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## **ARTICLE** **EMOTIONAL INTELLIGENCE**

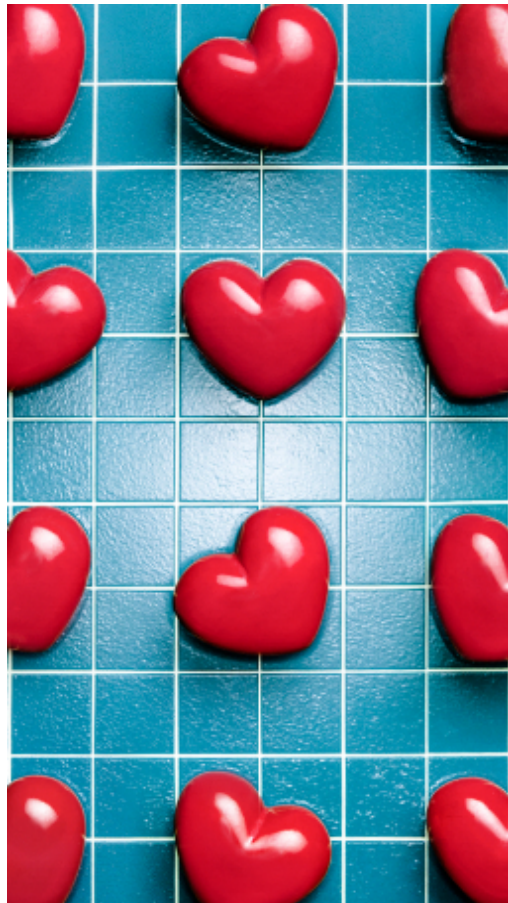
# Corporate Empathy Is Not an Oxymoron

*by Belinda Parmar*

EMOTIONAL INTELLIGENCE

# Corporate Empathy Is Not an Oxymoron

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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," "touchy-feely," 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 social media interactions, all in the UK.

RANK	EMPATHY SCORE	COMPANY	SECTOR
1	5246	Unilever	Technology
2	5208	Microsoft	Technology
3	5176	Audi	Automotive
4	5059	Unilever	Telecommunications
5	5050	John Lewis Partnership	Retail
6	5008	Sony	Technology
7	5004	Google	Technology
8	5018	Nike	Sport & Retail
9	5006	Direct Line	Insurance
10	5741	Boots UK	Retail
11	5054	Village Music	Travel & Tourism
12	5050	Angus	Retail
13	5050	British Sky Broadcasting	Media
14	5017	HSBC	Automotive
15	5012	Lease	Automotive
16	5009	Toyota	Automotive
17	5018	British Airways	Travel & Tourism
18	5014	Wendy's	Retail
19	5010	BMW	Automotive
20	5009	UCL	Technology
21	5008	Amazon	Online Retail
22	5005	HSBC Holdings	Finance
23	5007	UKA	Retail
24	5003	American Express	Finance
25	5003	ntc	Media
26	5001	ASDA Group Limited	Retail
27	5001	Volkswagen Group	Automotive
28	5001	Nationwide Building Soc.	Finance
29	5001	Sony Music	Technology
30	5000	J. Sainsbury	Retail
31	5000	Tesco	Retail
32	5000	First Direct	Finance
33	5000	Whole Foods	Retail
34	5000	Maris & Spencer	Retail
35	5000	Nextdoor	Automotive
36	5000	Mastercard	Finance
37	5000	Poignet	Automotive
38	5000	Unilever	Consumer Goods
39	5000	Virgin Active	Consumer Services
40	5000	Aviva	Insurance
41	5000	Jaguar Land Rover	Manufacturing
42	5000	Virgin Media	Media
43	5000	Apple	Technology
44	5000	Leaked Foods	Retail
45	5000	Samsung	Technology
46	5000	Hilton Hotels	Travel & Tourism
47	5000	Rolls-Royce	Aerospace & Defense
48	5000	Facebook	Technology
49	5000	Porsche	Automotive
50	5000	GlaxoSmithKline	Biotech & Pharma
51	5000	Transoceanic Hotels	Travel & Tourism
52	5000	Sainsbury	Automotive
53	5000	ALDI	Retail
54	5000	Co	Telecommunications
55	5000	Halifax Group	Retail
56	5000	Post & Mail	Post, Bus, Road Serv.
57	5000	LA	Technology
58	5000	Enterprise Rent-A-Car	Travel & Tourism
59	5000	Uber	Consumer Services
60	5000	Debenhams Group	Retail
61	5000	Wendy's	Technology
62	5000	Procter & Gamble	Consumer Goods
63	5000	Albus S. A. S.	Aerospace & Defense
64	5000	Debenhams Retail	Retail
65	5000	ntc	Technology
66	5000	Hyundai	Automotive
67	5000	PC World	Retail
68	5000	Financial Times Group	Media
69	5000	Sainsbury UK	Finance
70	5000	Niri	Automotive
71	5000	Bole	Automotive
72	5000	TalkTalk Telecom Group	Telecommunications
73	5000	AXA UK	Insurance
74	5000	BAT Systems (UK)	Aerospace & Defense
75	5000	Barclays	Finance
76	5000	Lloyds Banking Group	Finance
77	5000	Royal Bank of Scotland	Finance
78	5000	Legal & General	Insurance
79	5000	Honda	Automotive
80	5000	Amstrad	Biotech & Pharma
81	5000	Aluminium & Glass Co.	Retail
82	5000	Forsters Estate Agents	Real Estate
83	5000	Standard Life	Finance
84	5000	BT Group	Travel & Tourism
85	5000	Bank of America Corp.	Finance
86	5000	Trade Bank	Finance
87	5000	Sainsbury Retail Limited	Finance
88	5000	NFL & Football	Finance
89	5000	IBM Corp.	Business Serv. & Tech
90	5000	Viva Europe	Finance
91	5000	JD Sports Fashion	Sports Retail
92	5000	Starbucks Corp.	Post, Bus, Road Serv.
93	5000	Twitter	Technology
94	5000	Overnight Everywhere	Telecommunications
95	5000	Medic Bank	Finance
96	5000	Verizon	Telecommunications
97	5000	Lease PLC	Telecommunications
98	5000	British Telecom Group	Telecommunications
99	5000	Raynor	Travel & Tourism
100	5000	Carphone Warehouse	Retail

SOURCE: JACZ GEEK

REF: OXC

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.

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## 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 consumer-facing 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.

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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.

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