain-based game console called PlayTable
- Tom Clancy's Ghost Recon: Wildlands sets another free match

# Empathy in the Workplace Continues to be the Key to Addressing Business Challenges and Personal Engagement.

“Empathy plays a critical interpersonal and societal role, enabling sharing of experiences, needs, and desires between individuals and providing an emotional bridge that promotes prosocial behavior.”

*–Helen Riess, Associate Professor, Psychiatry,  
Harvard Medical School*

“Most people think empathy is just something you reserve for your life and your family and your friends, but the reality is that it’s an existential priority of a business.”

*–Satya Nadella, CEO of Microsoft*



of CEOs say the state of empathy in U.S. organizations **needs to change.**



# That's Why at Businessolver, We've Chosen Empathy as a Cornerstone of Our Business

**From the way we build our products and services to how we engage our employees and clients, we believe empathy is a key ingredient to unlocking business success.**

In today's ever-changing marketplace, it's not enough to just say empathy is important. We need to continue to learn about how the corporate view of empathy is changing, how empathy impacts business performance, and what changing empathy can do to increase employee engagement.

We're excited to announce Businessolver's third annual **State of Workplace Empathy** study of how empathy is viewed and enacted in U.S. workplaces.



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The long-term payoff of empathy, we've found, isn't just a happier employee or satisfied customer — it's a **stronger, more engaged** workforce and, ultimately, a **healthier, more robust** business.

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A photograph of two men in business suits looking at a document, overlaid with a purple gradient. The text is written in a white, handwritten-style font.

*strengthening business  
for sustainable success*





# Our Key Findings Underscore That Now, More Than Ever, is the Time for Businesses to Act on Empathy...

## Empathy is at an all time high as a workplace value.

Ninety-six percent of employees believe it is important for their employers to demonstrate empathy — a 4 point increase since 2017. In lock step, nine in 10 employees (92%) believe empathy remains undervalued — a 7 point increase year over year.

## Executives strongly link empathy to business performance.

Eighty-seven percent of CEOs believe that a company's financial performance is tied to empathy in the workplace, as do 79% of HR professionals. Eight in ten employees, HR professionals, and CEOs agree that an empathetic workplace has a positive impact on business performance.



# 92%

of employees believe **empathy** remains **undervalued**.



# Our Key Findings Underscore That Now, More Than Ever, is the Time for Businesses to Act on Empathy...

## Organizations with a strong culture of empathy win on talent.

Nine in 10 employees are more likely to stay with an organization that empathized with their needs, and 8 in 10 would be willing to work longer hours for an empathetic employer. Employees in tech, healthcare, and financial services are most willing to make trade-offs on pay and work hours to work for a more empathetic employer.

## Overall, employees feel workplace empathy is improving — but a gender gap persists.

Over three-fourths (78%) of employees rate their own company/organization as empathetic, which is significantly higher than last year (71%). Men are 15 percent more likely than women to agree.



Men are **15 percentage points more likely** than women to agree that their organization is empathetic.



# Our Key Findings Underscore That Now, More Than Ever, is the Time for Businesses to Act on Empathy...

## There is strong interest and desire for empathy skills training.

Over half of employees struggle to demonstrate empathy at work on a daily basis, much more than HR professionals (34%) and CEOs (45%).

About 8 in 10 employees would be keen to participate in a variety of empathy skills training ranging from internal/external workshops and online courses to one-on-one coaching. Eight in 10 HR professionals and 9 in 10 CEOs expressed the same level of interest.



Eagerness to participate in **empathy skills training initiatives.**



## ...and We Have Some Ideas on How to Get There

### **Demonstrate empathy by understanding individual professional motivations and personal circumstances.**

Employees, HR professionals, and CEOs all agree that respecting the need for time off for family/medical issues, offering flexible working hours, and recognizing employee milestones contributes to an empathetic workplace. It is less about initiating more team-bonding activities.

