



**2021** STATE OF : CEO AS  
WORKPLACE : CHIEF EMPATHY  
EMPATHY : OFFICER?



# Historic disparity opens between CEOs and employees

In the most effective organizations, the title of CEO holds dual meanings: In addition to chief executive, a CEO serves as their organization's Chief Empathy Officer—the personification of perspective taking for employees and customers.

The COVID-19 pandemic and renewed momentum of social justice movements have made this role more important than ever, as employees look to their leaders for affirmation of their organization's values and cues for conduct both inside and outside of work. According to Businessolver's 2021 State of Workplace Empathy study:

- ▶ **86%** of employees with the option to work remotely during the pandemic agree that their **employer puts their health and safety first**.
- ▶ **75%** of employees believe **gender pay equity is a priority** for their organization.
- ▶ **65%** of employees say visibility of workplace diversity, equity, and inclusion (DEI) **efforts have increased during the past year**.
- ▶ **67%** of employees believe it's **important** for organizations **to address social/political unrest**.

As such, our 2021 data uncovers a critical opportunity for CEOs. At the same time that growing numbers of executives and employees describe their organization's benefits, culture, and colleagues as empathetic, a historic empathy gap has emerged between employees and executives. This gap threatens employers' ability to retain talent in a rapidly changing world, and CEOs' response to it may affect their organization's long-term strength and reputation.

## CEOs and employees have vastly different perceptions of workplace empathy and its impact

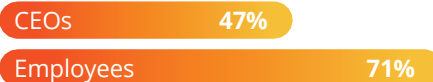
### My organization is empathetic.



### An empathetic workplace results in lower employee turnover.



### An empathetic workplace increases employee productivity.



### An empathetic workplace drives employee motivation.



With U.S. employee resignation rates at an all-time high—4 million American workers quit their jobs in April 2021 alone—closing the empathy gap can have a meaningful impact on employers' efforts to retain and recruit a high-performing workforce. For example, longitudinal data from the State of Workplace Empathy shows that employees are more willing than ever to stay with (88% in 2021 versus 55% in 2016) and work longer hours (up to 74% today from 41% in 2016) for an empathetic employer.

In addition, a clear majority (81%) of employees in our 2021 State of Workplace Empathy Study agree that they can tell a lot about a company's values if they implement diverse and inclusive programs into the workplace. And a separate study finds that employees who are part of organizations with high levels of diversity report a 7% higher intent to stay than their peers in organizations that have low levels of diversity.

CEOs, then, must fully embrace their role as Chief Empathy Officer and use it as an authentic platform to build workplace empathy and increase awareness of employee benefits and worker-centered programs. Four key areas where they can focus their empathy energy:

- ▶ **Amplify workplace commitment to diversity, equity, and inclusion.**
- ▶ **Support—rather than stonewall—employee flexibility.**
- ▶ **Leverage technology for empathetic employee communication.**
- ▶ **Drop the shield of stoicism.**





# Amplify workplace commitment to diversity, equity, and inclusion

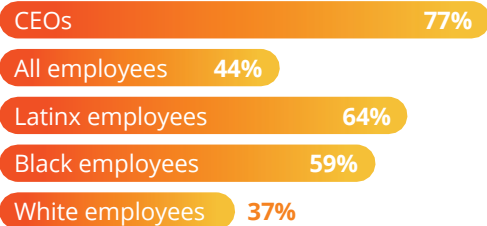
The overall exec-employee empathy gap mirrors gaps in related areas, including organizational efforts to increase diversity, equity, and inclusion (DEI). Nationwide social and political protests in the aftermath of the murder of George Floyd shone a spotlight on systemic racial inequity and pushed organizations to produce and promote broader DEI initiatives. However, according to 2021 State of Workplace Empathy data, it appears many CEOs did the former but dropped the ball on the latter.

Workers at all levels share the belief that DEI programs foster an empathetic work environment. Moreover, majorities of Black, Latinx, Gen Z, and Millennial employees want their employers to address social unrest. CEOs that put extra effort into creating authentic DEI programs, promoting those initiatives widely among employees of all races and ethnicities, and speaking frankly and genuinely about the programs' importance, can make meaningful strides in closing the empathy gap.

Workplace DEI efforts have become more visible at my organization in the last year.



My organization offers DEI programs for employees.





