

# Why business leaders need to 'tune in' to their people

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Companies that want to boost profits should try a little empathy, especially now that millennials are beginning to dominate the work place.

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A message we hear from many of our executive search-firm clients is that they are being called on to focus more than ever before on the empathy and emotional intelligence of candidates. The stakes are huge: A top executive lacking empathy could derail negotiations over a merger, acquisition or crucial partnership deal -- never mind do a poor job of motivating his or her own teams.

Consider, too, that empathy really matters when businesses are in transition. When we've advised on mergers, we often see risks if the acquirer's management team does not truly understand the acquiree's culture: A merger can fail as the result of key talent leaving once non-compete deals expire.

Conversely, empathy can produce better, easier, faster transactions and transitions.

Empathy, in fact, has been a hot topic of water cooler conversations in offices since a report that companies such as Cisco Systems Inc. and Ford Motor Co. are among the 20 percent of American firms putting managers through empathy training in an effort to produce better managers and happier employees.

The newspaper cited a (DDI) study of more than 15, 000 leaders in 18 countries that found that workers who master empathy make the most successful leaders. It cited empathy as the No. 1 skill of a great leader.

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Empathy -- meaning understanding and relating to the feelings of others -- is thus becoming much more prevalent as an attribute that hiring managers want. And the focus on it may lead some to ask (and hope): Is business becoming less Darwinian?

Yet, while empathy is certainly a critical leadership attribute, it should not be confused with sympathy. Empathy means understanding the context within which you are working and understanding people and getting the best out of them by understanding things from their perspective.

It's not merely the latest corporate buzzword -- such skills, typically known in human capital circles as "soft skills," boost profits. A 2015 survey of 160 companies reveals that the top 10 businesses with empathy generated 50 percent more net income per employee than the bottom 10 companies.

The survey, by The Empathy Business -- which advises businesses on adding more empathy to corporate cultures -- tracks such factors as chief executive pay compared to that of average workers, the number of women in leadership roles, treatment by companies of their employees and customers and other factors.

The survey named Microsoft No. 1 in empathy, followed by Facebook, Tesla and Alphabet.

Today, the desire to extrapolate hard data about business performance as a result of improved so-called soft skills is increasing among smart firms; they've listened to their clients over the past five to seven years and are demanding a greater understanding of the crucial role of empathy in success.

The firm has been at the forefront of this movement. Since the 1970s, Delaney has carved out a niche as a culture-shaping consultancy, helping firms create healthy, high-performance cultures. These days, most executive search firms employ psychological assessments to measure soft skills, tools that are increasingly sophisticated and predictive. With these tools, these firms not only suggest which people to hire but predict which ones will succeed in their new jobs -- a sort of "fit and stick" approach.

Some executive recruiters resist using psychological assessments believing that such tools cannot replicate their own judgment, but in actuality personal judgment is more powerful when backed by science.

So, how exactly does empathy apply to business? The DDI study identified the art of mastering successful conversations as the single most important characteristic of a successful leader. The firm set out with "listening and responding with empathy" as the most important skill in this process.

Ernest Wilson, dean of the Annenberg School for Communication and Journalism at the University of Southern California, has conducted research <https://assignbuster.com/why-business-leaders-need-to-tune-in-to-their-people/>

about global business leaders; and he calls empathy the most important of five soft skills critical to business success. (The others are adaptability, cultural competence, 360-degree thinking and intellectual curiosity.)

as " deep emotional intelligence that is closely connected to cultural competence. Empathy," he continues, " enables those who possess it to see the world through others' eyes and understand their unique perspectives." Those skills are missing most among middle manager and senior executives -- the very people that need them most, Wilson has found.

Empathy is especially important now, given our increasingly multicultural, multigenerational environment, one where millennials dominate the U. S. workforce. More than any other generation, millennials will stick around in their jobs if they can satisfy their need to feel understood, appreciated and engaged. That means listening to them.

A recent survey confirms this. It found that millennials surveyed saw work and life as closely intertwined and that at work they wanted a manager who cared about them as employees and human beings. While millennials have less loyalty to employers than previous generations, Gallup found that 62 percent of the millennials it surveyed who felt they could talk with their boss about non-work issues planned to be with their current organizations at least a year more.

In sum, the modern workplace requires managers who are emotionally savvy, having refined what we used to call their " emotional quotient." A high level of emotional quotient starts with building self-awareness, because

managers who lack it will naturally struggle to understand the needs of others.

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Those who work on their self-awareness will find that their empathy abilities will follow.