



2019 STATE OF
WORKPLACE
EMPATHY



INSIGHTS
E-BOOK

Key Stats & Facts



Study Background & Current Landscape



Respondents Across Job Roles, Company Sizes & 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

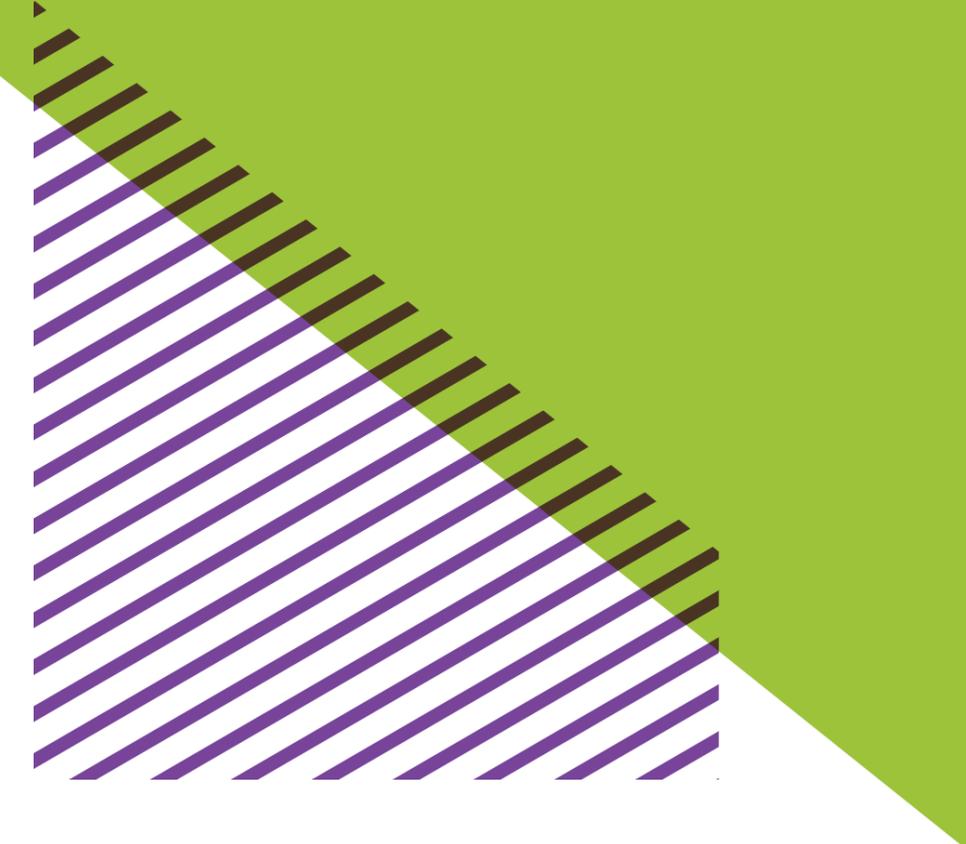


Timing

Survey fielded from December 14, 2018 - January 8, 2019

While shifting demographics, technological change, and social movements have irrevocably changed the American workplace, so much remains unchanged...

- ▶ Despite calls for change, gender diversity in leadership has barely budged. In 2018 **only 5 percent of CEOs at large publicly traded companies were women.**
- ▶ The strong job market garnered attention, particularly as the **unemployment rate reached 3.7 percent** in late 2018—a 50-year low. The continued tightening of the labor market has forced organizations to look for differentiators that set them apart and support recruitment and retention. But while jobs have been plentiful, wages have remained largely the same since the financial crash over a decade ago.
- ▶ Slow wage growth coupled with rising healthcare and prescription costs is affecting **employees' financial well-being, and their stress and mental well-being too.**
- ▶ A record-breaking **four generations are actively in the workforce today**, with a fifth still engaged through benefits and pensions. And that workforce is more mobile than ever—unafraid to change jobs and often required to accommodate the independence and uncertainty of the gig economy.

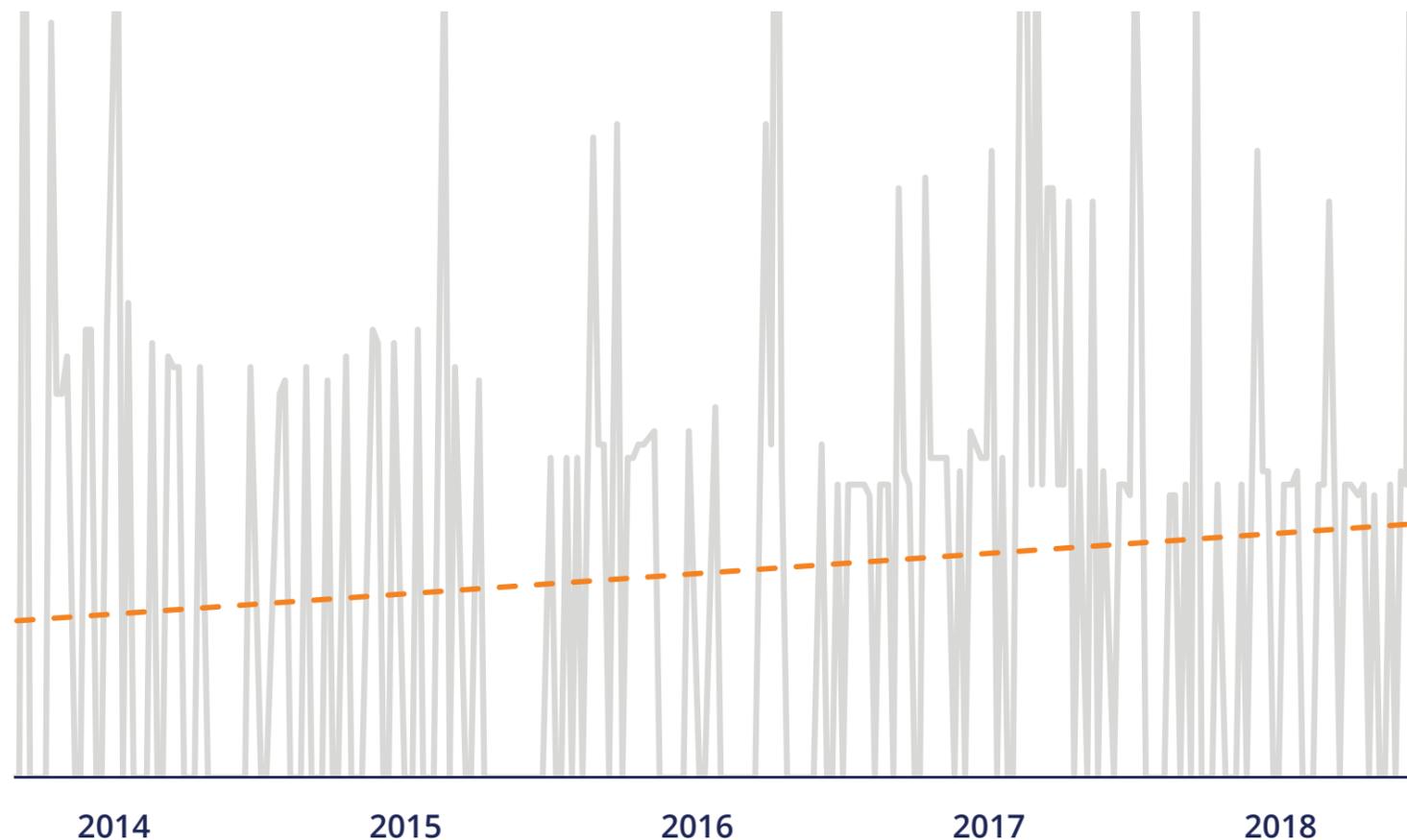


The continued tightening of the labor market has forced organizations to look for differentiators that set them apart and support recruitment and retention.



