

Harvard Business Review

REPRINT HO1T7Y PUBLISHED ON HBR.ORG JANUARY 08, 2015

ARTICLE EMOTIONAL INTELLIGENCE Corporate Empathy Is Not an Oxymoron

by Belinda Parmar

This document is made available to you with compliments of EGN for your personal use only. Copying or posting is an infringement of copyright. Please contact customerservice@harvardbusiness.org or 800-988-0886 for additional copies.



EMOTIONAL INTELLIGENCE

Corporate Empathy Is Not an Oxymoron

by Belinda Parmar JANUARY 08, 2015



In a transparent world dominated by social media, corporations are feeling the need to become truly responsive to the needs of their customers and employees. The corporate world is an increasingly immediate, intimate, and interactive space. The call for companies to engage in authentic dialogue is becoming louder. And yet this desire to change is hampered by the fear of appearing weak and vulnerable, meaning that most businesses still suffer from an empathy deficit. As the CEO of a British bank confided at last year's World Economic Forum, "We all know it's important to be empathic, but how do I galvanize 48,000 people in my UK operations — most of whom think that empathy is for wimps?"

Enlightened companies are increasingly aware that delivering empathy for their customers, employees, and the public is a powerful tool for improving profits, but attempts to implement empathy programs are frequently hamstrung by the common misconception of it as "wishy-washy," "touchyfeely," and overtly feminine. So empathy is de-

prioritized, and relegated to the status of just yet another HR initiative that looks good in the company newsletter. It is seen as a soft and frilly add-on rather than a core tool.

An additional problem facing CEOs is that many see empathy as an intangible quality, and as such hard to quantify. If you can't measure empathy then it is very difficult to assess how much empathy your company is delivering, and where the greatest empathy deficits lie.

This is a misconception. Empathy can be measured, and your business's empathy quotient can be assessed, allowing CEOs to pinpoint their companies' strengths and weaknesses, and see how they rank alongside their competitors. Empathy should be embedded into the entire organization: There is nothing soft about it. It is a hard skill that should be required from the board-room to the shop floor. Corporations must demonstrate empathy across three channels: internally, to their own employees, externally, to their customers, and finally to the public via social media.

We define empathy by three components: *customer, employee and social media*. The combination of these, with equal weighting, across the three channels-internal (employees), external (customers), and social-gives us a company's "empathy quotient." We then applied our thinking to the 100 best-known companies in the UK, where we're based.

Which, then, are the most empathic and least empathic household names? And what does this tell us about the way the corporate world is dealing with its empathy deficit?

THE MOST (AND LEAST) EMPATHETIC COMPANIES Scores are based on employee and customer perspectives and accist media interactions, all in the UK.

