



2021

STATE OF
WORKPLACE
EMPATHY

BENEFITS BOUNCE BACK:
USING EMPATHY TO RECOVER,
RECONNECT, AND REBUILD



This T-shirt probably says it best:



In addition to a deadly and economically debilitating pandemic, 2020 was a year of unprecedented political and social turbulence. Our patience, emotions, and resilience were put to the test in every area of our daily lives. And the workplace was no exception.

Fortunately, employers realized that their employees—their greatest asset—needed help during this challenging year. And they supported them by practicing something so natural, so simple, and so readily available: **Empathy.**





Shifting from Management to Masonry

Apart from a few astute epidemiologists and sociologists, no one predicted—or prepared for—the challenges of 2020. **Employers especially had to think quickly and make the best use of available resources**—from providing hand sanitizer to health care, simultaneously supporting leaves of absence and initiatives related to diversity, equity, and inclusion.

To respond to the most pressing workforce needs, empathetic employers swiftly established or enhanced various benefits, policies, and programs. These ranged from simple pivots (e.g., extending sick leave for illness related to COVID-19) to more complex solutions (e.g., supporting a remote workforce). And in terms of organizational culture, **many employers discovered the need to shift from culture caretakers to culture creators**—managers became masons.

And not a moment too soon.

According to data gathered from 2016 to 2020, workplace empathy had been on the decline in the two years prior to the pandemic, economic volatility, and social unrest of 2020. Fast forward to the 2021 State of Workplace Empathy survey fielded in February 2021. **After an otherwise dismal year, a silver lining had emerged.** Our data shows employees rate their workplace, CEO, and HR team as more empathetic in 2021 than in 2020.

¹ [2020 State of Workplace Empathy Executive Summary](#). Businessolver. May 2020.

² [2021 State of Workplace Empathy Executive Summary](#). Businessolver. May 2021.

Empathy emerges as the 2020 MVP, according to employees.^{1,2}

My workplace is empathetic.



My CEO is empathetic.



My HR team is empathetic.





The Foundation is Key

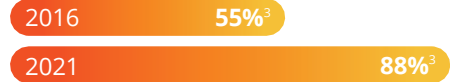
To attract and retain top talent, maintain worker productivity, and support a positive organizational culture, savvy HR professionals and executives will look at their **recent successes as an opportunity** to take workplace empathy to new heights in 2022 and beyond.

Why? Because it's **foundational**.

Those who don't embrace workplace empathy risk losing talent, especially as younger generations enter the workforce and attitudes of workplace empathy continue to evolve. In 2016, Businessolver's first year collecting State of Workplace Empathy data, 55% of employees said they were more likely to stay with an empathetic employer. **Today, that number has jumped to 88%.**

Empathetic workplaces also increasingly fuel productivity. In 2016, 41% of employees said they would work longer hours for an empathetic employer. Fast forward to 2021, and **74% of employees are willing to go that extra mile.**

Employees more likely to stay with an empathetic employer.



Employees willing to work longer hours for an empathetic employer.



³ [Five-Year Update: Businessolver's State of Workplace Empathy Study 2016-2020](#). Businessolver. August 2020.





Laying the Brick, Applying the Mortar

Considering the weight of the opportunity that lies with today's employers, the data would suggest that **empathy is the mortar that can bind employers' efforts** to help their employees and businesses recover, reconnect, and rebuild in 2022 and beyond.

Drawing upon six years of workplace empathy studies, we offer insights and recommendations for **setting a short- and long-term organizational strategy, making the case to leadership, and engaging employees to bring the strategy to life.** We explore how empathetic employee benefits, policies and programs can help employers:

- ▶ **Recover** by recognizing concerns over health and safety, and with respect to the impact of deferred care.
- ▶ **Reconnect** remotely and in-person, and with a commitment to diversity, equity, and inclusion.
- ▶ **Rebuild** with transparency about your business strength while meeting the needs of an evolving workforce.



Recognize employees' health and safety concerns.

According to a [Limeade survey](#), 77% of formerly on-site employees now working remotely said **being exposed to COVID-19 was their top source of anxiety**.⁴ Fielded in January and February 2021, the survey also revealed that 82% of employees said health and safety for themselves and their family is the top source of stress when looking at the year ahead.

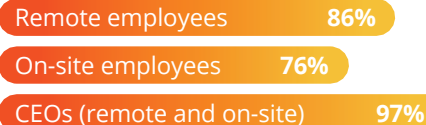
So, how are employers doing? Our 2021 State of Workplace Empathy data indicates there's **room for improvement**.

Among employees with the option to work remotely, 86% believe their employer puts their health and safety first. Among those who must work on-site, only 76% agree. Perhaps the biggest opportunity for improvement, however, is **closing the gap between employees and CEOs**; by comparison, 97% of chief executives say their organization prioritizes their health and safety.