Yet even still, the importance and visibility of empathy as a core workplace value continues to grow each year

Empathy in the Workplace
January 2014 - January 2019 Interest Over Time



Prior to 2017:

Forbes Introducing A Little Compassion To Your Workplace Culture Has Big Benefits

HUFFPOST Why You Should Train for Empathy, and How to Do It

Within the Past Year:

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

FASTCOMPANY 5 reasons empathy is the most important leadership skill

Forbes Diversity And Inclusion Matters To The Workforce Of The Future



And this year's Workplace Empathy Study reveals an important development — it's now increasingly valued by leadership

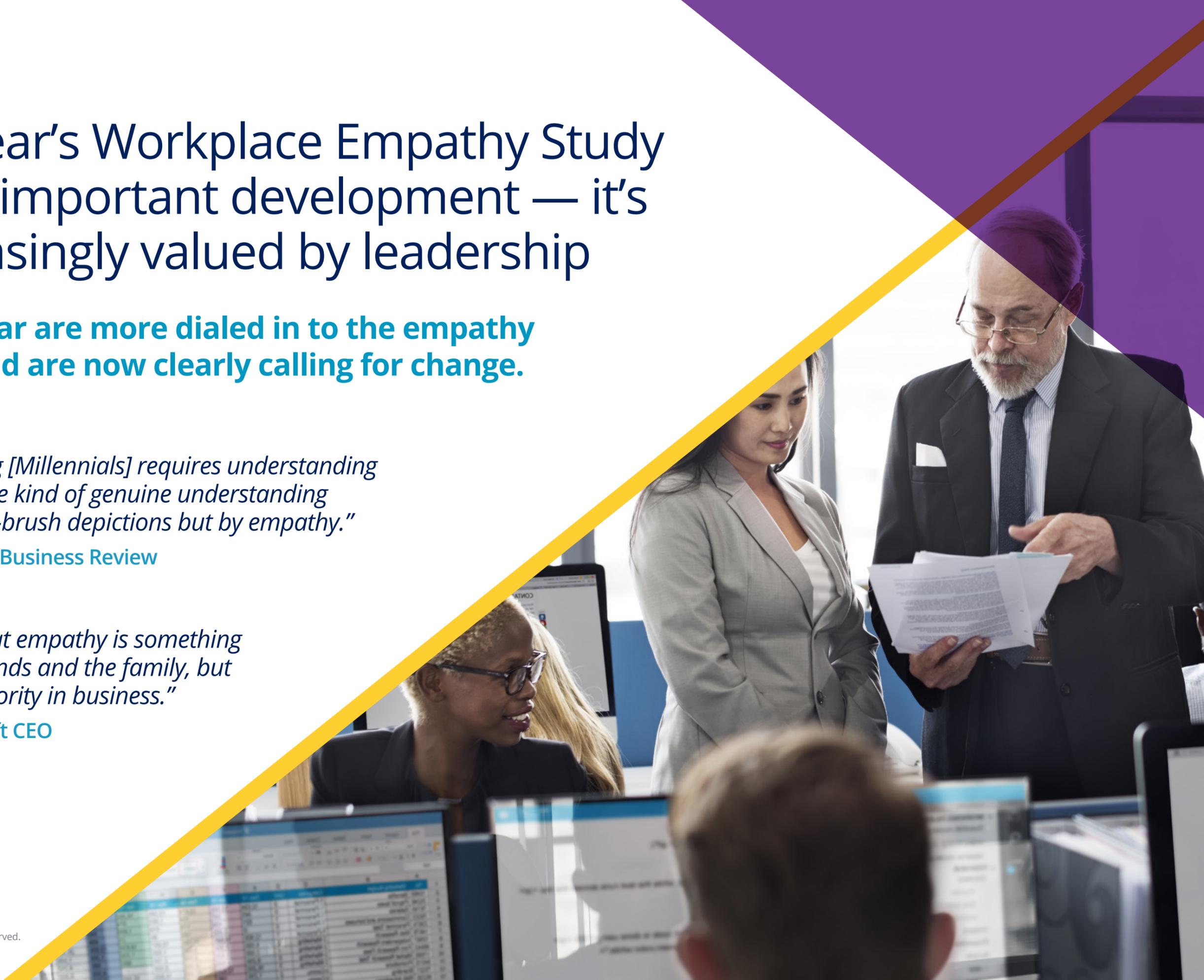
CEOs in particular are more dialed in to the empathy conversation and are now clearly calling for change.

"Leading and managing [Millennials] requires understanding them individually — the kind of genuine understanding provided not by broad-brush depictions but by empathy."

– Ernest Wilson, Harvard Business Review

"[M]ost people think that empathy is something you have only with friends and the family, but in reality it is also a priority in business."

– Satya Nadella, Microsoft CEO



This shift to a top-down approach is encouraged by top CEOs who have built their platforms on a foundation of empathy

Microsoft's Satya Nadella and Ford's Alan Mulally have embraced the need for workplace empathy, emboldening the importance of this value.

"The value that I have learned to deeply appreciate and is something I talk a lot about is empathy. I think of empathy as not just as something nice to have but (it) is core to (the) innovation agenda in the company...one of the things that I've come to realize is, if I look at what is Microsoft's core business, it is about being able to meet the unmet and unarticulated needs of customers and there is just no way we are going to be able to succeed in doing that if we don't have that deep sense of empathy."

– Satya Nadella, Microsoft CEO

Empathy building with customers also builds trust, as Hoffman's description of Mulally demonstrates: "A few minutes later, Mulally had made his first sale. In less than an hour, he made two more. Another was pending. It would not be the last time Mulally played at being a car salesman. This was a way for him to see firsthand how Ford's customers approached its cars and trucks. But it also generated a huge amount of goodwill for the company. Everybody who met Mulally walked away an ambassador for Ford. He had that effect on people."

– Bryce G. Hoffman on Alan Mulally, Ford CEO

Chief Executive
Four Ways CEOs Can Lead With Empathy

QUARTZ INDIA

Microsoft CEO Satya Nadella's leadership mantra is all about empathy



The CEO as Chief Empathy Officer:
Why empathy matters

Inc.

Former Ford CEO Alan Mulally: Running a Business Is a Design Job



To Be Heard, Hear: How Empathy Makes Leaders of Modern Work More Influential



Yet the roadmap to creating an empathetic workplace is not always clear

There's a notable disconnect between perceptions of empathy between the C-suite, HR professionals and employees.

CEOs and employees attribute workplace empathy to different forms of business impact



CEOs firmly believe empathy is tied to a company's **financial performance.**



Employees place greater emphasis on empathy's **benefits for human capital.**



Businessolver's 2019 State of Workplace Empathy Study reveals how we can bridge this gap between leadership and employees to drive better business outcomes

Findings uncover key tension points in the need for workplace empathy and the best ways to address them.



Notably, this latest State of Workplace Empathy Study reinforces the message we've seen consistently for four years: **empathy matters more than ever**, and without it, you're falling behind.



Businesses that can find the right mix of cultural alignment, programming, and benefits will enjoy a **competitive edge** in terms of recruitment, retention, and employee engagement.

Empathy matters more than ever, and without it, you're falling behind.



A photograph of three diverse professionals sitting on white stools against a white brick wall. On the left is a Black man with a beard, wearing a dark suit and a blue striped tie. In the center is a woman with short blonde hair, wearing a brown top and a green patterned scarf. On the right is a white man with glasses, wearing a grey blazer over a checkered shirt. They are all smiling and appear to be in a conversation. The image is overlaid with a large blue and yellow diagonal graphic on the left side and a purple graphic on the bottom right.

Employees
in all roles are
calling for change.
There is a clear
mandate for empathy
in the workplace.