	EMPATHY SCORE	COMPANY	SECTOR
	3246	Linkedtr	Technology
2	2203 5876	Nicrosoft Audi	Technology Automotive
4	\$959	Three	Telecommunications
	1950	John Lowis Partnership	Retail
6 7	5808 5000	Sony Google	Technology Technology
a.	1313	Nike	Sport & Retail
8	5,800	Direct Line	Insurance
10	\$741 \$854	Boota UK Virgin Atlantic	Retail Travel & Tourism
12	\$650	Argos	Retail
13 14	5650 5617	British Sky Broackarating Nissan	Media
			Automotive Automotive
16	\$609	Toyota	Automotive
17 18	1578 5524	British Airways Waltrase	Traval & Tourism Retail
18	5.510	DHW	Automotive
50	1458	Dell	Technology
E1 22	5469 5465	Arrazon HSIC Holdings	Online Rotail Binance
\$3	\$487	IKLA	Retail
14	2443	American Express	Finance
5.5 5.6	5439 5431	RBC ASDA Group Limited	Media Retail
17	2421	Volkswagen Group	Automotive
28	\$412	Nationwide Building Soc.	Finance
5.9 30	5350 5388	Sony Mobile J Bainsbury	Technology Patail
81	\$328	Teeco	Retail
32	5320	First Direct Whole Specia	Rinance Particil
23 84	1812 5.308	Whole Foods Narks 5 Spancer	Retail Retail
3.5	5.202	Neroedex-Barz	Automotive
26	5267 5265	Mastercard Baumont	FIRETON
57 28	5265 5247	Pergeot Unitezer	Automotive Consumer Goods
29	\$241	Virgin Activa	Consumer Services
40	2216 5216	Aviva Jaguar Land Rover	Nanufacturing
42	\$103	Virgin Nedia	Nedia
43	6174	Apple	Technology
44 45	5131 5135	Iceland Foods Sameung	Retail Technology
46	\$152	Hilton Hotels	Travel & Tourism
47	\$122	Rolls-Royce	Aerospace & Defense
43 49	5159	Facebook Porsche	Technology Automotive
50	5151	Glasses nithkline	Bietech & Pharm.
	5117	Travelocige Hotels	Travel 5 Tourism
52 53	\$1.59 \$0.49	SKCEA ALDI	Automotive Rotail
54	2044	02	Telecommunications
55 58	1959 1951	Halfords Group Prot A Hanger	Retail
57	1953	LG	Rest, Bar, Food Serv. Technology
50	1963	Enterprise Rent-A-Car	Travel & Tourism
59 60	1053	Uber Ocado Group	Consumer Services Recal
21	195.5	Venced.	Technology
82 63	1790 1792	Procter & Gamble Airbus & A.S.	Consumer Boock Aerospace & Defense
24	1768	Disona Retail	Retail
85	177.5	HIC	
			Technology
66 57	1783	Hyundai RC World	Automotive
	1788 1760 1754	Hyundol PC World Financial Timas Croup	
57 50 69	1760 1754 1785	PC World Financial Times Croup Sontander UK	Automotive Retall Meeta Financa
57 50 69 70	1760 1754 1785 1785	PC World Financial Times Group Santander UK Mini	Automotive Retall Media Financo Automotive
57 50 69 70 71 72	1760 1754 1785 1785 1785 1693 1880	PC World Financial Times Group Sontander UK Nini Teola TalkTalk Telecom Group	Automotive Retall Meeta Financa
27 80 69 70 71 72 73	1760 1754 1785 1785 1785 1693 1880 1666	PC World Financial Times Group Sortander UK Nini Teola Takitalk Telecom Group AXA BK	Automotive Recall Media Finance Automotive Automotive Telecommunications Insurance
27 20 69 70 71 72 73 74	1760 1754 1755 1755 1655 1666 1666 1623	PC World Financia: Times Group Sontonder UK Nici Tala Talkfalk Telecom Croup AXA UK OAT Systems (UK)	Automotive Recall Media Finance Automotive Automotive Automotive Inductive Automotive Automotive Automotive Automotive Automotive Automotive Automotive Automotive
27 20 69 70 71 72 73 74 75 76	1760 1754 1785 1785 1603 1660 1666 1623 1648 1623	PC White Financial Times Droup Sortander UK Nitel Talktick Felecom Croup AXC UK DAT Systems (UK) Barchaga Logds Banking Broup Logds Banking Broup	Automotive Recall Media Finance Automotive Automotive Telecommunications Insurance
57 50 69 70 71 72 73 74 75 74 75 76 77	1760 1754 1785 1785 1603 1660 1666 1623 1648 1623 1648 1623	PC Works Financia: Times Droup Sontande UK Mini Talkfälk Telecom Croup AXA UK DAS Systems (UK) Baroliga Ukyds Banking Group Bryst Dane of Scelland	Automotive Retail Nette Finants Automotive Automotive Automotive Instruction Finance Finance Finance Finance
