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NETWORK

Empathy in the Workplace

Foster Belonging and Retain Talent

WHITE PAPER



Introduction: Why Empathy, Why Now	01
The Need for Empathetic Leadership	06
Creating an Engaging, Empathetic, and Inclusive Culture	11
Summary	18
Recommendations	19
Conclusion	20
About Shola Kaye Ltd & HRD Network	21
A Word From Shola	22
References	23

Introduction

In the quest to create engaged workplaces and retain staff, how important is Empathy? What can you do to increase empathy levels in your organisation?

Shola Kaye Ltd partnered with HRD Network, hosting a three-part executive roundtable series to discuss Empathy in the Workplace.

The goal was to understand:



Each session had a different focus. We explored the importance of empathy and:

- Session 1: Leadership Behaviour
- Session 2: Company Culture

this time of 'the great

resignation'

• Session 3: Diversity, Equity, and Inclusion (D.E.I.)

What Is Empathy?

Empathy is often defined as the ability to understand the feelings and emotions of another person, to walk in their shoes, experience what they are going through, and demonstrate care for that individual.

We typically talk about three kinds of empathy:



Cognitive Empathy:

The ability to take the mental perspective of another person



Social Empathy:

The ability to feel what another is feeling



Empathic Concern:

Experiencing compassion and taking action in response to the suffering of another

Empathetic leaders are caring and compassionate, and take the time to understand what their employees are going through.

Empathetic behaviour can mistakenly be seen as 'soft', fuzzy and weak. However, an increasing body of research has shown that empathy contributes to an engaged work culture with measurable outcomes.

Although some individuals are naturally more empathetic than others, the ability to empathise can be developed.

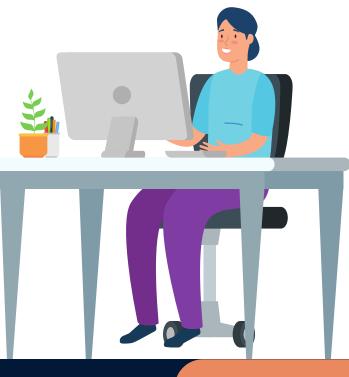


The Pressing Need for Empathy in Today's Workplaces

The significant shifts of the past two years have forced organisations to explore ways to create human-centred, empathetic workplaces. In November 2021, 4.5 million Americans quit their jobs, reflecting the highest monthly figure ever recorded. Additionally, as reported by McKinsey (1), this 'turnover tsunami' is not just affecting the United States. Rather, it's a global problem.

Currently, we are experiencing the impact of:

- COVID-19 and its variants causing ongoing disruption, grief, fear, stress, and uncertainty
- The great resignation as:
 - 1. Workers take action due to experiences of not belonging and feeling undervalued
 - 2. Individuals re-assess their attitudes towards health concerns and desire for work-life balance
 - 3. Women struggle to juggle work and childcare during the pandemic
 - 4. Older workers decide to take early retirement
- A shift to hybrid and remote working and the gamut of responses from employees as they cope with mandatory and voluntary changes to their working conditions
- Social justice movements and a racial reckoning as underrepresented groups demand equitable treatment and seek to address systemic unfairness
- Generational transitions as Gen Z and millennials become greater proportions of the workforce



EY's 'Empathy in Business Survey' (2) revealed that 79% of respondents think empathetic leadership plays an important role in reducing turnover.



88% of respondents noted that empathetic leadership increases loyalty.



In this climate, the 'old school,' top down, transactional workplaces are far less successful when it comes to keeping workers happy, engaged, and content in their current roles.

Employees want a workplace in which they can fulfill their purpose, feel valued and respected, and experience a sense of belonging.

McKinsey's 'Great Attrition or Great Attraction - The Choice is Yours' report (1) reveals that the top three factors employees cited as reasons for quitting were:



What Are Some of the Big Questions About Empathy in the Workplace?

Although a large proportion of organisations recognise the benefits of a more empathetic culture, there are some challenges, including:

1. Many organisations have not defined what empathy actually means for them. Is it kindness, caring, or listening? If we are uncertain about what it is, then how do we demonstrate it, and how do we provide training on it? Is it a trait or a teachable skill?