**Understanding the divide between
employees and leaders, and how
to bridge the gap.**

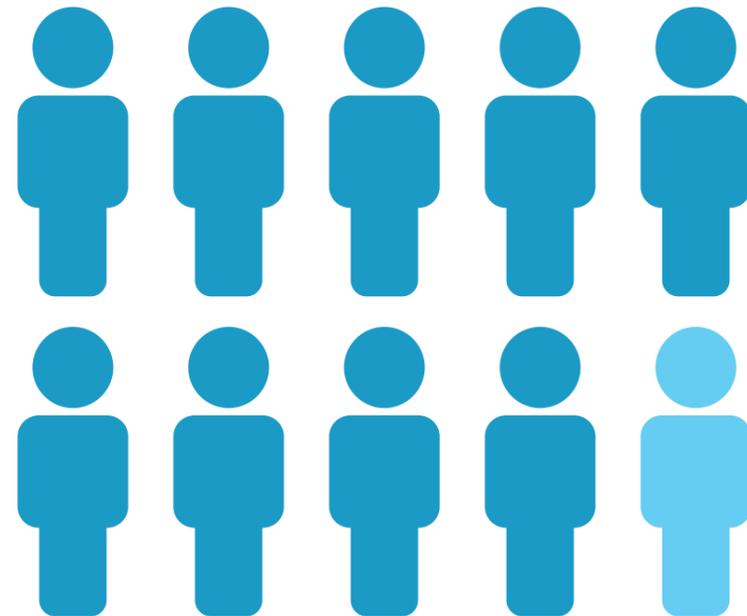


Empathy has entered the work-life lexicon, and we know that workplace empathy matters

9 in 10

employees, HR professionals, and CEOs believe that it's important for an **organization to demonstrate empathy.**

This has remained virtually unchanged since 2017.



Now, leadership is finally catching on, calling for the state of empathy in the workplace to change



Overall, the current state of empathy in US organizations needs to evolve:



of CEOs say the **current state of empathy in the workplace needs to evolve.**

Since 2017, we've seen a 15 percent increase in the number of CEOs saying the state of empathy should change.



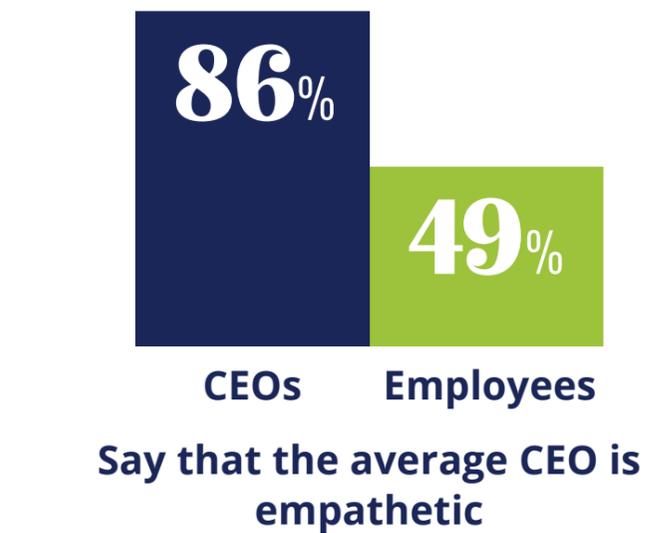
Yet, there is a persistent disconnect between employees and leadership when it comes to workplace empathy

The “Empathy Gap” or difference between employees and employers in their perception of empathy in the workplace, is widening.

How empathetic my organization is as a whole



The gap between employees and leadership widens year-over-year.



That extends to how each group perceives the business impact of workplace empathy

Leadership believes empathy is directly tied to a company's financial performance, while employees emphasize the benefit of empathy in terms of human capital.



of CEOs say that **empathy is tied to financial performance...** with HR professionals agreeing (**85%**).

At **41 percent**, employees remain skeptical that empathy impacts financial performance directly.

Instead, employees say the benefits of an empathetic organization are:

75% more motivated employees

69% more productive employees



Two key areas that see a windfall from strong workplace empathy — talent acquisition and retention...

More than 90 percent of all job levels are more likely to stay with an empathetic employer. They will even trade off hours and pay.



of employees would **consider leaving their organization** for a more empathetic one, a figure that rises to 87 percent for Millennials.



of employees would choose an empathetic employer over a **less empathetic organization with a higher salary.**



of employees are more likely to stay with an employer who **empathized with their needs.**



of employees would **work longer hours** for an empathetic employer.

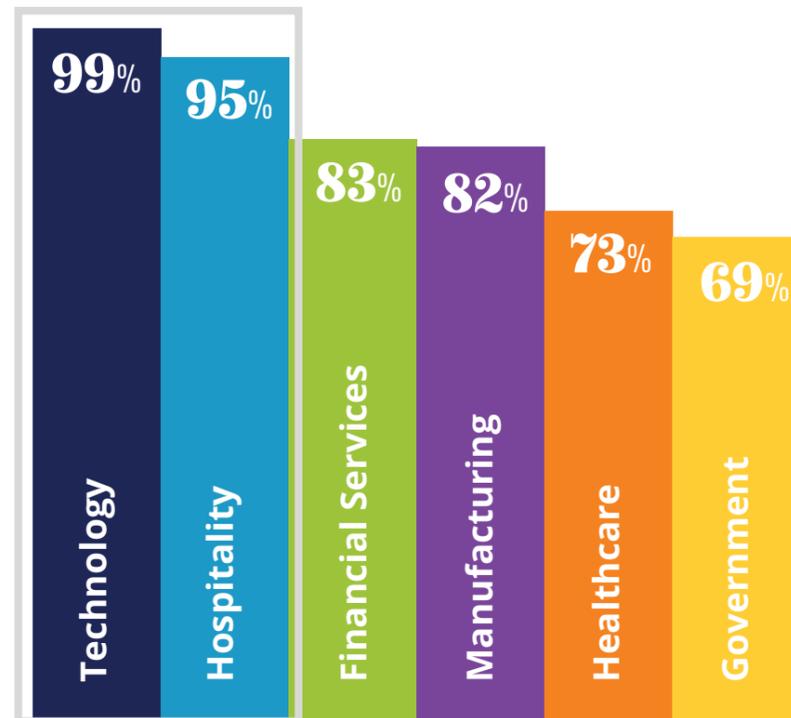


of employees would take **slightly less pay** for an empathetic employer.

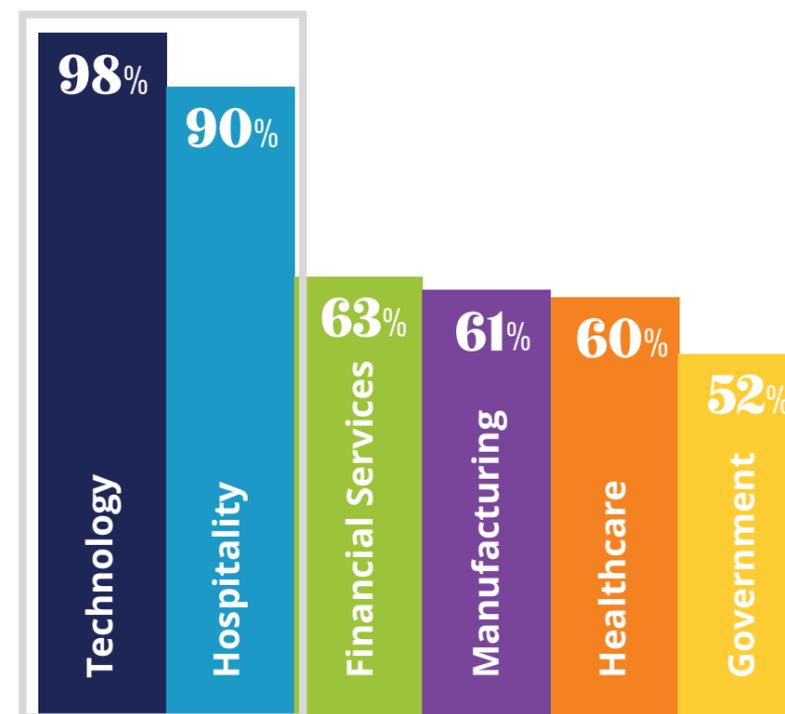


...and these trends are especially pronounced in the technology and hospitality sectors

Perceptions of Empathy in the Workplace: Industry Perspective



I would be willing to work longer hours for an empathetic employer



I would be willing to take slightly less pay to work for a more empathetic employer



When it comes to showing empathy, some behaviors are viewed as empathetic by everyone

Throughout organizations, people believe that understanding and respecting the need for time off is empathetic.

These behaviors rose to the top as the most important ways to show empathy in the workplace.