27 20 69 70 71 72 73 74 75 76	1760 1754 1785 1785 1603 1660 1666 1623 1648 1623	PC White Financial Times Droup Sortander UK Nitel Talktick Felecom Croup AXC UK DAT Systems (UK) Barchaga Logds Banking Broup Logds Banking Broup	Automotike Retail Wette Finanse Automotike Automotike Halecommenicationse Insurance Autopropole & Defense Finanse Finanse
57 50 59 70 71 72 73 74 75 76 76 76 70 70 80	1766 1753 1785 1785 1603 1860 1664 1633 1863 1633 1863 1504 1505	PC World Financia: Times Droup Sontanide UK Mini Table Table Table Telecom Croup A20.02 dA: Systems (DD) Baselaga Uoyds Banking Broup Broyal Bank of Scelland Legal & Cenand Hondo Astrodirens	Automotive Retail Nette Finants Automotive Automotive Automotive Insurance Automotive Finance Finance Finance Insurance Insurance Bittech & Finam
57 50 69 70 71 72 73 74 75 76 76 70 78 78	1766 1753 1785 1785 1603 1860 1664 1633 1863 1633 1863 1504 1505	PC White Financia: Times Droup Sontander UK Mini Tasla Taslat (Kielecom Croup AXA IX DAT Systems (IIK) Barclays Loyds Banking Smup Brigel Dank of Scetland Logal & Commil Hords AstroXeneca Abarcomile & Pitch Co.	Automotive Recail Media Finansia Automotive Automotive Automotive Insurance Automotive Automotive Finance Finance Finance Resaurce Biotech & Pharm Relati
57 50 59 70 71 72 73 74 75 76 77 70 70 70 50 50 51	1760 1754 1755 1755 1605 1666 1666 1663 1648 1653 1648 1653 1595 1315 1305 1497	PC World Financia: Times Droup Sontanide UK Mini Table Table Table Telecom Croup A20.02 dA: Systems (DD) Baselaga Uoyds Banking Broup Bryst Dans of Scelland Legal & Cenand Hond 2. Astroferena	Automotive Retail Nette Finants Automotive Automotive Automotive Insurance Automotive Finance Finance Finance Insurance Insurance Bittech & Finam
27 100 80 7 1 2 2 7 3 7 3 7 5 7 7 7 3 7 3 7 3 7 7 7 3 7 3	1760 1754 1755 1653 1655 1666 1676 1676 1674 1673 1683 1593 1593 1593 1593 1595 1595 1497 1484 1489 1354	PC Write Financial Times Droup Sortande UK Nini Tabled Tablelk Felecom Croup AXA UK DAS Systems (UK) Baselaga Uoyds Barking Smou Royal Dans of Sceland Logal & Cenand Hords Abarcombia & Ploh Co. Foxors Escate Agents Scenario Ibn	Autor ocke Recal Metia Filanto Autor ocke Autor ocke Autor ocke Inarco Filanto Filanto Filanto Filanto Filanto Filanto Bittech & Pharm Bittech & Pharm Bittech & Pharm Bittech Filanto Filanto Filanto Filanto Filanto Filanto Filanto Filanto Filanto Filanto Filanto Filanto
27 100 80 7 1 2 2 7 3 7 3 7 5 7 7 7 3 7 3 7 3 7 7 7 3 7 3	1760 1754 1755 1653 1655 1666 1676 1676 1674 1673 1683 1593 1593 1593 1593 1595 1595 1497 1484 1489 1354	PC Write Financial Times Droup Sontanide UK Mini Table UK Table Table Toolog Att Dystems (UK) Barcliga Uoyds Banking Broup Barcliga Uoyds Banking Broup Barcliga Uoyds Banking Broup Barcol Antonia & Pitch Co. Footors Barch Agents Standard Lin Tul Toord Banc of America Corp.	Autor othe Recoil Netto Franco Autor othe Autor othe Autor othe Instance France France France France Brance Brance Brance Brance Brance Brance Brance Brance Franco
17 130 160 70 71 72 73 74 75 76 77 70 70 10 11 校 約 12 75 75 77 70 70 10 11 校 約 70 71 72 75 75 75 75 75 75 75 75 75 75 75 75 75	1766 1753 1755 1653 1665 1666 1664 1664 1663 1643 1653 1555 1555 1457 1458 1459 1458 1354 1459 1354 1354 1354 1354	RC Write Financial Times Droup Sontande UK Mini Teala Talkfülk (elecom Croup AXA IR DAS Systems (UK) Barclas Uoyds Banking Siroup Riyel Dank of Scatland Legal & Cenand Honda AstroXerseca Alseronmis AT Roh Co. Foccors Scatte Agente Standard UK Honda Chanerica Corp. Tridee Bank Sanhage Ratal Limbed	Autor ocke Recal Metia Filanto Autor ocke Autor ocke Autor ocke Inarco Filanto Filanto Filanto Filanto Filanto Filanto Bittech & Pharm Bittech & Pharm Bittech & Pharm Bittech Filanto Filanto Filanto Filanto Filanto Filanto Filanto Filanto Filanto Filanto Filanto Filanto