### **Exhibit behaviors and practices that display empathy.**

Nine in 10 employees, HR professionals, and CEOs view face-to-face conversations and team meetings as the most empathetic ways to communicate, followed by using the phone (8 in 10).

### **Give CEOs the assistance they need.**

Despite modest improvements in perception year over year, CEOs still ranked lower on empathy compared to employees and HR professionals. Just half of employees rated CEOs overall as empathetic, while 7 in 10 rated their CEOs as empathetic. HR professionals viewed CEOs (66%) as well as their CEOs (80%) as slightly more empathetic.



of employees, HR professionals and CEOs view **face-to-face conversations and team meetings** as the most empathetic ways to communicate.

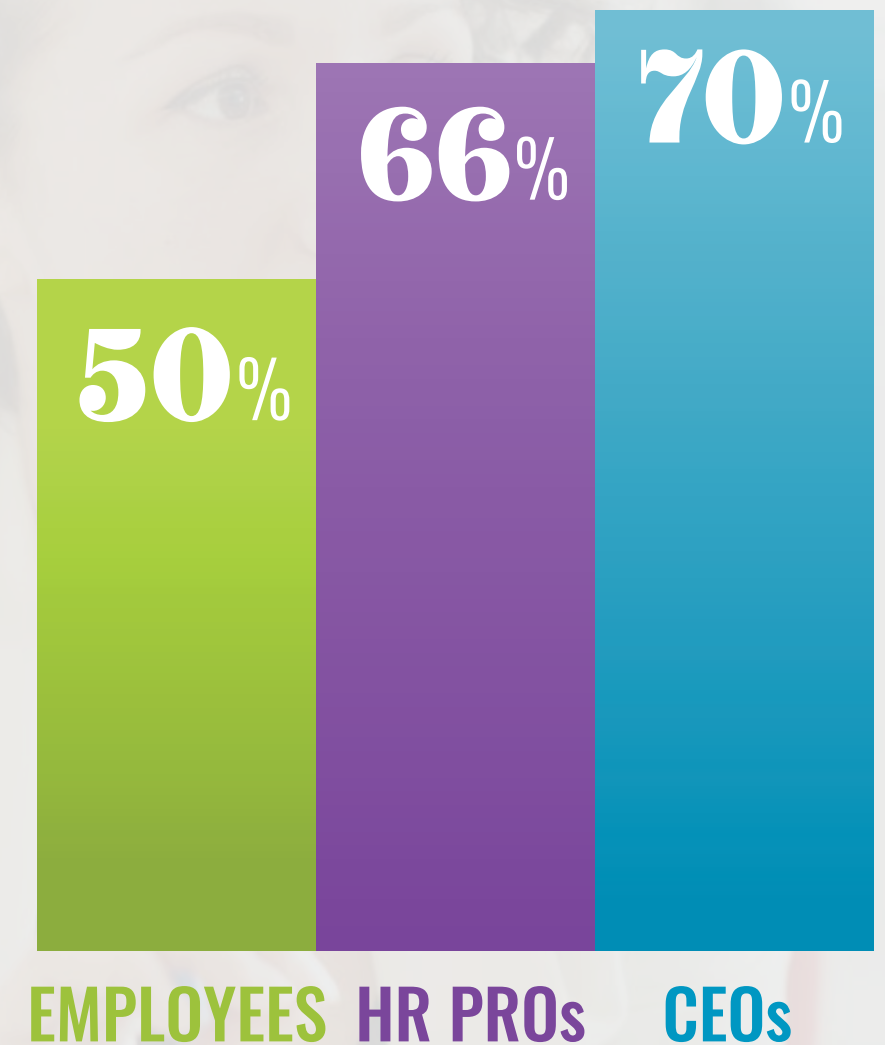
# ...and We Have Some Ideas on How to Get There

## Embrace diversity in the workplace.

Over 90% of employees, HR professionals, and CEOs rated female employees as empathetic; male employees rated much lower. The majority of HR professionals (62%) believe that age/generation plays a factor when it comes to demonstrating empathy in the workplace. Gen X is considered more empathetic than Gen Z, Millennials, and Boomers. Eight in 10 employees and HR professionals as well as 9 in 10 CEOs view them as empathetic.