	Employees	HR Professionals	CEOs
Understanding and/or respecting the need for time-off to take care of personal family or medical issues	94%	99% ↑ +6 pts from 2018	98%
Making time to talk one-on-one about challenges or problems at work	91%	97% ↑ +12 pts from 2018	97%
Understanding and/or respecting the need for flexible working hours	91%	92%	96%



There is also broad alignment around which behaviors each audience can focus on to advance empathy in the workplace

Employees see different behaviors as empathetic, depending on job function.



Employees = Help Others Meet Business Priorities

- ▶ Go the extra mile to help a colleague meet a deadline
- ▶ Make time to talk 1-on-1 about challenges at work



HR = Balance of Work + Personal Dialogue

- ▶ Respect the need for time off to take care of personal needs
- ▶ Understand the need for flexible working hours
- ▶ Make time to talk 1-on-1 about challenges at work



CEOs = Build Personal Connections

- ▶ Inquire about employees' personal interests outside of work
- ▶ Make time to ask employees about their family and friends
- ▶ Recognize employees' important professional milestones

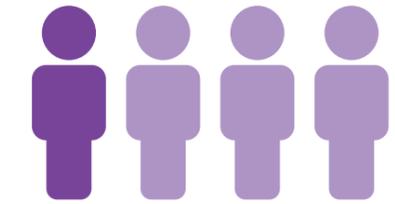


Almost everyone agrees that face-to-face interactions and team meetings are the most empathetic forms of communications.



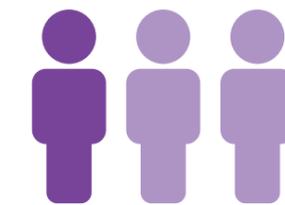
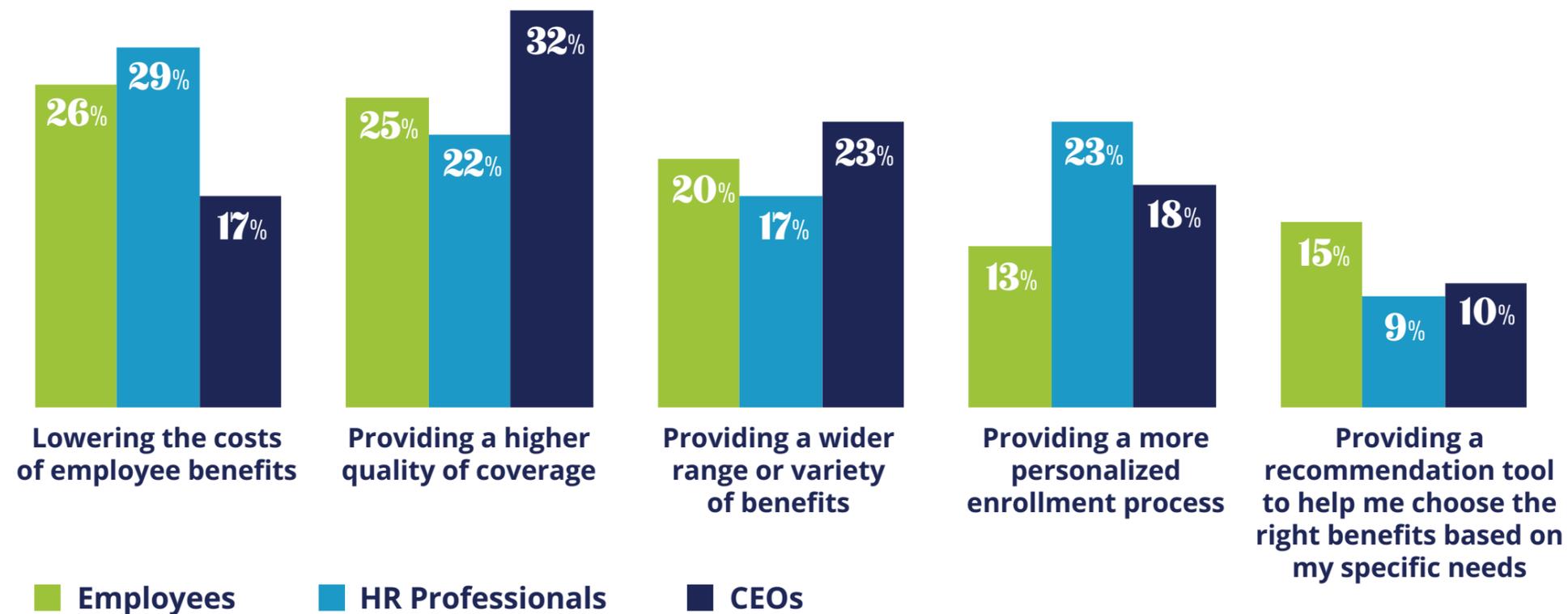
Yet employees and CEOs still don't see eye-to-eye on cost and quality of benefits

Employees believe that cost and quality of benefits drives empathy, while CEOs consider quality to be most empathetic.



More than a quarter (26%) of **employees see lowering the cost of benefits as most empathetic** compared to 17 percent of CEOs.

Most Empathetic Benefits Actions



Almost a third (32%) of CEOs believe **providing a higher quality coverage is most empathetic** compared to 25 percent of employees.



To bridge the empathy gap between leadership and employees, organizations need to look inward on how they can listen and improve



Companies must seize the moment to make impactful progress on workplace empathy and take the opportunity for **stronger, more proactive leadership.**



The business case for workplace empathy is clearer than ever, and employers must reflect on whether their culture, behaviors, and benefits **truly exhibit empathy with their employees.**





Well-being has become central to workplace empathy and how employees evaluate their employers and quality of life.

As a result, organizations must welcome important conversations around a broader sense of what health and wellness really are.



Employees across the board are expecting more investments from their employers to address well-being

Traditional attempts to boost employee well-being have fallen short, so employers must adjust and make changes now.



of employees say **companies should do more to address overall well-being** and the needs of their employees.

94% of CEO's agree

85% of HR Professionals agree



Employees want overall support in their day-to-day working lives to reduce stress and improve mental health

Several behaviors are seen as helping to promote holistic well-being at work.



94%

An **open-door policy** that allows for face-to-face communication with management or HR



94%

Coverage options for mental health services through employee benefits



92%

Flexible work hours



91%

Assessment of job demands/workload for those who consistently work past normal hours

Overall, employees want to feel like their employers empathize with their daily working life.



Employee benefits also continue to play a critical role in how organizations demonstrate empathy, and traditional benefits have become table stakes

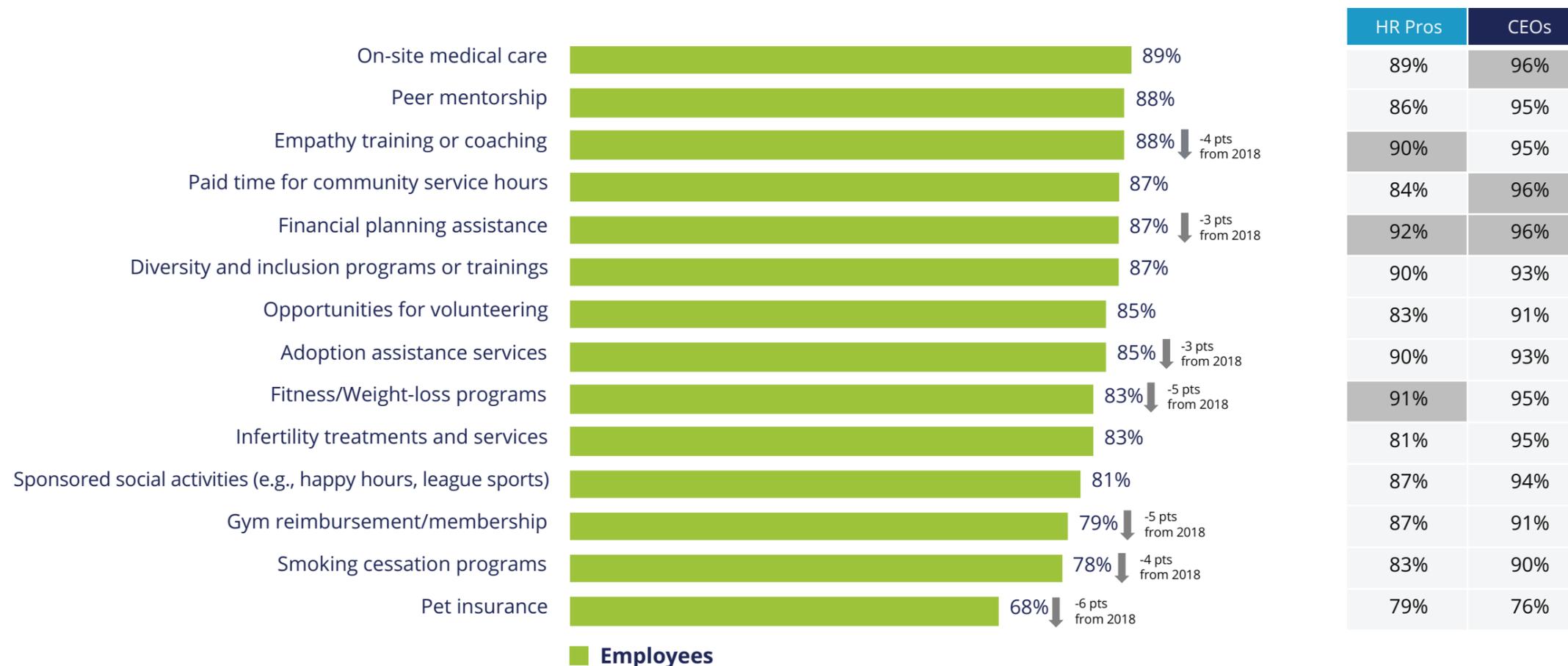
For employees, benefits concerning family ranked highest for empathy.