计划移为 建拉斯利苏斯 打扮的 机拉拉斯杆板 防止	1766 1753 1755 1655 1665 1666 1623 1848 1623 1848 1623 1555 1455 1455 1455 1455 1455 1455 145	PC Works Financial Times Broup Sontanide UK Mini Table Table Tolecom Croup ASK UK DAS Systems (UK) Barelays Uoyds Banking Broup Brydi Bank of Scelland Legal & Cenaral Honda Astroformers Abarers Abarers Standard US Table Space Standard US Table Sonta	Autor oche Recol Netto Franco Autor oche Autor oche Autor oche Autor oche Inducto Inducto Franco Franco Franco Enanco Enanco Enanco Elotech 5 Porm Redi Statle Franco Elotech 5 Porm Redi Towie Franco
17 10 00 70 71 72 73 77 73 70 11 12 00 11 16 16 16 16 16 16 16 16 16 16 16 16	1766 1756 1785 1785 1695 1695 1695 1695 1666 1633 1863 1863 1853 1855 1453 1855 1455 1455 1455 1455 1455 1455 1455	RC Write Financial Times Droup Sontande UK Mini Teala Talkfülk (elecom Croup AXA IR DAS Systems (UK) Barclas Uoyds Banking Siroup Riyel Dank of Scatland Legal & Cenand Honda AstroXerseca Alseronmis AT Roh Co. Foccors Scatte Agente Standard UK Honda Chanerica Corp. Tridee Bank Sanhage Ratal Limbed	Automotive Recal Media Filantos Automotive Automotive Automotive Automotive Relatione Finance Finance Finance Relatione Relatione Finance Finance Biotech & Phorem Filantes Finance
17 10 00 70 71 72 75 76 77 78 76 10 10 10 10 10 10 10 10 10 10 10 10 10	1766 1755 1755 1693 1666 1674 1674 1673 1693 1693 1693 1593 1593 1595 1494 1494 1494 1494 1494 1494 1494	PC While Financia Times Broup Sonta ide UK Mini Takitali Telecom Croup Atta ide Atta Systems (III) Baselaga Uoyds Banking Broup Broyal Bank of Sontiand Uoyds Banking Broup Broyal Bank of Sontiand Honda Astroforma Abarona State Astro Fotors Estate Agents Standard Uta Tul Travel Bank of Amerikas Cross Trades Bank Safindjas Relati Limited Nat A Portar Beit Cop Visa Farepe Ub Spets Inabilion	Autor oche Recal Media Finanza Autoro oche Autoro oche Autoro oche Autoro oche Insurance Finanze Finanze Finanze Rostino Recal Rostino Recal Rostino Finanze F
计划的加加过分为对方有77岁的和社会的计称的知识的	1746 1756 1755 1600 1666 1673 1643 1643 1643 1593 1443 1593 1453 1457 1457 1457 1457 1457 1457 1459 1555 1457 1459 1555 1457 1459 1555 1457 14777 1477 1477 1477 1477 1477 1477 1477 1477 1477 1477	PC Works Financial Times Broup Sonta ide UK Mini Teala Tealacht Felecom Croup AXA UK DAS Systems (UK) Baseliga Uoyds Banking Group Reyal Bank of Scelland Uoyds Banking Restored Comp Scenario (International Comp Scelland) Scellander (International Comp Scenario (International Comp Use Banking Scellander (International Comp Use Banking Use Banking Scellander (International Comp	Autor ocke Recal Metia Filanto Autor ocke Autor ocke Autor ocke Autor ocke Autor ocke Inance Filanto Filanto Filanto Filanto Bintech & Pharm Bintech & Pharm Bintech & Pharm Bintech & Pharm Filanto Filanto Filanto Filanto Filanto Filanto Filanto Filanto Filanto Statum Filanto Statum Filanto Statum Filanto Statum Filanto Statum Filanto Statum Filanto Statum Filanto Statum Filanto Statum Filanto Statum Filanto Statum Filanto Statum Filanto Statum Filanto Statum Filanto Statum Filanto Statum Filanto Filanto Statum Filanto Fi