## Use empathetic technology as an enabler.

Seven in 10 HR professionals (66%) and CEOs (70%) believe that personalized technology tools including artificial intelligence (AI) make an organization more empathetic. There is a disconnect as only about half of employees agree.



Belief that **“smart” and personalized tech tools** make an organization more empathetic.





# The changing perception of empathy



# Definitions of Empathy

## There is broad agreement about behaviors that demonstrate workplace empathy...

Employees, HR professionals, and CEOs all responded that top empathetic behaviors are:



Understanding and/or respecting the need for time off to take care of personal family or medical issues.



Understanding and/or respecting the need for flexible working hours.

**...but there are also important variations in the ways different people view empathetic behavior.**

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Empathy is:  
“The ability  
to understand  
and experience  
**the feelings  
of another.**”

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# What Constitutes Empathetic Behavior?

**While we can agree on the definition of empathy, people see that concept coming to life in different ways.**

It's vital for leadership to understand these different perceptions so they can engage with all of their employees.



Employees and HR professionals say the most empathetic behavior employees can show is going the extra mile to help a colleague or team member meet an immediate deadline.



But CEOs rate that behavior far lower on their scale of empathetic actions for employees. They say empathy is advocating for a colleague or talking with them instead of emailing.



**8 in 10** employees would be willing to work longer hours for an empathetic employer.





# What Constitutes Empathetic Behavior?

Employees overwhelmingly rated “traditional” benefits, such as paid maternity/paternity leave, health insurance, and 401(k) contributions, as empathetic.



Employees rated lowering benefits costs as the most empathetic benefits practice.



CEOs and HR pros rated a wider suite of benefits as more empathetic than employees did.

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This suggests an opportunity for management to align with what employees value: **health and financial wellness** at an affordable cost.

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# What Constitutes Empathetic Behavior?

**Men and women agree that flexibility in time off and working hours is important, but they diverge in opinion on what other behaviors demonstrate empathy.**



Men cite acknowledgment of personal accomplishments as being empathetic, such as recognizing an employee's important personal milestones.



Women emphasize collaborative behaviors, such as making time to talk one-on-one about challenges and problems at work.

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It can be the differentiating factor that **motivates, unites, and connects** people within an organization.