While CEOs believe strongly that non-traditional benefits demonstrate empathy, employees have a different perspective

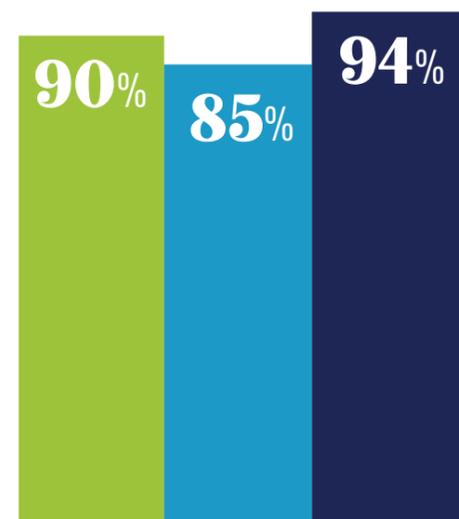
Employees are less interested in pet insurance and certain wellness programs, such as weight loss and smoking cessation.

Top Non-Traditional Benefits That Show Empathy

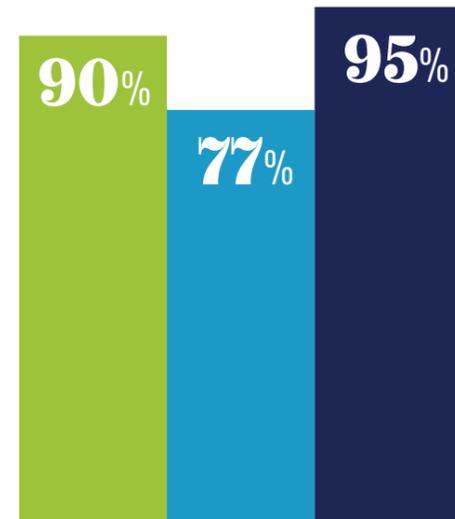


Mental health benefits are linked to a culture of empathy in the workplace...

Across all audiences, companies who offer mental health support are seen as empathetic.



Companies should be doing more to address the overall well-being and needs of its employees



Companies that have programs in place to address mental health issues are more empathetic to their employees



I believe that companies who offer individual mental health benefits to their employees are more empathetic than companies who do not

■ Employees ■ HR Professionals ■ CEOs



9 out of 10

employees, HR professionals, and CEOs say **mental health benefits demonstrate empathy.**

All generations agree, with Boomers leading the pack (95%) followed by Gen X (92%) and Millennials (90%).

Women (94%) are slightly **more likely to agree** than men (91%).

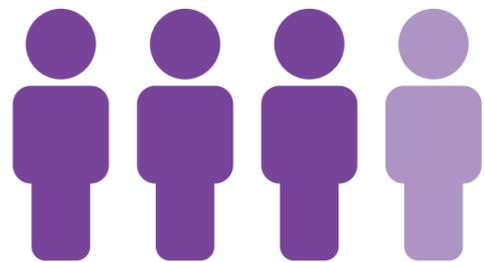


...which is critical to cultivating empathy around mental health issues, as persistent stigmas around mental health plague the workplace

8 in 10 employees, HR professionals, and CEOs say that companies view someone with a mental health issue as a burden.



68 percent of employees believe that if someone at their company reached out about a **mental health issue**, it could **negatively impact their job security**.

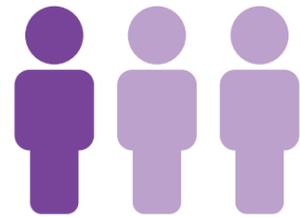


Nearly three quarters (74%) believe their employer may **hold back job offers** to a potential candidate **if they disclosed a mental health issue**.



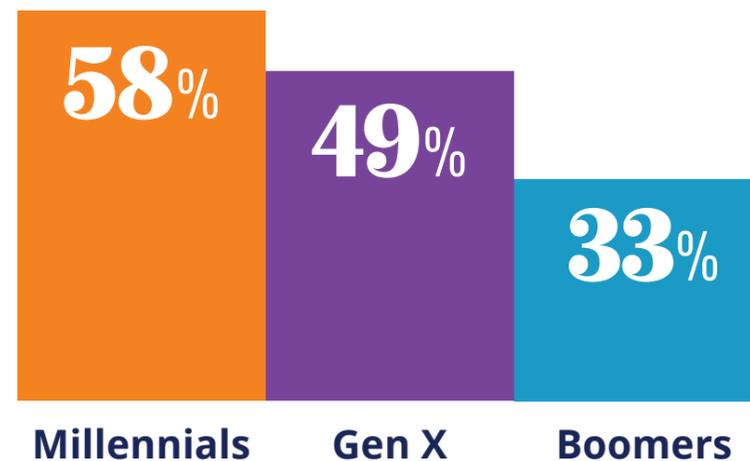
This unsettling data explains why so few employees reach out for support

However, it's important to note that for those who did reach out, a majority (90%) experienced empathy.



Only one-third of workers (35%) who **have experienced a mental health issue have reached out for help.**

Likelihood to report experiencing a mental health issue in the past year



Did you experience an empathetic response?



HR professionals and CEOs were less likely than employees to experience mental health issues, but more likely to reach out to someone at work.



Currently, a knowledge gap exists between leadership and employees around awareness of mental health benefits and programs

Leadership is much more likely than employees to know if their organization offers mental health benefits and programs.

Does Your Company Currently Offer Any Mental Health Programs or Benefits?

	Employees	HR Professionals	CEOs
Yes	55%	78%	74%
No, Not Currently	32%	15%	22%
No, But They Will Be	5%	0%	3%
I Don't Know	8%	7%	1%

63% Males
46% Females
51% Millennials
50% Gen X
63% Boomer



CEOs understand the business benefits of mental health benefits and programs

Leaders see value in lower costs and improved retention.



93% of CEOs say the **advantages of mental health benefits outweigh the potential costs.**



93% of CEOs say an employer that **recognizes the importance of mental health is more likely to retain employees.**



And employees agree that providing support for mental health through programs or benefits leads to business advantages

Employees believe this support improves outcomes for people and the business as a whole.