2. Can we encourage senior leaders and managers to become more empathetic? What happens if they can't manage it?

3. Some organisations haven't determined how to 'roll out' empathy skills at a scale sufficient to change the culture.

4. Others already have a variety of empathy resources available for their staff, but haven't found a way to consistently drive employees towards this content.

5. Nearly half of employees (2) suspect that companies are faking efforts to be empathetic and believe that they do not follow through on promises. Will employee skepticism hinder empathy initiatives?

Who Attended the Roundtable Sessions?

During the three, hour-long roundtable sessions, we heard the opinions of 15 different practitioners from HR, Talent Management, D.E.I., and Organisational Development, some of whom attended multiple sessions.

The majority came from global organisations with more than 5,000 employees. Some participants were from organisations with up to 350,000 staff. The industries represented include media, technology, staffing and recruitment, healthcare, government, forestry, retail, manufacturing, and electronics. Our attendees came from organisations such as Iron Mountain, IBM, Kimberly-Clark, Randstad, The National Health Service, Philips, and Warner Media.

The cohort was international, joining us from Canada, France, Germany, Holland, India, Ireland, Malta, Spain, UK, and USA.



An EY study (2) revealed that almost half (46%) of employees believe that **their company's efforts to be empathetic toward employees are dishonest**.



Two in five (42%) of employees noted that **their company does not follow through when it makes promises**.

1. The Need For Empathetic Leadership

Empathy: An Essential Leadership Skill

Empathetic leadership is critical when people are undergoing radical change and are scared or facing difficulties.

The need to understand the intrinsic motivations of the people you lead—such as the values and motivations that drive them—becomes incredibly important as we go from the old style of topdown, transactional leadership, towards a transformational model in which managers lead by inspiring trust and goodwill.

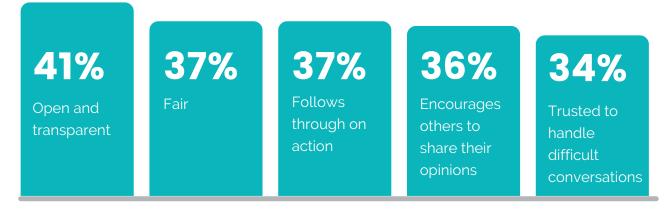
Leadership Behaviours that Support Empathy

Companies are asking, how does one express empathy? It is not sufficient to simply be empathetic. Rather, leaders must convey it. Additionally, leaders should possess self-awareness. If you do not understand yourself, how will you understand someone else? They must also possess strong communication skills.

Other behaviours required of an empathetic leader include:

- Active listening to understand the purpose of the speaker
- Compassion to hear someone out and truly connect
- Inclusivity, and being open to and encouraging of different perspectives

According to EY (2), the top five qualities employees look for in an empathetic senior leader are:



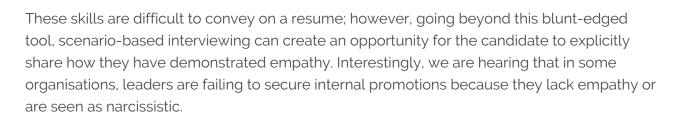
The Search for Empathetic Leadership Candidates

Executive recruiters are now specifically being asked to provide leadership candidates who are empathetic. To retain and engage talent, it's important that they're managed by respectful, nurturing leaders, and that toxic management styles are not tolerated.

To be a transformational leader, certain behaviours are key, such as:

- Listening
- Understanding
- Compassion
- Adaptability

- 🤣 Flexibility
- 🤣 Being a team player
- Receptivity to feedback
- Humility



When promoting into leadership, psychometric tools and personality assessments can help ensure that empathetic individuals are being selected, which will impact positively across the organisation.

Empathy Skills Can Wane with Seniority

When certain leaders have been in a senior role for a long time, it gets harder to help them change. Their command-and-control leadership styles become entrenched as there is almost nothing and no-one to challenge their power and urge them to adopt a different approach.

