

How companies win by leading with empathy

Organizations experience exponential success by creating cultures where diversity and empathy thrive.

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Did You Know?

Tumult in the workplace these last several years has given researchers a chance to understand why people quit jobs and what increases the likelihood they will stay. When companies and organizations fail to lead with empathy and prioritization of diversity and inclusion, it can affect morale in the workforce and a company's bottom line. A Sloan Business Review study found that disrespect in the workplace and poor DEI practices are 10 times more predictive of quitting than pay. Culture influences thoughts of leaving more than a company's response to Covid or its benefits policy— by far.

“What I've seen in my experiences is that some people in leadership roles believe that people who are different from them are not as good as them. Leaders can't be exclusionary because they will exclude opportunities for innovation,” says Dr. Patricia Anderson, a leadership strategist and author of “You Know Less Than You Don't Know.” Changing an

organization's culture must be more focused than checking boxes so that the optics look good, Anderson believes.

Challenges in the workforce — resignation rates, for example, especially for high quality hires who are women and diverse — are essentially people challenges. They are also people *opportunities*. According to research by the [Boston Consulting Group](#), companies that actively foster positive workplace culture are winning... big. The future will only bring [more scrutiny](#) of poor workplace culture environments; from consumers, investors, and C-suite leaders who increasingly see the risk to brand, reputation, and loss of opportunity that so-called “toxic culture” environments lead to.

Here's some good news for any enterprise, though: The solution for a better workplace culture is not rocket science; it's empathy, a skill that can be developed. When empathy skills go up, so do results.

According to a study conducted by [Catalyst](#), 76% of people with highly empathic senior leaders report often or always being engaged, compared to only 32% of people with less empathic senior leaders. The Catalyst and Sloan studies show that environments where empathy and respect are present, do better at retaining women and diverse workers. This is true across sectors, in all types of work.

A financial institution can foster positive or negative culture, and receive the positive or negative results from the environment that is created, as well as a manufacturing facility. It turns out, empathy practice pairs really well with learning diversity, equity and inclusion concepts. The very best form of empathy practice is to learn about the life experiences of others, especially people whose life experiences are different. In an article by Nathan Skillen, Stanford professor Jennifer Aaker reflects on neuroscience studies, saying, “our brains are not hard-wired to understand logic or retain facts for very long. Our brains are wired to understand and retain stories. Human stories evoke and develop empathy, and ring the bell of learning retention.”

Getting on the journey toward a more inclusive and equitable workplace can also help companies attract top-level talent from across different ethnic backgrounds and the younger generation of workers. Consider, Deena Pierott, a DEI pioneer and author, who experienced a total absence of diversity efforts while working for the City of Portland in the 1990's. “I kept having this weird feeling that I didn't belong, nor was it overly welcoming to me, or other people of color.” She went on to found and lead initiatives, becoming an author and expert on diversity in the workplace. Some 30 years later, at a keynote address at Western Washington University in Bellingham, Washington, Pierott noticed that Gen Zers across all racial backgrounds tended to be open-minded when it came to learning about the importance of diversity.

“While giving my keynote speech, I realized that 85% of the audience were young, white male students. They told me that they were there because they want to be a part of the

solution,” Pierott says. “Some were raised in spaces where family members would say negative things about other cultures. The students wanted to go on their own journey of self-discovery. I left that meeting feeling hopeful about this next generation wanting to see more diversity and equity.”

Across the generations, things have changed.

When empathy is instilled within an organization’s culture, inclusive behaviors become more organic over time. Anderson points out, as leaders create an environment that empowers employees to feel a sense of belonging, greater innovation, increased productivity and profits follow.

“If you have the same sort of people thinking the same way without diversity of thought, your company will lack growth,” Anderson says. “If you’re being inclusive and bringing other types of individuals with different experiences, it can lead to different ideas and innovation.

“When people from diverse backgrounds see others who look like them succeed in an organization, it inspires them to give everything because they see a path forward.” That’s the essence of what diversity, equity and inclusion learning and empathy skills offer; a path forward.

AR Shaw contributed reporting to this story.



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