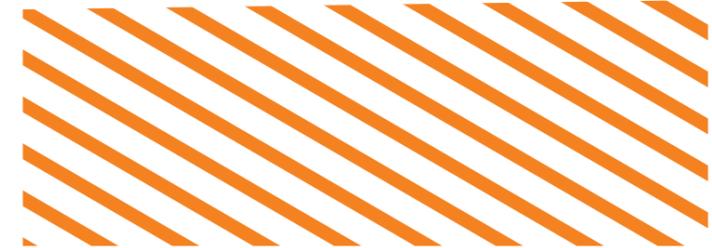
Advantages of Offering Mental Health Programs or Benefits at Work

32% Males
50% Females
 45% Millennials
 43% Gen X
 32% Boomer
 42% White
 36% Non-white



HR Pros	CEOs
46%	35%
27%	29%
25%	30%
43%	40%
31%	30%
29%	33%
30%	33%
21%	32%
36%	30%
20%	32%
32%	26%
22%	29%
26%	33%
38%	26%
15%	29%

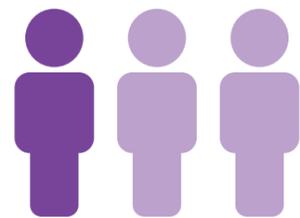




Empathetic approaches to well-being, including mental health, result in positive outcomes for employees

Flexibility, open communication, and the varied benefits that support family priorities make for healthier employees.

Healthier employees can reduce rates of absenteeism and lower healthcare costs:



One in three absences is due to **stress and/or anxiety***

**\$42
BILLION**

Employee anxiety conditions cost \$42 billion a year*

Empathy shows support for everyday challenges and acknowledgment of diverse needs, which is critical for improved engagement and lower costs.



*<https://www.entrepreneur.com/article/290530>



Ultimately, employees want to feel a sense of belonging at work

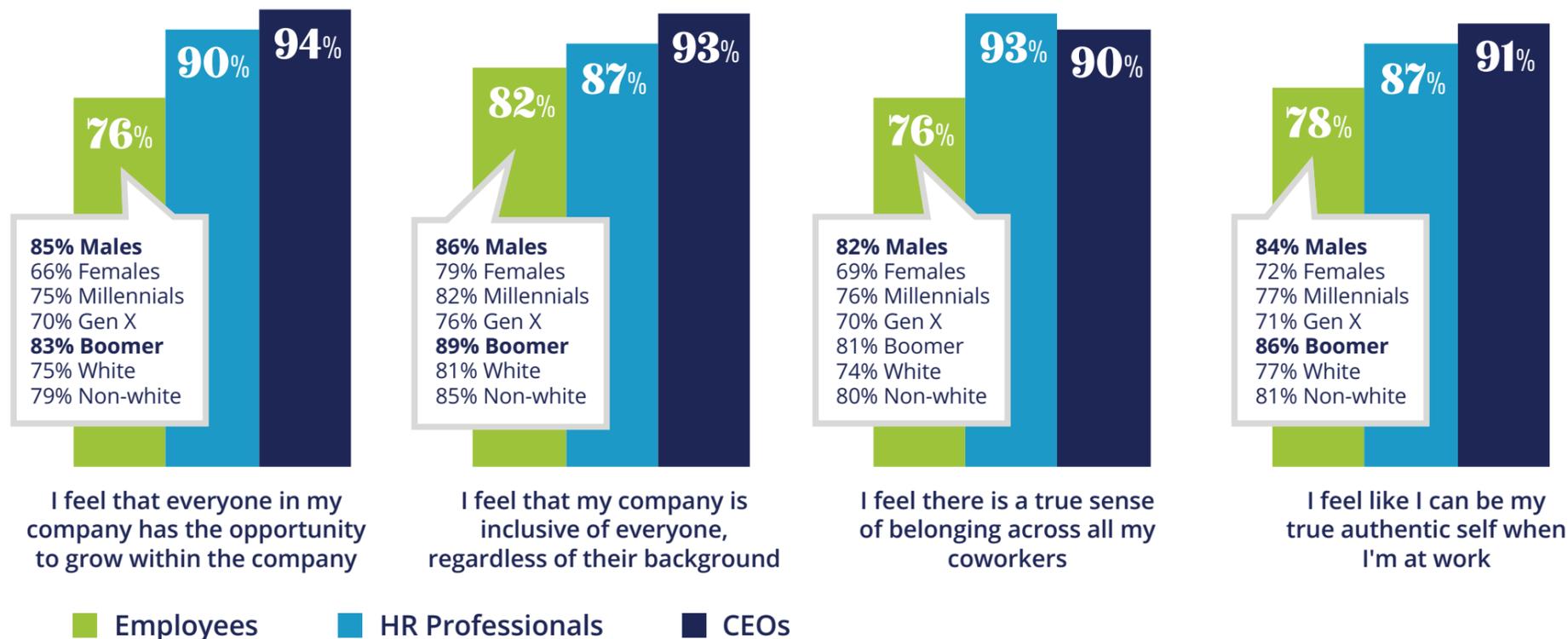
By recognizing and supporting the diversity of today's workplace, employee benefits can help foster a sense of inclusion and that all employees are welcome.



There is a concerning gap between employees and leadership in feeling a true sense of belonging at work...

9 in 10 CEOs and HR professionals report a true sense of belonging in the workplace, while comparatively, only 76 percent of employees agree.

Inclusivity in the Workplace



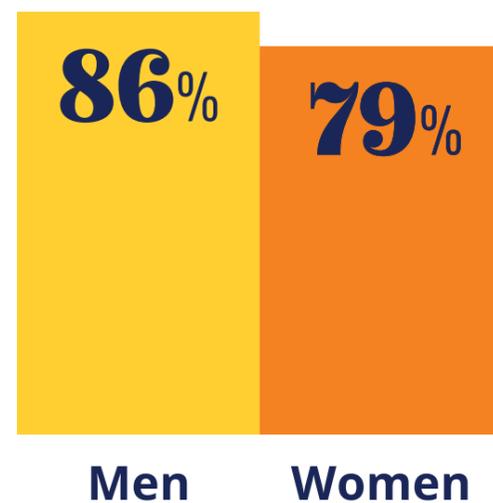
Female employees are more likely to question if their company is inclusive of all workers and gives everyone a chance to succeed.



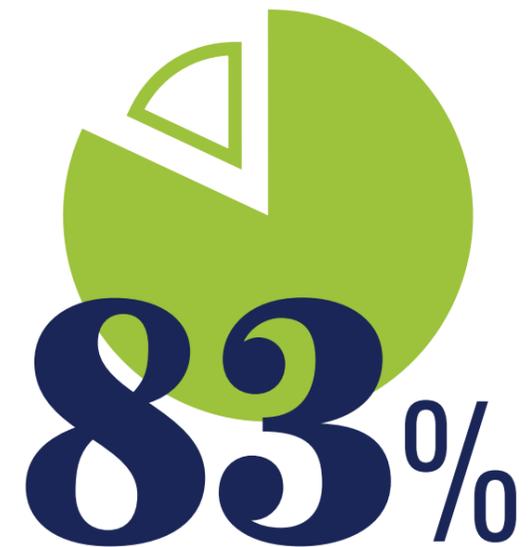
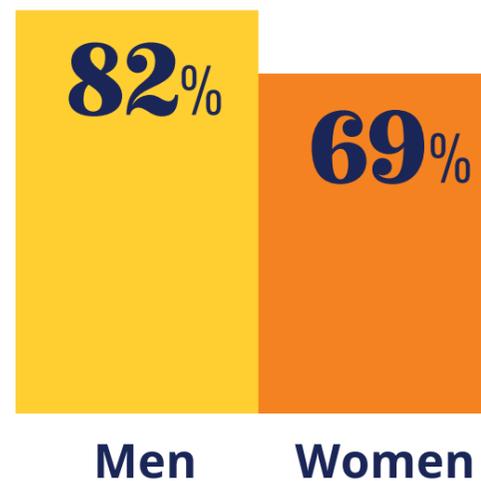
...and given that men and older employees are more likely to view their workplace as inclusive, there's an opportunity for organizations to make some impactful changes

Employers can improve outreach and inclusivity to women and younger populations to attract and retain top talent.