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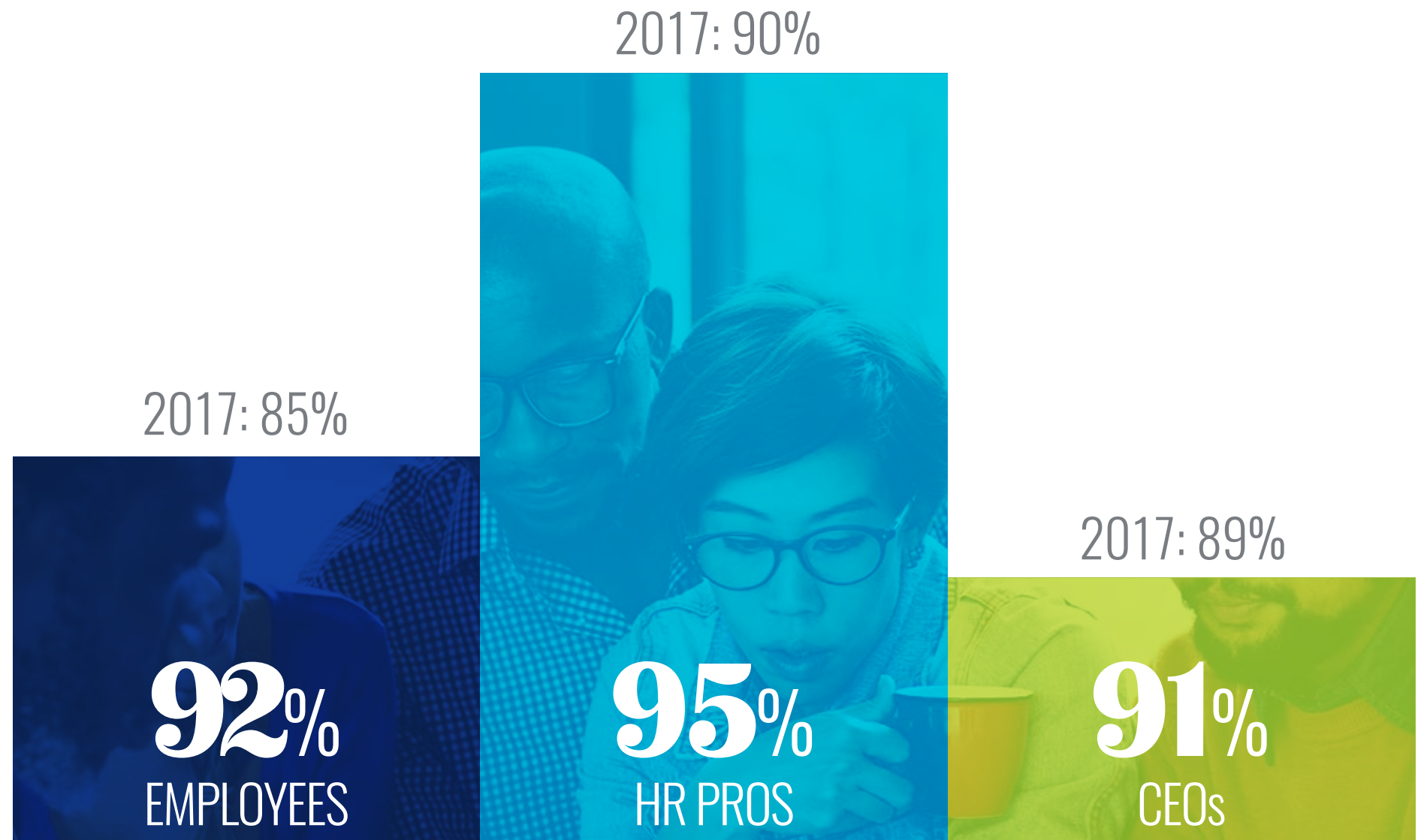
*driving the bottom line*  
starts with empathetic behaviors from the top down



# The Time for Empathy is Now

**From the C-suite to employees, people are expressing the need for empathy in the workplace, and they're noticing when it's not there. Each year the issue of workplace empathy grows more important.**

HR professionals and CEOs are increasingly noting that not only is empathy important, it's undervalued in the workplace. This year-over-year increase is statistically significant, and it tells us that businesses have a great opportunity to make strides.



Perception that **empathy is undervalued** in the workplace.



# Business Leaders are Taking Note

**CEOs understand that empathy is central to their bottom line, and they are positioned to drive change in promoting certain company values.**

In fact, close to 90 percent (87%) of CEOs believe that a company's financial performance is tied to empathy in the workplace.





# The empathy revolution



# Why Should Employers Care?

## Empathy is the key to recruitment and retention.

Simply put, organizations that demonstrate empathy attract and retain top talent. In today's tight labor market, not just recruiting but also retaining the best and most highly skilled employees is crucial, in terms of employee engagement and productivity, along with the overhead costs of turnover. In fact, two-thirds of employees think that empathy improves morale and productivity, and 9 out of 10 say they're more likely to stay with an empathetic employer.



# If Employers Aren't Empathetic, Employees are Willing to Go Elsewhere

Not only are employees more likely to stay with an empathetic employer, an increasing number of people said they would consider leaving their company if it become less empathetic. We've seen a significant jump in all three groups — employees, HR professionals, and even CEOs — reporting that they would consider leaving their organization if it became less empathetic.

up from 76% in 2017

up from 75% in 2017

83% Male  
74% Female

81% Millennial  
76% Gen X  
78% Boomer

76% White  
87% Non-white

up from 72% in 2017



would **consider leaving** their organization if it became less empathetic.