What can employers do during this important recovery stage? In addition to dialing up their communications on this topic, many employers are considering vaccination requirements. To help them think through this decision, the U.S. Equal Employment Opportunity Commission updated the vaccination section of their [legal fact sheet](#) with clarification that **employers can require employees to be vaccinated for COVID-19**, subject to reasonable accommodations for certain employees.

⁴ [Employers Eager for Return to Workplace, Survey Says Employees Disagree](#). Limeade. April 2021.

My employer puts my health and safety first.⁴



Assess and address the impact of deferred care on physical and mental health.

One of the unexpected effects of COVID-19 has been employees **putting off needed health care**. In some cases, it's been a deferral of care. In others, people are foregoing care entirely.

According to the Centers for Disease Control and Prevention (CDC) an estimated **41% of U.S. adults had delayed or avoided medical care** by the end of June 2020. This includes urgent or emergency care (12%) and routine care (32%). Avoidance of urgent or emergency care was more prevalent among unpaid caregivers for adults, persons with underlying medical conditions, Black adults, Hispanic adults, young adults, and persons with disabilities.

This isn't good for employers' bottom lines, as experts predict that health insurance costs will increase as employees are willing and able to make up the care they deferred. **More importantly, it's bad for employees' health.**

And it's not just physical health. The parallel crises of the pandemic, political division, and social unrest have dealt a massive blow to employees' **mental health—something 94% of employees say is just as important as physical health**.⁶ According to a June 2020 survey by the Centers for Disease Control and Prevention, 41% of Americans over age 18 struggle with mental health or substance abuse. Among them, 31% reported symptoms of anxiety and depression, compared to 11% the previous year.

⁵ As Employees Catch Up on Their Delayed Health Care Needs, Claims Could Surge. SHRM. April 2021.

⁶ Declining Mental Health Requires Employer Empathy. Businessolver. April 2021.



“My concern is that [health plan sponsors] may be focused on getting everyone back to the office and getting everyone vaccinated, and they won't take the time to review other opportunities that may be bigger in the long run and more sustainable. This may be an opportunity to reboot things not as they were before, but doing [health care] better.”

Mark Cunningham-Hill,
Medical Director, Northeast
Business Group on Health⁵



Consider rapidly evolving attitudes around working remotely.

The [2021 State of Workplace Empathy](#) data shows that 88% of employees, 78% of HR professionals, and a whopping 98% of CEOs agree that **organizations that allow employees to work from home during the pandemic are more empathetic** than those that don't. And 86% of employees, 89% of HR professionals, and 90% of CEOs say they would like their organization to offer the option to continue working from home after the pandemic.

But is it **good for business**? Apparently yes.

The 2021 data also reveals that 71% of remote employees believe the **quality of their work has improved** during the pandemic. And 66% say they are more productive at home than in the office.

As for those roles where working remotely is not always possible (e.g., health care workers or those in the retail industry), it's important to note that **82% of these employees still regard this option as an empathetic behavior.**

Attitudes on working remotely during and after the pandemic:²

Organizations that provide this option during the pandemic are more empathetic.

Employees 88%

HR pros 78%

CEOs 89%

I would like my company to continue providing this option after the pandemic.

Employees 86%

HR pros 89%

CEOs 90%

Close awareness gaps surrounding diversity, equity, and inclusion programs.

The 2021 workplace empathy data paints a picture of a workforce galvanized behind the values of diversity, equity, and inclusion (DEI). After a year of deep political divisions and difficult conversations about race and social justice, **82% of employees say that DEI programs encourage empathy in the workplace**, and most CEOs (95%) agree. Nearly 9 in 10 CEOs also say that DEI programs are “essential” to demonstrating empathy to employees.⁷

At least that’s the theory.

Our 2021 data also reveals a significant gap in awareness of DEI programs between upper management and the front line. **While 77% of CEOs know their organization offers a DEI program, only 44% of employees say they are aware of it.**

That gap continues to widen among employees of various backgrounds. While overall awareness of DEI programs sits at 44%, **only 37% of white employees are aware of DEI programs at their organization.** Compare this to the awareness levels among Black (59%) and Hispanic (64%) employees.

⁷ [Empathy and the Diversity Divide](#). Businessolver. June 2021.

⁸ [Vision Conference](#). Businessolver. May 2021.



“Innovation is born from ideas. If you need a lot of ideas in the room, you’d better have a lot of perspectives. After all, ideas are born from perspectives. If you need a lot of perspectives, you’d better have a lot of experiences in the room, because perspectives are born from experiences. And if you need a lot of experiences, you’d better start with a lot of different people in the room, because experiences are born from people.”