17 10 00 70 71 72 73 74 75 76 77 70 70 11 00 11 00 11 10 10 11 10 10 11 10 10	1766 1755 1755 1693 1666 1674 1674 1673 1693 1693 1693 1593 1593 1595 1494 1494 1494 1494 1494 1494 1494	PC While Financia Times Broup Sonta ide UK Mini Takitali Telecom Croup Atta ide Atta Systems (III) Baselaga Uoyds Banking Broup Broyal Bank of Sontiand Uoyds Banking Broup Broyal Bank of Sontiand Honda Astroforma Abarona State Astro Fotors Estate Agents Standard Uta Tul Travel Bank of Amerikas Cross Trades Bank Safindjas Relati Limited Nat A Portar Beit Cop Visa Farepe Ub Spets Inabilion	Autor oche Recal Media Finanza Autoro oche Autoro oche Autoro oche Autoro oche Insurance Finanze Finanze Finanze Rostino Recal Rostino Recal Rostino Finanze F
计划的加入过程加强方法 计分词的 红纹的丝线的叶板的 红纹的 网络	1746 1756 1755 1755 1686 1666 1666 1666 1668 1643 1653 1653 1653 1653 1653 1653 1655 1455 1455 1455 1455 1554 1588	PC Works Financial Times Broup Sontande UK Mini Table	Autorocke Recol Netla Franso Autorocke Autorocke Autorocke Instructure Instructure France France France France Brance Brance Brance Brance Brance Brance Brance Brance Fra
计划的加加分为对方方方为的加加分数运转的计数的加加分数运转的	1740 1755 1755 1755 1605 1660 1664 1664 1664 1665 1665 1665 1665 1665	PC Works Financial Times Broup Sontande UK Mini Talkitzlik Telecom Croup AXA UK Data Sontande Herdes Herdes Herdes Attackers (UK) Sauciage Uoyds Banking Broup Herdes Associations Herdes Associations Standard US Talking Relations Standard US Talking Relations Standard US Talking Relations Standard US Talking Relations Standard US Salinger Relations Standard US Salinger Relations Standard US Salinger Relations Standard Device Di Spents healtion Station (Song US Spents healtion Station (Song Vector Spents	Autor oche Recol Metia Metia Finanzo Autoro oche Autoro oche Autoro oche Autoro oche Inautoro Finanzo Finanzo Finanzo Retati Red
计划的加加分为为为为为为利用和公司的新闻的资源的利用的新行物	1760 1751 1755 1755 1755 1755 1755 1755 175	PC Works Financial Times Broup Sontande UK Mini Table	Autorocke Recol Netla Franso Autorocke Autorocke Autorocke Instructure Instructure France France France France Brance Brance Brance Brance Brance Brance Brance Brance Fra
计划的加加过分加加方所行为消的目标的同时能的加工的原则的防守的资	17760 17751 17752 177555 177555 17755 17755 17755 17755 17755 17755 17755 17755 17755 1775	PC Works Financial Times Broup Sonta nick UK Nini Table TableIX Table TableIX Backga Loyds Backing Stroug Royal Bank of Scelland Loyds Backing Stroug Standard Life Standard Life Stan	Autor oche Recal Media Media Finanza Autoro oche Autoro oche Autoro oche Autoro oche Autoro oche Finanze Finanze Finanze Finanze Recal Rec
计划移动 加加拉斯 计方面分词 动脉 化合物 医外部的 化合物 网络马马马马马马马马马马马马马马马马马马马马马马马马马马马马马马马马马马马马	1760 1751 1755 1755 1755 1755 1755 1755 175	PC Works Financial Times Group Sortander UK Nini Tesla Talkfülk Felecom Croup AXA UK DAS Systems (UK) Baselaga Uoyds Barking Sorue Royal Bank of Scelland Logal & Cenand Hords AutorStrees Alasroumbis & Ploh Co. Foutors Estate Agents Stanfords Times Bank of Annerka Com. Trider Bank Safralgas Retail Limited NaL A Torta Stanburks Corp. Tesler Disputs healtion Stanbucks Corp. Tesler Despiling Exergulars Stanbucks Corp. Tesler Despiling Exergulars Net A Torta Stanbucks Corp. Tesler Despiling Exergulars Net A Stanburks Net A Stanburks Net A Stanburks Stanbucks Corp. Tesler Despiling Exergulars Net A Stanburks Net A Stanburks Net A Stanburks Net A Stanburks Net A Stanburks Net A Stanburks Stanburks Net A Stanburks Net A Stanburks Net A Stanburks Stanburks Stanburks Net A Stanburks	Autor othe Recal Netta Franco Franco Autor othe Autor othe Autor othe Autor othe Autor othe Franco Franco Franco Enter 6 Franco Enter 6 Franco Enter 6 Franco Enter 6 Franco Enter 6 Franco Fra