In many organisations, more aggressive, controlling styles still tend to be favoured. Leaders are frequently rewarded for this kind of behaviour, even though it is now seen by many as outdated. Empathetic types who reach a certain level of seniority are often required to adopt these hard-nosed, transactional styles and hide their empathy skills.

Paradoxically, as you progress to being a very senior leader, it eventually becomes possible to bring back some of the empathy and more transformational energy. However, In some cases, it is too late, and the leader has lost this skill set.

A lack of empathy among leaders can also be a function of the loneliness of seniority. As individuals climb the ladder, they are less likely to encounter the dissent and friction that can help provide perspective and create curiosity.

Help Leaders Become More Empathetic

Engagement surveys should ask questions that probe whether talent feel their manager is listening, compassionate, and empathetic. These results provide ongoing feedback and reminders of the importance of empathy as a key leadership behaviour.

Other ways in which leaders can develop empathy include:

- Coaching others
- Being coached
- Being required to have more contact with staff (e.g., by holding mandatory office hours)
- Developing approachability instead of remaining aloof

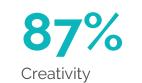
Leaders should also be required to study human psychology and understand intrinsic motivation. Not many companies provide this behavioural science training; however, it would make a significant difference.

Many organisations have fantastic leadership development material. The challenge is, how do we get leaders to study and implement the content? Typically, as soon as they are under pressure, the learning is cast aside and they return to their old ways.

HR professionals and talent managers can provide pointers, hints, and tips at the individual level, and encourage leaders to select particular learning paths, but the real challenge is creating empathetic leaders at scale.

In some cases, it might be easier to build empathy training into existing programmes rather than creating a separate empathy programme that may be viewed as burdensome to timepoor managers. According to research by EY (2) employees agree that mutual empathy between leaders and employees increases:



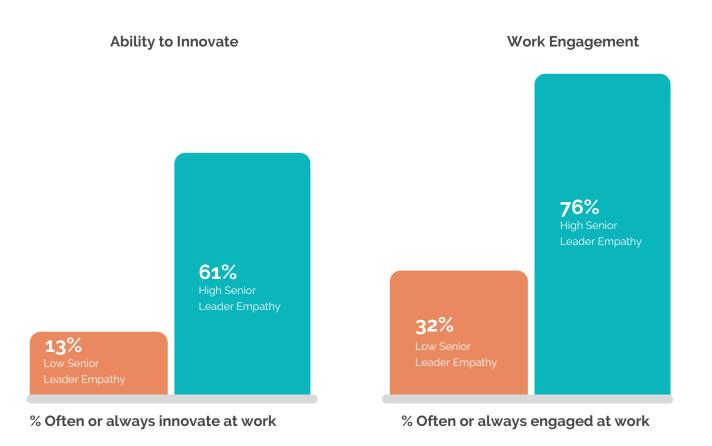


86%

Innovation

81% Company revenue

Research from Catalyst (3) reveals the link between Senior Leader Empathy and Employee Innovation and Engagement



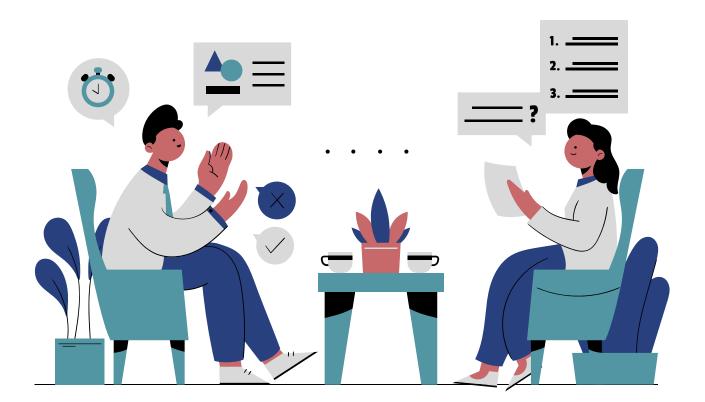
The Value of Listening Sessions to Develop Leadership Empathy

Many organisations are encouraging senior leaders to participate in 'listening sessions', 'roundtables,' or 'proximity conversations' as a way to be exposed to different perspectives.