Carla Harris,
*Managing Director and Senior
Client Advisor, Morgan Stanley*⁸

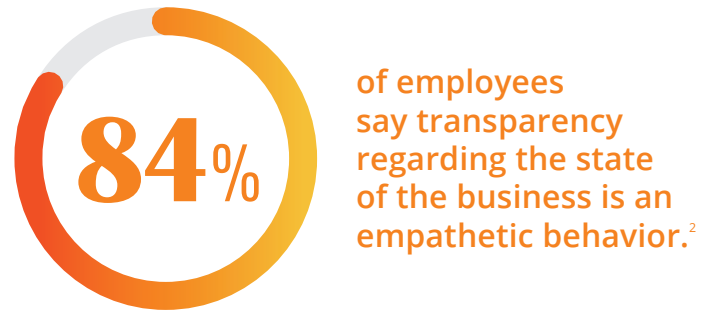
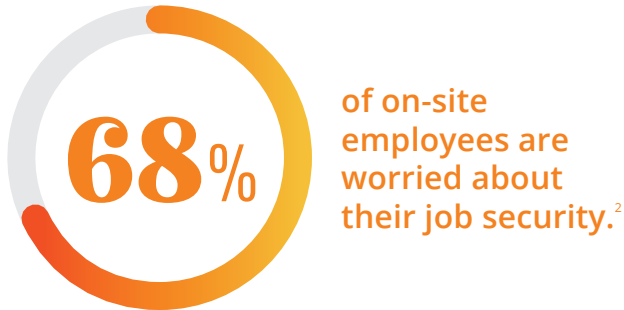


Increase transparency to retain a worried workforce.

First, let's acknowledge the **anxious elephant in the room**: a worried workforce.

2021 State of Workplace Empathy data suggests that a great deal of uncertainty persists across various levels of organizations. For example, **68% of on-site employees are worried about their job security**. Those who work from home weren't quite as concerned (58%), but this number is still remarkably high. Regardless of where they work, 73% of HR professionals are concerned about losing their job.

Understandably then, **transparency regarding the state of the business is a top priority in 2021**. Employees (84%), HR professionals (78%) and CEOs (95%) all rate this behavior as empathetic.



Effectively address the needs of women and Gen Z to drive recruiting.

Just before the pandemic, in January 2020, women had edged out men in the workforce by a tiny percentage, giving hope to an eventual move toward workplace equity. Since March 2020, however, **at least 2.3 million women have left the U.S. workforce**, compared to 1.8 million men.⁹

Beyond the ideals of workplace equity and empathy, there's a real bottom-line incentive to getting and keeping women at work: Increased female labor force participation could accelerate U.S. GDP growth, **adding \$5.87 trillion to the global stock market in 10 years**.¹⁰

As for Gen Z, the youngest and fastest growing demographic group in today's workforce, it's important to note that their assessment of their organizations as empathetic fell in 2021. **In fact, only 68% of Gen Z said their employer was empathetic, representing a 14-point decrease over the previous year.**

To re-engage Gen Z, **promote the benefits this generation rated as most highly empathetic**. These include offering flexible working hours (86%), demonstrating that an employees' family is equally as important as their job (85%), and investing in professional development (84%).

Gen Z's most highly rated empathetic behaviors:²

Flexible work hours



86%

Equating the importance of job and family



85%

Professional development



84%

⁹ [Another 275,000 Women Left the Labor Force in January](#). Clair Ewing-Nelson. 2021.

¹⁰ [The Key to Unlocking U.S. GDP Growth: Women](#). Beth Ann Bovino and Jason Gold. 2017.



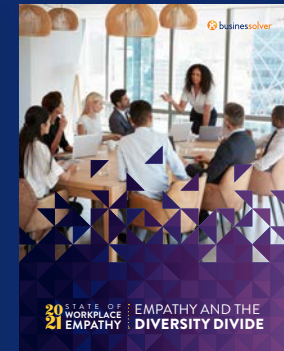
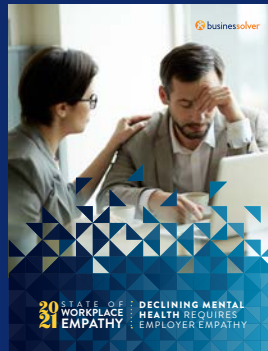
Building Back Stronger

The one-star, would-not-recommend year that was 2020 made the case for workplace empathy stronger than ever. Many organizations consider their workforce to be their greatest asset, so demonstrating increased levels of workplace empathy during the pandemic was not only the right thing to do, it was necessary to keep the business going.

What may have begun from a sense of obligation, however, should not end once employees, HR teams, and CEOs start seeing that proverbial needle move in the right direction. Employees' expectations regarding workplace empathy will only continue to evolve.

In the meantime, employers should examine the national trends emerging in 2021 while probing the needs of their own employee populations in the coming months. Based on what we know of workplace empathy as a powerful tool for employee attraction, retention, and productivity, the future is bright for employers who look beyond obligations and toward opportunity.

Get more insights
from the 2021
State of Workplace
Empathy Study.





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