While confirming many of our expectations, the results revealed a number of interesting surprises. The top places were not all taken up by trendy tech brands, and the bottom was not dominated by multinational banks. The sector that fared worse was the telecoms, with Vodafone and BT scoring particularly badly. Employee and customer satisfaction are the casualties of the race for short-term profits that is endemic in that sector. Their social media strategies tell one part of the story: they are over-reliant on unhelpful canned responses which merely shunt customers to more traditional forms of contact, such as call-centers.

The highest performing company was LinkedIn. It was striking that LinkedIn actually has a strong presence on the rival platform Twitter. One might expect them to force customers exclusively onto to their own channels of communication—which is the policy of both Twitter and Facebook. Instead, the company makes an effort to go where their customers are, even at the risk of being seen to endorse a rival product. This approach shows that LinkedIn empathizes with its customers' interests and choices.

Other surprises included Twitter, which flails in a mediocre mid-table spot—with its primary empathy failure being its inability to engage with its own customers on its own platform. Few would have been surprised to see the airline Ryanair down at 99th. The only shock there was that the technology retailer, Carphone Warehouse, did even worse.

We expected the small and medium-sized companies to come out on top, guessing that larger companies would be the least empathic. But large companies were evenly distributed and well represented at both ends of the scale. There is absolutely no evidence that being big automatically makes you un-empathic. Empathy is most definitely not a problem of scale, but more an indication of management priorities.

Very few companies are good all-round empathizers. Even LinkedIn underperformed on our customer interaction score. The index highlights that each of the hundred companies had room for improvement. Two particular findings deserve emphasis: Customers are unforgiving of poor service and inauthentic communications (got that, telecoms?). And companies that see empathy as a single-dimension issue of employee relations will fail to realize the broader benefits of becoming more empathic across the other two channels.

Methodology

The Lady Geek "Empathy Quotient" is inspired by Simon Baron Cohen's "Empathizer" and "Systemizer" model. We built our model to measure levels of empathy in large consumerfacing companies with a significant presence in the UK. The Empathy Quotient combines three data streams to generate each individual company ranking. Each source summarizes one important aspect of empathy: customer, employee, and social media. All data sources are given the same weight when constructing the overall score and final quotient. The employee and customer perspectives are sourced from nationally statistically representative samples in the UK and from publicly available data. The social media data is extracted from public communications made by the company. Our algorithm classifies empathic and unempathic interactions on Twitter.

Prior to combining these measures they are first standardized to address any inherent differences in the way that the data was collected and recorded. The standardized measures are combined and finally ranked.

Our data partners include Glassdoor and Survation. All surveys were conducted online. The sample size was over 1,000 nationally representative customers, each employee review was based on at least 25 employee reviews. The social media data was extracted from 10,000 tweets over a 2 week period.

This index can be really useful in locating the strengths and weaknesses of individual companies and using them as a basis of comparison. The management at Mercedes, for example, should be asking itself why it comes in at a relatively modest 35th, while Audi's results put it in third place, and consider an expansion of its investment in social media which is where Mercedes is underperforming.

The good news is that the empathy deficit can be reduced. Empathy can be learned and companies can improve. With prioritization and commitment, companies can measure where they are and chart a path to becoming more empathic. Enlightened leadership can create a more empathic culture. Rene Schuster, former CEO of Telefonica Germany, puts it this way: "Empathy is not a soft nurturing value but a hard commercial tool that every business needs as part of their DNA. Our aim is to make every interaction our customers have with us an individual one." Schuster implemented a Germany-wide empathy training program that led to an increase in customer satisfaction of 6% within 6 weeks. Even companies within the worst performing sector in our Index can show rapid improvements given focused management attention.

Empathy pays, and it pays best when it comes from the top.

Belinda Parmar, OBE, is the founder of the consultancy The Empathy Business and a Young Global Leader 2014 of the World Economic Forum. Follow her on Twitter @belindaparmar and @theempathybiz.