However, these sessions are only as good as the executive who is running them. Some executives sit and talk the whole time and do not listen at all. There are also situations in which other participants are intimidated by the seniority of the executive and do not feel able to open up.

Additionally, executives can be anxious about these sessions. It is outside the norm for them to simply listen without trying to solve the problem or offer advice. Executives must be well briefed and provided with tools and strategies to listen effectively and understand the value of the insights provided by their staff.

We have seen that when leadership is prepared and ready to listen with humility and curiosity, useful conversations occur. It can also help to couple these interactions with a lunch or dinner, while ensuring that seating arrangements combine executives with their staff.



2. Creating An Engaging, Empathetic, And Inclusive Culture

Definitions of an Empathetic Company Culture

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An empathetic culture is one in which leaders and individuals listen to and understand each other.

Decisions are made and solutions are provided that help create and support a healthy, strong emotional core within the organisation. These decisions and actions should not always need to link to business objectives, and can come from a desire to create a culture that works in the long term. It's about putting ourselves in each others' shoes and making sure we do the right thing, **looking for solutions through the lens of a variety of different perspectives.**

Roundtable participant



An empathetic culture is an inclusive one. The organisation takes the time to understand diverse viewpoints, not only from a business perspective, but also from a people perspective.

During challenging times, an empathetic culture becomes more important than ever. In cases where burnout is present, this can often be due to an empathy deficit and overly aggressive targets being set by senior leaders.



The Pandemic Has Affected Empathy Levels

Compared to before COVID-19, the level of empathy required from leaders and their teams has been elevated. For global organisations, there are often regional differences regarding the amount of empathy displayed; however, in general, levels are higher across the board.

Many organisations still have a long way to go with regard to making efforts to understand and act upon employee needs. One roundtable participant was disappointed to note a lack of empathy in her own organisation.

This belief appeared when the decision was made to move everyone to 100% working from home. Many in her team were 'in a mess' when they heard that they would have to continue working from home, but very little effort was made by the organisation to listen to and understand these sentiments.

Use Exit Interviews to Uncover Empathy Deficits

Exit interviews with employees who resign or request an internal transfer are an incredibly important, rich source of information. These often reveal that it is a lack of leadership empathy that leads the employee to move on. If we are to reduce attrition, it is essential to analyse this data closely and take rapid and thorough action in response to what it uncovers.

During difficult periods when family or life issues create challenges, employees can feel pressured to leave their problems at home. In some cases, however, these problems become so great that they affect performance at work. This is when empathy is needed in particular.

An exodus of good people from a leader's team might be evidence that an intervention is needed, whether to help this leader develop greater understanding and empathy, or to shift their role to one that is less harmful.

Research from Catalyst (3) Shows That Women's Intent to Leave is Impacted by Senior Leader Respect for their Life Circumstances



% Never or rarely thinking of leaving the company

Building a Business Case for Empathy

A general rule of thumb is that it costs 20% of an employee's salary to replace them. In reality, the cost is often much greater. For companies facing increased turnover, the business case for empathy speaks for itself.



When we prioritise the care of employees, great business results will follow.

Roundtable participant

In cases where senior leaders require more evidence to convince them of the link between resignations and low—or no—organisational empathy, some starting points for creating a business case include:

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Use of pulse survey results. For example, employees may indicate that they are feeling unmotivated because managers are not listening. What is the financial impact of disengaged staff? Can you correlate poor scores with increased absenteeism or lower productivity within particular teams?



Exit interviews. As

previously discussed, exit interviews can reveal the need for more empathy from leaders and managers. Start by looking at the number of individuals who have moved on and the financial and time cost of replacing them. You might also see a domino effect whereby once one or two key employees quit, others follow.



The financial impact of an empathy deficit. Start by clearly defining what empathy is and why it is so important, and then look at the areas of the business that are affected when empathy is lacking. For example, are customers complaining, or worse, going to your competitors due to poor, unempathetic customer service? What is this costing you? The loss of key accounts might also lead to disengagement and resignations from discouraged staff that worked on those accounts.