# And Views of How Empathetic an Organization is Vary Widely

## Disconnect between employees and management

Employees rated their organization as empathetic by a larger margin in 2018 than in 2017, but CEOs and HR Professionals rate their companies as empathetic in much greater numbers than employees.



Perception of **empathy** in their organization

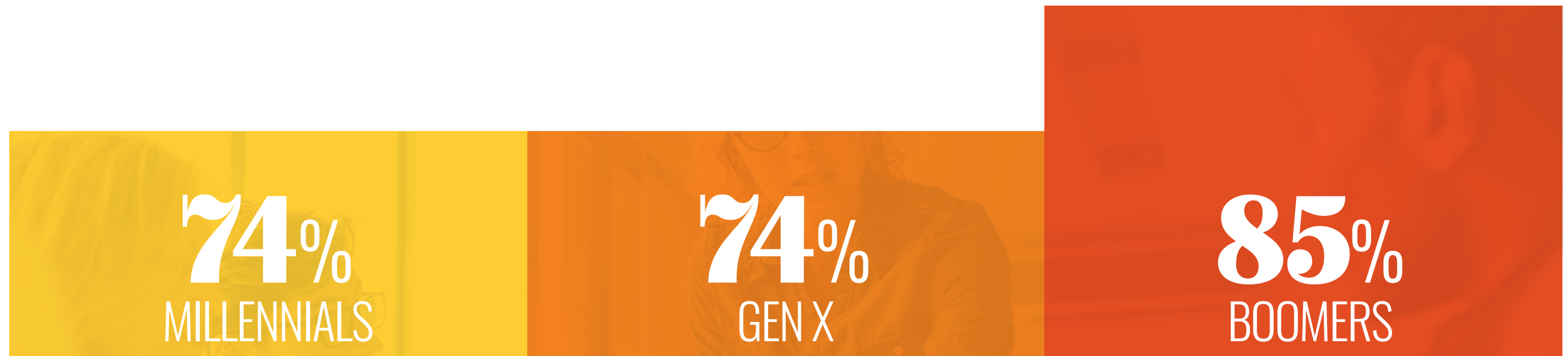


# Viewpoints Vary by Age

## Differences between generations

Nearly 3 out of 4 Millennials and Generation X employees rate their employer or organization as empathetic.

Yet Boomers are even more enthusiastic about their employers' empathy — over 8 out of 10 rate their workplace as empathetic, a 16-point increase from 2017.