# Support—rather than stonewall—employee flexibility

Employees and CEOs are in near-perfect agreement on the issue of flexible work location, with nearly all people (93%) people from both groups in the 2021 State of Workplace Empathy Study calling it the single-most empathetic employee benefit. Further, 88% of employees consider organizations that allow employees to work from home as more empathetic, and 86% want the option to keep working remotely after the pandemic is over, Businessolver finds. The plot twist? CEOs agree—even more so.

However, as the recovery from COVID-19 continues, the empathy gap tilts wider in the opposite direction. Although PricewaterhouseCoopers finds 83% of employers agree that remote work has been beneficial to their organization, 91% of executives say they expect employees to return to the office in person by the end of 2021.

CEOs can reduce the empathy gap by trusting their own empathetic instincts around remote work—and the 66% of employees who, Businessolver’s 2021 data finds, say they are more productive working from home than going to work, and the 71% who say the quality of their work has improved by working remotely.

For industries in which remote work is less feasible, leaders can explore other ways to demonstrate empathy by building flexibility into employees’ work lives. Those efforts could include an increase in paid time off, parental leave, or generous break schedules.

**I feel more productive working from home than in the office.**

Employees

66%

**The quality of my work has improved by working remotely**

Employees

71%





# Leverage technology for empathetic employee communication

The pandemic ushered in a wave of digital transformation and new ways of working that will reverberate for years to come. Even before the pandemic, the average American spent about 17 hours in front of a screen each day, including five hours on a laptop and four and a half on a smartphone.

Remote work has surged daily screen time—now up to 19 hours since the start of the COVID-19 pandemic. CEOs are much bigger fans of tech-assisted communication channels than employees are, according to our 2021 State of Workplace Empathy data, but employees are quickly getting onboard with communicating online.

Video conferencing (+11), IM (+12), email (+12), and text (+11) communication had similar leaps in employees' empathy rankings between 2020 and 2021. With that in mind, empathy-minded execs can bridge gaps with technology by following two simple clichés: “Use what you have,” and “Meet people where they are.”

CEOs looking to communicate empathy and increase awareness of employee benefits may have to use a variety of channels and platforms to find the ones that resonate with their employees. CEOs should sustain a high frequency of communication to stay up to date on the benefits most relevant to employees, so they can be authentic in driving targeted packages and policies that respond to employees' needs and support their well-being.

**Virtual meetings are an empathetic way to communicate.**





# Drop the shield of stoicism

Although CEOs seem to have an inflated sense of their organization's empathy, they also believe empathy is hard to learn and even more difficult to demonstrate, our findings reveal.

It seems reasonable to guess that the leadership demands of the last year helped CEOs see the limits of their ability to convey empathy. However, our data also points to an area CEOs can embrace to close the empathy gap: mental health.

CEOs' personal struggles can provide opportunities to connect with employees and build empathy. By speaking openly about their own mental health and their journey to finding healing through workplace supports, they can help remove the stigma around mental health issues and encourage employees to do the same.

Overall, new expectations for workplace empathy offer chief executives an opportunity to build a better organization that drives motivation, productivity, and loyalty in employees, with people and business values ready to compete in the new normal.

## It's hard to demonstrate empathy.



## I'll be respected less if I show empathy at work.



## Empathy can be learned.



## I experienced a mental health issue over the last year due to COVID-19.



## I reached out for help at work to deal with my mental health.

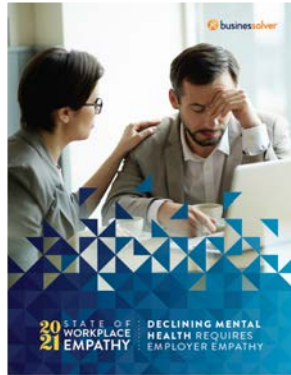




# Read full data and analysis from the 2021 State of Workplace Empathy Study



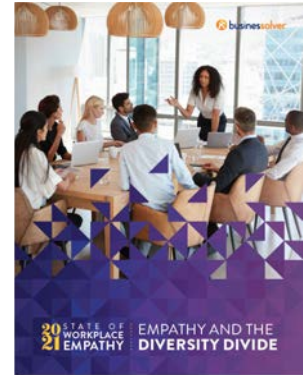
2021 State of Workplace Empathy Executive Summary



Declining Mental Health Requires Employer Empathy



Empathy Endures Despite COVID-19 Impact



Empathy and the Diversity Divide





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