Pitching 'Empathy as a Strategy' to Your Senior Leaders

How do you convince senior leaders of the importance of empathy for creating a positive, collaborative workplace with improved retention and performance?



refined

For Empathy to Thrive, Create a Psychologically Safe Workplace

Even when an organisation has agreed upon a definition of empathy, there is still the challenge of creating a psychologically safe environment in which people feel able to speak up with honesty so that they may be understood and empathised with.

'Bring your whole self to work' is a popular catchphrase, but in many cases it is a dangerous practice. Employees may be sidelined, face backlash for expressing dissent, or experience punishment for being their unassimilated whole selves.

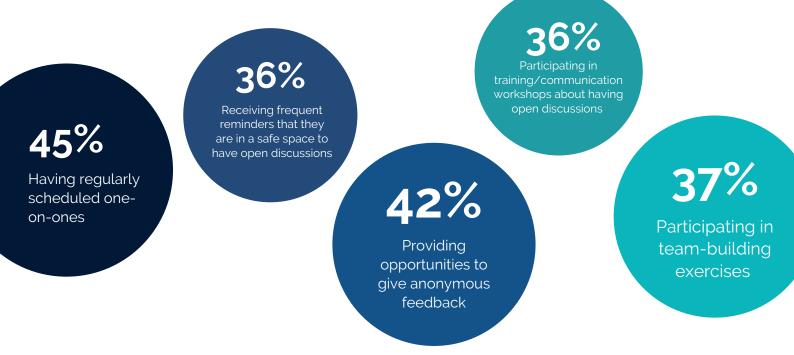


activities

It is difficult to empathise fully with someone who can't be frank about their experiences. Leaders must step up and use their position and privilege to:

- 1. Create a truly safe environment
- 2. Be open to receiving honest (and possibly anonymous) feedback from employees when the structures and systems designed to create safety are failing
- 3. Be transparent and acknowledge when mistakes are made
- 4. Encourage, promote and celebrate openness, honesty, and empathetic behaviour across the organisation

According to EY (2), top initiatives that would help employees feel more comfortable about having open discussions with a boss include:



Is an Empathetic Culture a More Inclusive One?

Our roundtable participants cited a definite link between empathy and inclusivity. However, in some cases, their organisations have not yet made that connection. Empathy is grounded in listening, and when people listen to each other, they are more likely to reach an understanding. Therefore, empathy supports efforts towards diversity, and more importantly, inclusion.

Organisations that listen to employees, hear what they are saying and act accordingly (4) are:



HR Consultant Josh Bersin's research (4) suggests that the process of organisations listening to employees, hearing what they are saying, and acting upon that information, is more effective than any other D.E.I. Intervention. This behaviour is similar to displaying empathic concern, sometimes called 'compassionate empathy', where we not only feel what another is feeling but, in response to their suffering, we also experience, and act upon, a desire to help.

In general, focus areas that use empathy skills, or that refer to empathy include:

- Mental health
- Wellbeing
- Listening
- Allyship

- Inclusion and 'bring your whole self to work' initiatives
- Delivering feedback
- Building trust

When Senior Leaders Display Empathy, Employees are More Likely to Experience Inclusion (3)

% of employees who often or always experience inclusion

17% Low Senior Leader Empathy 50% High Senior

Use Storytelling to Evoke Empathy and Drive Inclusion

Is storytelling a valuable component of DEI initiatives?

One participant mentioned a 'coffee roulette' event during which senior leaders were paired at random with Employee Resource Group participants and then asked to connect for a coffee, providing a low-key opportunity to share perspectives.

Another initiative attempted to develop connections by having leaders from across the organisation share stories of discrimination, and other workplace challenges, that they had faced. Staff members were able to directly experience empathy for these individuals rather than being taught how to display it. This can be successful because the leader is in a position of respect and is more likely to be listened to by employees.

However, storytelling from underrepresented groups has had mixed results. First, these sessions need to be facilitated well, which is sometimes not the case. If handled poorly, these activities can actually cement existing stereotypes, rather than inspire empathy.