Perception of workplace empathy by **generation**



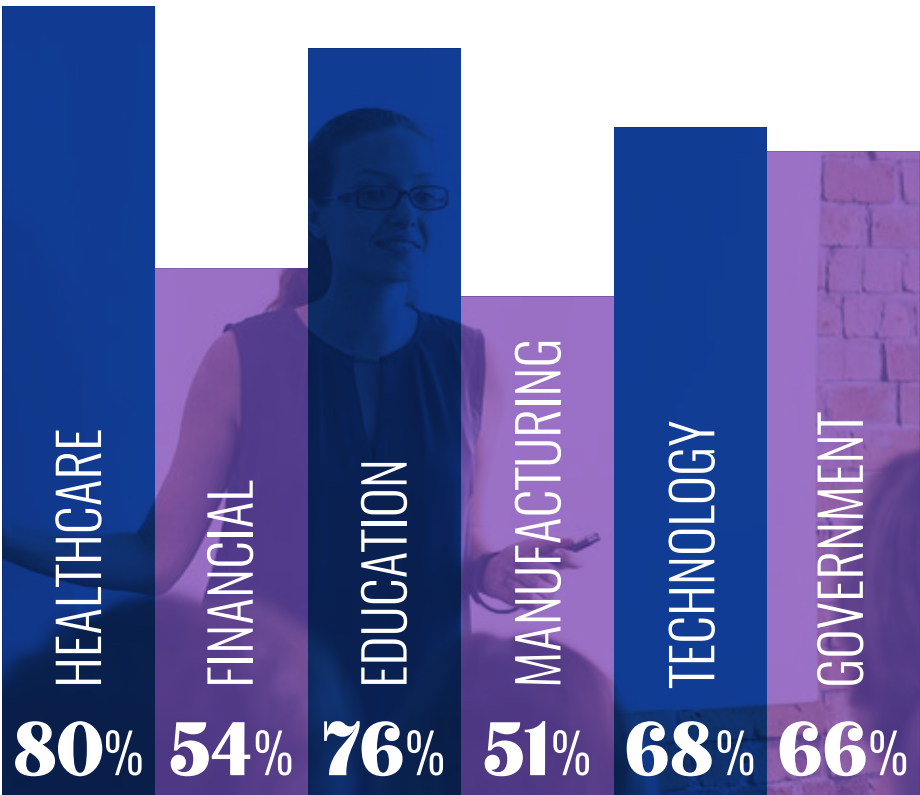
# Viewpoints Vary by Industry

## Self-perception of empathy across a range of industries

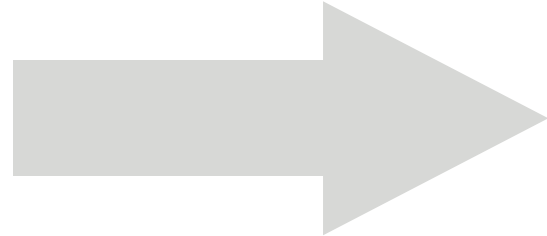
Healthcare and education employees rate their industries as highly empathetic.

The financial sector and manufacturing lag behind other industries, according to their employees.

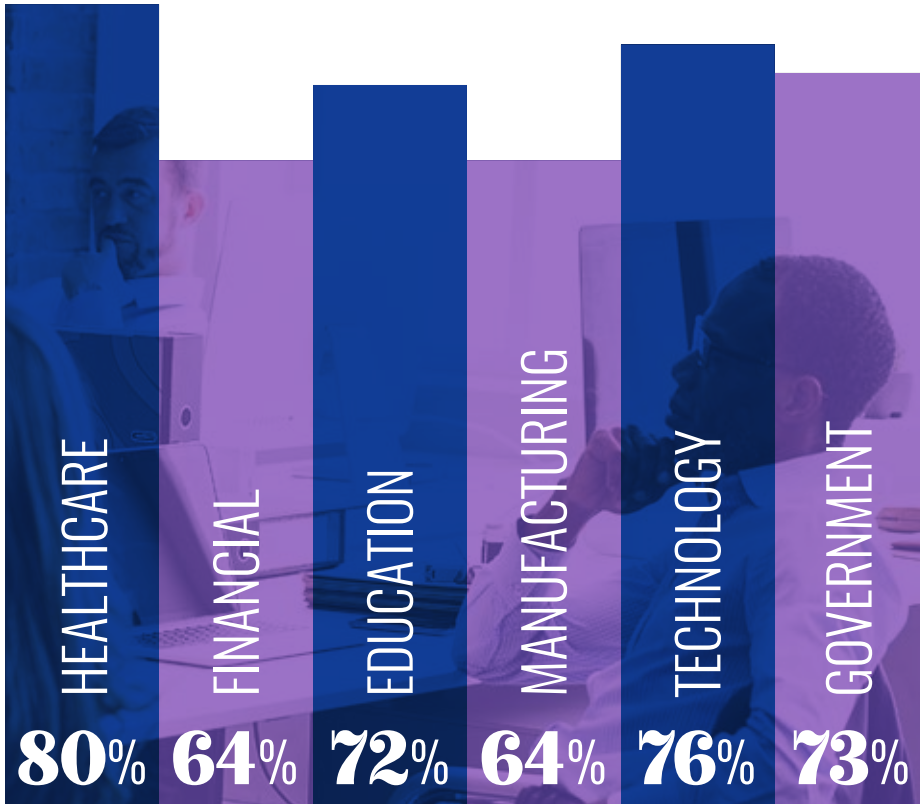
Government employees noted significant increases in their industry's demonstration of empathy.