Agree their company is inclusive of everyone regardless of background



Believe there is a true sense of belonging across all of their co-workers



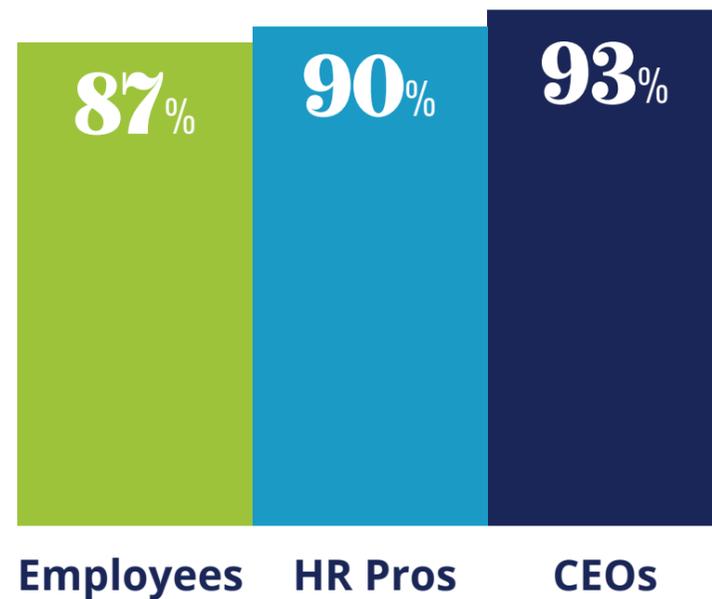
of Boomers are most likely to believe **everyone has the opportunity to grow within a company**, compared to Gen X (70%) and Millennials (75%).



Employees at all levels believe Diversity & Inclusion (D&I) programs can help demonstrate workplace empathy and help create a more empathetic workplace

These programs and benefits are more common but also suffer from low employee visibility.

Believe D&I programs or trainings demonstrate that a company is empathetic to employees



Awareness of whether their company offers D&I programs



of CEOs strongly believe that **D&I has become more visible at their organizations over the last year**, while employees are less likely to agree, exposing yet another perception gap between leadership and employees.



While D&I can help demonstrate empathy and foster belonging in the workplace, pay parity is another element that proves vital to expressing empathy and equality in the workplace

Gaps between men and women, and leadership and employees exist around pay parity.



There is a **16-point gap** separating men (83%) and women (67%) around whether **equal gender pay is a priority** at their company.



In addition, while nearly **90 percent of HR professionals and CEOs cite gender pay parity is a priority**, only **75 percent of employees** believe the same to be true.



CEOs are also more likely to believe pay is based on merit and experience

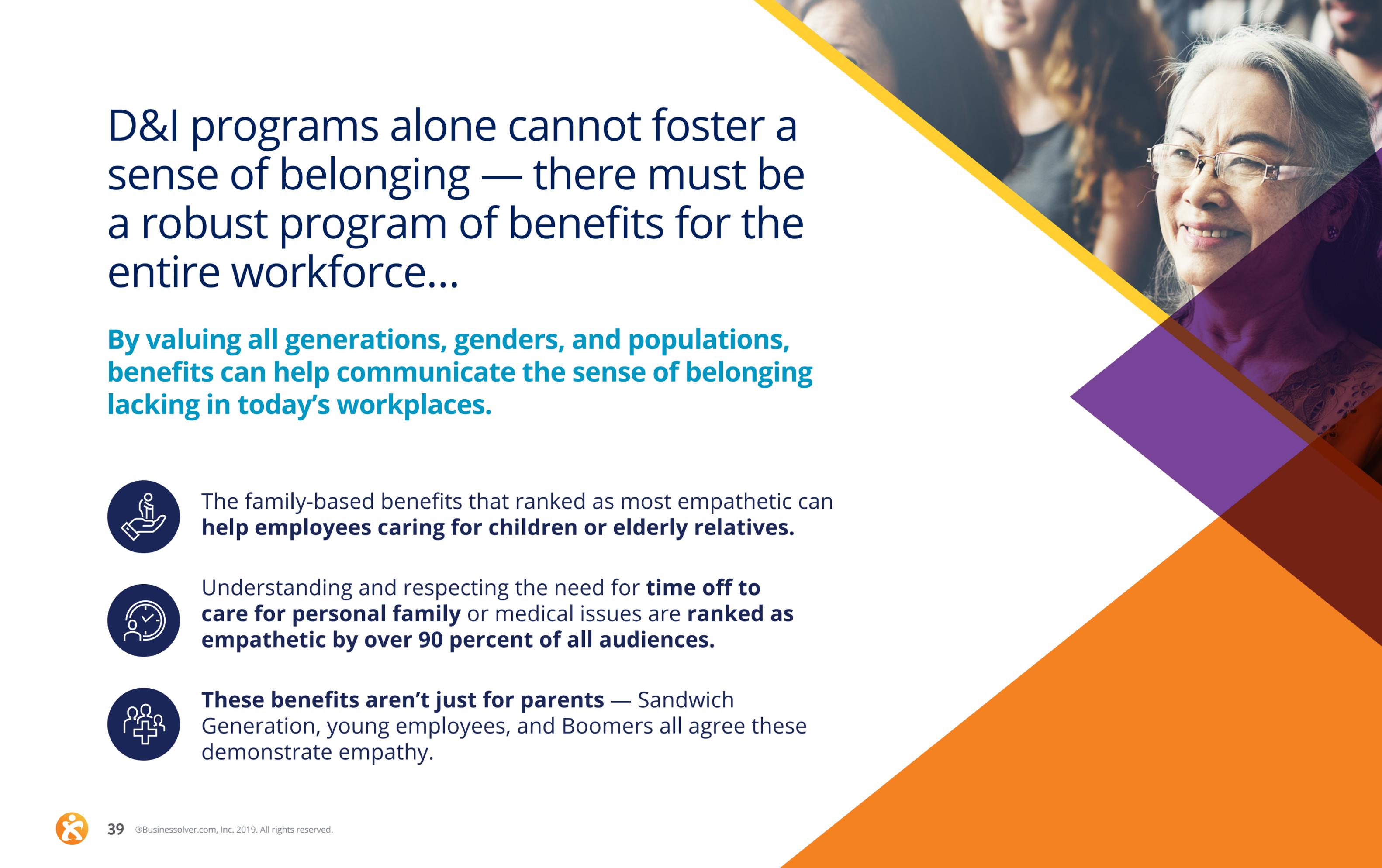
Employees are more skeptical that pay is based on these measurements.

Perception of Equal Pay in the Workplace



Employees at my company are paid solely based on merits and experience





D&I programs alone cannot foster a sense of belonging — there must be a robust program of benefits for the entire workforce...

By valuing all generations, genders, and populations, benefits can help communicate the sense of belonging lacking in today's workplaces.



The family-based benefits that ranked as most empathetic can **help employees caring for children or elderly relatives.**



Understanding and respecting the need for **time off to care for personal family** or medical issues are **ranked as empathetic by over 90 percent of all audiences.**



These benefits aren't just for parents — Sandwich Generation, young employees, and Boomers all agree these demonstrate empathy.

...because the advantages of an empathetic workplace are clearer than ever

Diverse populations will gravitate to empathetic organizations, driving positive business outcomes, such as recruitment and increased productivity.

Would consider leaving their employer for a more empathetic one



Would take less pay for an empathetic employer



Cultivating a sense of belonging is empathetic and supports employee well-being

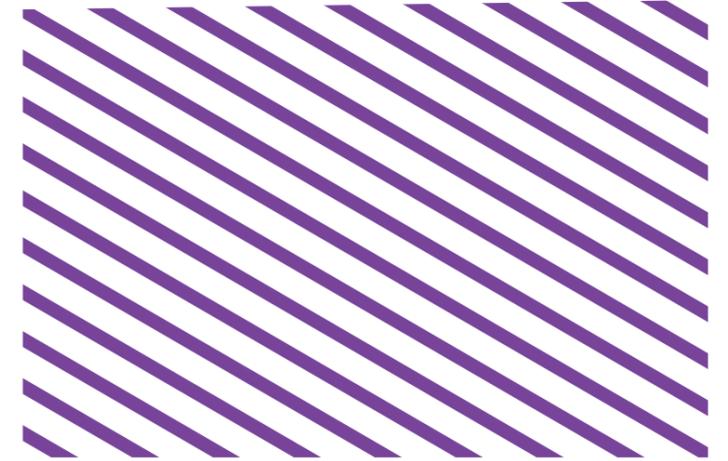
Encouraging diversity and supporting employees with benefits can make employees feel welcome and allow them to bring their true selves to the workplace.