In some workplaces with more aggressive cultures, the environment may not be conducive to sharing these types of stories. Vulnerability can backfire on storytellers, making their lives very uncomfortable. However, as more Gen Z individuals enter the workplace, we're seeing increased demand for D.E.I. initiatives and behaviour that demonstrates kindness, care, and acceptance of difference. This may eventually result in a 'softening' of the culture—even in manufacturing, factory, and more industrial environments.



90% of Gen Z say they're more likely to stay with an empathetic employer (4)

Summary

Our roundtable participants agreed that empathy is a critical skill at this time and that it all begins with leadership. Many organisations already understand the importance of having empathetic leaders—at both the senior leader and manager level—whose behaviour inspires engagement, inclusion, and retention. Empathetic leaders also provide an excellent example for their teams, showing that the organisation truly cares.

Empathy clearly has an important role to play in reducing turnover, shaping company culture, and helping workers cope during challenging life circumstances.

However, most organisations have not yet determined how to deliver empathy skills at scale. Moreover, they struggle with helping their more autocratic, transactional leaders to adopt an empathetic, transformational set of behaviours. As expected, companies are more empathetic now than before the pandemic, with an increased focus on initiatives that promote wellness, mental health, allyship, flexible working, and inclusion.

If organisations are sincere about creating empathetic and inclusive workplaces with low attrition, they must start by building an environment of psychological safety and trust. Employees fearful of being punished for honesty and vulnerability, or who have been repeatedly ignored and undervalued by their management, are highly unlikely to speak up and reveal their feelings. They may even view empathy initiatives as performative and insincere.



Recommendations



Decide upon what empathy means at your organisation. Ensure you have senior leader buy-in. If needed, write a business case showing that an empathetic culture will yield the tangible results of reduced attrition, higher engagement, and a greater sense of belonging.



Create awareness with whole company keynotes, events, and initiatives. Bring in a high impact speaker, hold a company town hall, or even change one of your core values to Empathy. Ensure that your CEO and other highly visible senior leaders champion these efforts and are seen to behave empathetically. Your awareness activities should provide staff with practical frameworks and inspiring examples.



Provide leaders and managers with ongoing training and other development activities. Never forget that employees leave managers, not companies. Senior leader retreats, leadership bootcamp programmes, workshops, and online training modules can help. Provide opportunities to develop supporting skills, such as reflective listening, handling challenging conversations, self-awareness, inclusive leadership, and understanding of human psychology. Encourage leadership discussion groups.



Survey your talent. Regularly ask how their senior leaders and managers are measuring up. Hold leaders accountable for improving these results. Allow your people to anonymously share their thoughts and feelings about company efforts. Put in the work to create an environment of psychological safety for all.



Commit to listening and making changes. Surveys and high-profile listening sessions are counterproductive if you fail to act upon what employees are saying. Consider mandatory office hours, reverse mentoring, coaching, and informal opportunities for senior leaders to mingle with staff. Make sure action follows learning, and be transparent about what you plan to do, as well as when, and why. Customise benefits, compensation packages, career development opportunities, and working conditions based on what employees need.



Create 'snackable' micro-content and regular reminders. This can include content such as two-minute video tips, email reminders, team workshops, and regular nudges for all staff. A single event is not enough. Encourage team discussion. Provide train-the-trainer support and discussion materials to facilitate these conversations. Get leaders to record short video or audio snippets sharing what empathy means to them. Call out and reward examples of empathetic behaviour. To create an empathetic culture, enlist the support of all staff—not just senior leaders and managers.

Conclusion

The last two years have been stressful and traumatic for many. As we write this, the Omicron variant has shown that we cannot rely on the pandemic to simply fade away so we can get 'back to normal.'

Today, we continue to grapple with changes to our work and home lives. The need for empathy is great as we turn to each other for understanding, support, and care.

Although the pandemic has, in many cases, been heartbreaking and disruptive, it has also provided a significant opportunity for organisations to re-shape themselves and become human-centric. Staff are hungry for purpose-driven work and environments in which they feel valued and included; companies are hungry for staff who are engaged, motivated, and loyal.