Industry demonstrates **empathy**



correlation between industries demonstrating **empathy and caring** about its employees



Industry **cares** about its employees

# Responses Vary Between Men and Women

## Significant disparity between perceptions of empathy

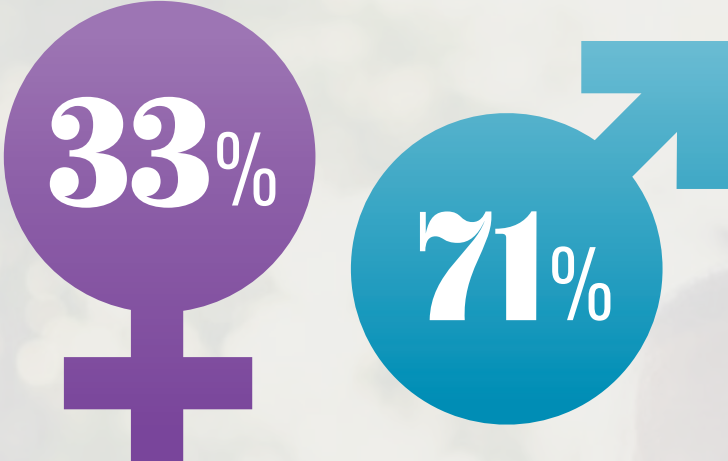
While 70% of female employees rated their own organization as empathetic in 2018, only 33% rated organizations as a whole as empathetic — a 38-point difference from male employees' responses.

Seventy-one percent of male employees say that organizations and companies as a whole are empathetic.

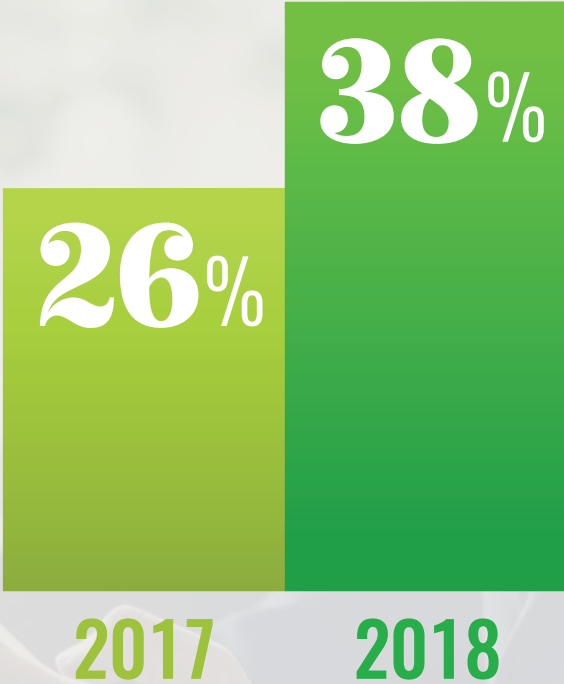
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This reflects a **growing dissatisfaction** with institutions as women's issue have risen in prominence.

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Just 33 percent of women in 2018 **view organizations as a whole as empathetic** versus 71 percent of men.



The **gender gap widened to 38 percentage points** from 26 points in the previous survey.



A photograph of three business professionals in a modern office setting, looking at a tablet together. The image is overlaid with a green tint. The text is written in white, with the first part in a clean sans-serif font and the second part in a large, white, handwritten-style font.

Businesses have come a long way  
*but there is still  
work to do*



# Diversity of All Kinds is Critical

## Businesses must embrace this to be empathetic.

Diversity has evolved from being a workplace or business opportunity to a foundation of doing business effectively.

Diverse leadership drives increased empathy, as perspectives and experiences enrich an organization.

Employees, HR professionals, and CEOs all agree by large margins that companies would be more empathetic if there were more women in leadership positions.