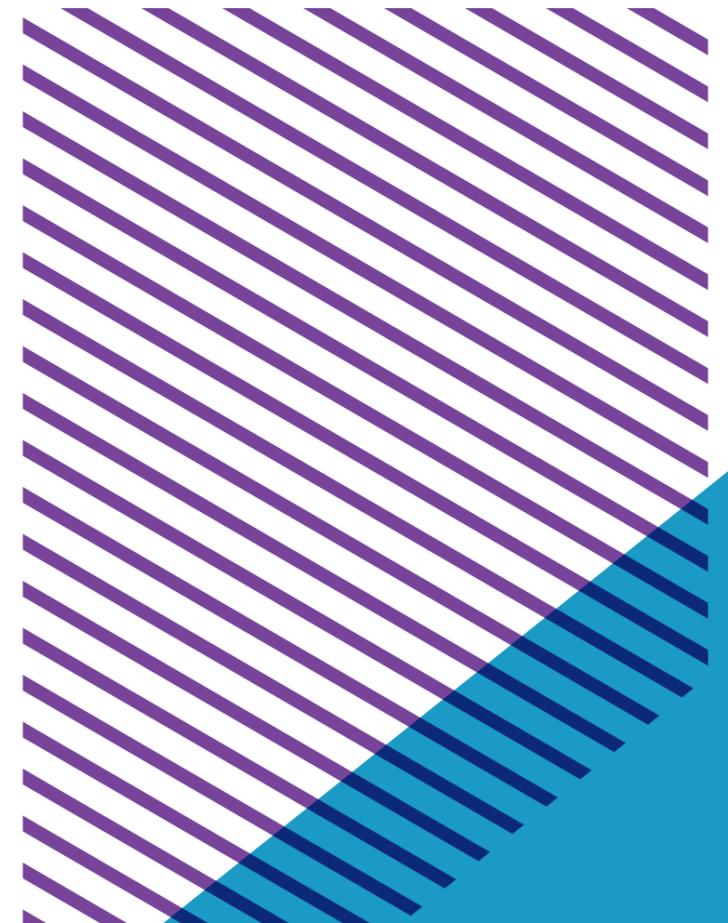
With a culture of empathy in place, employees can **overcome the loneliness and disengagement** that many are struggling with today.



Diversity in leadership is vital for creating an empathetic environment — **75 percent of employees say organizations are more empathetic with diverse leadership**, including women and minorities.



Diversity in leadership is vital for creating an empathetic environment.





Where do organizations
go from here?



All members of an organization need to rally around improving empathy in the workplace

Now that all audiences understand the value of empathy, and leaders have joined the calls for change, it's time for employees and leadership to find common ground.



It takes more than one program, one benefit, one perk, or one gesture to demonstrate empathy — it has to be an **authentic component of an organization's entire culture.**



We have outlined some simple steps that organizations can take to create a more empathetic workplace...





Empathy must be in the fabric of an organization's culture

There is no quick fix to create empathy — it must be thorough and driven by leadership.

Creating an empathetic environment requires benefits and practices that let employees in all job roles know that their quality of life and well-being matters to the organization.

Start by:



Having an **open-door policy** for communication.



Prioritizing **face-to-face** interactions.



Listening to employee concerns and priorities around benefits.



Continue to look at the **holistic well-being** of your employees — physical, mental and financial.



Leadership must show that empathy matters to them for the rest of the organization to know it's a foundational value.





Pause, reflect, connect and listen

Leaders need to reflect on their views of empathy in the workplace.

- ▶ Are they echoing what they hear, or are they truly leading the way?
- ▶ What are the impacts of workplace empathy?
- ▶ Is it financial performance, or is it the effects on people?

Start by:



Listening and learning from employees about their challenges balancing work and other priorities.



Seeking and promoting the **diversity in your workforce**, especially in leadership.



Making time to ask employees about their interests, and **recognizing their work milestones** — these are the behaviors noted as most empathetic for CEOs.

If leaders only focus on the financial effects, they may not understand what matters to their employees.





Well-being starts at work

Talking the talk isn't enough...employers need to support holistic well-being for employees.

- ▶ Understand generational needs for flexibility and family benefits.
- ▶ Well-being encompasses physical, mental, and financial wellness, and benefits and company practices should reflect that.
- ▶ Address the stigma around mental health issues and take proactive steps to increase employee well-being.

Start by:



Assessing your benefits offering for programs that support **holistic well-being**.



Communicating with employees about **mental health support** that is available through your existing benefits.





Benefits = Belonging

Benefits can increase employees' sense of belonging and improve engagement.

- ▶ Giving employees the benefits and support they need to balance their diverse priorities drives tangible outcomes for attraction, retention, and engagement.
- ▶ Robust benefits programs that meet their needs signal to employees that their employer understands their life stage, cares about their challenges, and champions their total well-being — essentially, benefits let employees know they're valued as human beings.
- ▶ Valuing diversity, particularly diversity in leadership, remains crucial to fostering an empathetic work environment.

Start by:



Examining data about your workforce population to better understand their life stages and the varied needs that accompany each one.



Vetting the costs of benefits plans since lower benefit costs are seen as most empathetic by employees.



Reviewing hiring and promotion policies to evaluate how your leadership team reflects your employee population.





Empathy: The time for action is now.

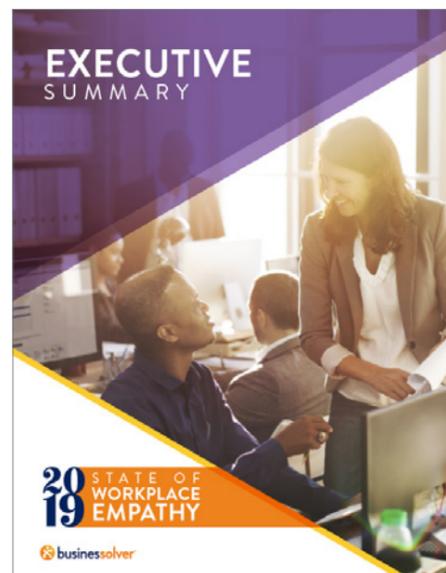
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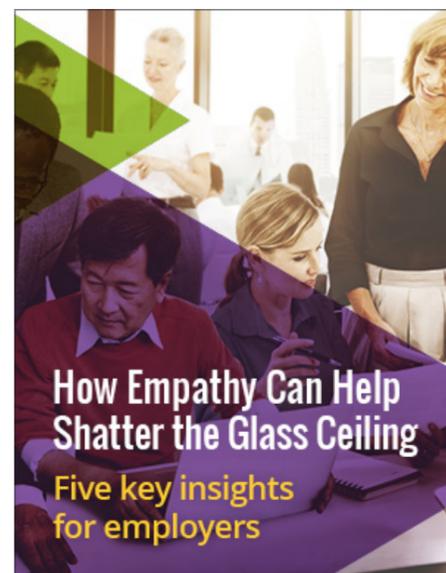
Learn more

Businessolver has been collecting data and reporting on the topic of workplace empathy since 2016. Visit businessolver.com/empathy to learn more. Here's a sampling of what you'll find.

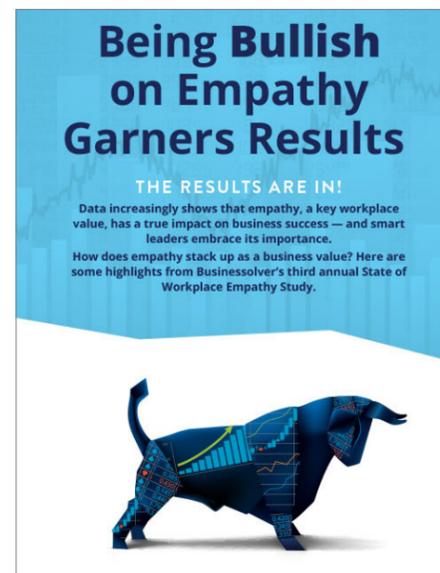
2019 Empathy
Executive Summary
White Paper



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