Organisations that face our current challenges with honesty, transparency, and a commitment to action will see their people, and business, thrive. Moreover, they will attract and retain enthusiastic talent who are managed by understanding, transformational, and empathetic leaders.

Now What?

Is it time to:



Reduce turnover and increase happiness, productivity, and engagement

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Equip your leaders with the skills to manage across your organisation with sensitivity and understanding



Change your culture to one of loyalty, listening, and care

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Open up the lines of communication and foster transparency, trust, and belonging?

We're so grateful to you for taking the time out to read this 2022 white paper on **Empathy in the Workplace: Foster Belonging and Retain Talent**

We thank the HR leaders who gave their time, opinions, and experiences for this white paper, and also thank HRD Network for making these roundtable sessions possible. We hope this white paper has helped you see the pressing need for empathy in today's workplaces. Whether you are a global enterprise with hundreds of thousands of employees, or have a small team of one hundred, we invite you to get in touch. We would love to discuss solutions that will transform your organisation.

Book your session at <u>www.sholakaye.com/15</u> or email info@sholakaye.net.

About Shola Kaye Ltd



If you're excited about the opportunity to retain, engage, and inspire your talent, and are ready and willing to take action, please get in touch to discuss what's next for your business. Our framework is the starting point for practical and effective strategies that assist you with culture change, inclusive leadership, and empathy at work. **Reach out to us at info@sholakaye.net**.

We have customers in the NORAM, EMEA and APAC regions. Clients include Deloitte, AmEx, Oracle, The United Nations, Henkel, Sempra Energy, IBM and The UK Ministry of Justice. We work across a variety of industries including, but not limited to, technology, financial services, healthcare, and professional services.

Find out more at www.sholakaye.com

About HRD Network

We are a global online community of HR leaders. Our community brings together human resource experts and provides a platform for members to connect and cocreate. We do this with one goal in mind: to become curators of the new business landscape. We achieve this through online events, sharing the latest news within HR and providing a gateway for members to collaborate.

Since launching, we have grown to be 300+ members strong. If you are a high-level HR leader within your business and are looking to connect with other professionals like yourself, this is the community for you!

Find out more at www.hrdconnect.com/hrd-network



A Word From Shola

The pandemic has created many challenges and today, there is a heightened focus on the need for transformational leadership and a culture of care.

When the phone rings with someone asking if I can speak at their organisation, the caller typically tells me they need to convince their leaders and managers that it's time to futurise, modernise, and adopt a people-first approach.

Sometimes, they'll book a senior leadership session. In other instances, they'll engage us for a series of talks and workshops from our <u>Empathy to Equity Blueprint framework</u>. Or, the caller may share that their company is changing its values and wants to celebrate behaviours such as empathy, respect, and kindness with a whole company keynote.

It is incredibly encouraging and exciting to be a part of this shift.

My interest in empathy in the workplace developed after experiencing challenging times early in my career. I was a young, Black, British woman, fresh out of graduate school and in my first job at a fast-paced IT consultancy in New York. I was inexperienced, lacked confidence, and struggled to find my feet, desperately wishing that my employer at the time had some knowledge about creating an empathetic, listening workplace.

In another job—this time in London—I encountered a similar empathy deficit. This was many years ago, and there was no pandemic in sight. However, based on the hundreds of workshop and keynote participants reaching out to me via direct message after hearing me speak, I know that many others have experienced a similar lack of empathy at work.

These individuals feel undervalued, underutilised, and disengaged. In some cases, they feel unable to be their true selves for fear of rejection or even being fired. They often have no solution in sight but to quit or struggle on unhappily. My heart goes out to them.

It's time to re-engage these employees. It's time to let that person who has secretly been thinking of quitting know that they're valued and that they belong. It's time to create an inclusive, caring culture that works for all your people.

Empathy is important.

It matters, and this is a wonderful opportunity to make lasting change. Technology is advancing at a rapid pace, and our power lies in our humanity and ability to listen, understand, and act with compassion.

I hope this white paper has been helpful, and that it has inspired you to move your workplace forward to meet today's challenges. Please get in touch to learn more about how we can help you at info@sholakaye.net.

Shola Kaye

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