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**Increased workplace diversity makes organizations more empathetic, driving a richer cultural fabric and, in turn, stronger business performance.**

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of CEOs believe that having **more women in leadership** positions would increase an organization's empathy.

# Technology: Empathy's Friend or Foe?

## Leadership and employees view technology differently.

Technology will continue to be the biggest driver of change in the workforce...for better or worse.

Employees reported widespread concern about artificial intelligence (AI) leading to job losses, while CEOs were less concerned with this outcome.

## Opinions on technology vary by industry.

Employees are concerned about technology's impacts, but they're also interested in how AI and technology can build a more empathetic work environment.

It's up to employers to take advantage of this interest and prove to employees that technology can be empathetic — through design and implementation.



of employees worry that  
**AI will result in a loss of jobs.**





The empathy prescription:  
*what businessses  
can do*





# Steps Business Leaders Can Take to Increase Empathy

## Key takeaways for decision-makers

### Stay Flexible

Employees, HR professionals, and CEOs all rated flexible working practices as being highly empathetic, and male and female respondents agreed.

- Understanding and/or respecting the need for time off to take care of personal family or medical issues.
- Understanding and/or respecting the need for flexible working hours.

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Employees, HR professionals, and CEOs all agree that **respecting the need for flexibility** is crucial to demonstrating empathy.

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# Steps Business Leaders Can Take to Increase Empathy

Key takeaways for decision-makers

## Face the Facts

Ninety-five percent of employees consider face-to-face conversations to be the most empathetic communication channel. HR professionals and CEOs agree.

Similarly, about 9 in 10 believe team meetings are a highly empathetic way to communicate with coworkers.



# 95%

of employees consider **face-to-face conversations** to be the most empathetic communication channel.



# Steps Business Leaders Can Take to Increase Empathy

Key takeaways for decision-makers

## Catch the Train

Perhaps you're saying, this sounds great and we definitely want to increase our empathy, but it's easier said than done.

You wouldn't be alone: Two-thirds of employees say that people struggle to show empathy in their workplaces.

Is there a training opportunity here? Definitely!



# 93%

of CEOs said they would **find it easy to make a case for an empathy program** to organizational leadership.

# What Comes Next

## Actionable steps leaders can take now



### Stay Flexible

Implement flexible schedules and work-from-home policies so employees can balance work and family.



### Face the Facts

Hold one-on-one meetings and checkpoints to increase time spent with employees face-to-face.



### Catch the Train

Offer empathy training sessions, either as self-diagnostic tests or small group sessions.



# Adopt the Empathy Manifesto

Empathy isn't just a feel-good idea; it comes to life in specific actions that we can implement in our workplaces. Business leaders can harness the power of empathy in their organization by establishing an empathy manifesto with a few clear action items:

- 1. Mind the gap.** Recognize the challenges facing job roles and levels, and how the gap between what employers think about workplace engagement and what employees actually think could be causing problems.
- 2. Embrace differences across your organization.** Create more empathy in the workplace by embracing different backgrounds, genders, age groups, and working styles — the result can be a stronger patchwork of engagement.

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Everyone is talking  
about empathy.  
Smart people  
are calling for  
an empathy  
revolution.

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# Adopt the Empathy Manifesto

- 3. Build empathy muscles — and leadership mindset.** Learn how to put empathy in practice through words, actions, and business policies/offerings. Even more importantly, learn how to practice it in day-to-day activities and interactions. Gain a clear understanding of where your organization currently stands in terms of empathy (seeking out professional assistance here may be a good idea to get an objective opinion), and then develop a plan to execute empathy training.
- 4. Walk the walk...over to your coworker's desk.** Understand the ways to exhibit empathy — through 1:1 interactions and personalized communications, and practice what you preach through daily interactions with others.
- 5. Keep your eye on the prize.** The ultimate goal of an empathetic workplace is a more engaged employee and, therefore, a stronger bottom line. It's not an approach or process that happens overnight, but it has the power to transform a business.





# how is #empathyatwork in your organization?

For more information, visit [businessolver.com/empathy](https://businessolver.com/empathy)

