



Press release

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# New EY Consulting survey confirms 90% of US workers believe empathetic leadership leads to higher job satisfaction and 79% agree it decreases employee turnover

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The majority (88%) of respondents feel that empathetic leadership creates loyalty among employees toward their leaders - revealing that empathy could be the secret sauce to retaining and finding employees in the face of "The Great Resignation."

Ernst & Young LLP (EY US) today released the 2021 EY Empathy in Business Survey, tracking how empathy affects leaders, employees and innovation in the workplace. The survey of more than 1,000 Americans who are employed reveals that many have left a previous job because their boss wasn't empathetic to their struggles at work (54%) or in their personal lives (49%).

"As a result of the COVID-19 pandemic, leaders are working to establish business transformation models to adapt in the new normal," said Steve Payne, EY Americas Vice Chair - Consulting. "Our research finds that empathy is not only a nice-to-have, but the glue and accelerant for business transformation in the next era

of business. Empathy's ability to create a culture of trust and innovation is unmatched, and this previously overlooked trait must be at the forefront of businesses across all industries."

## State of empathy in the workplace

Employees feel that the companies they work for are talking the talk, but not necessarily walking the walk, when it comes to empathy and support in the workplace. In fact, almost half (46%) of employees feel that their company's efforts to be empathetic toward employees are dishonest. Similarly, two in five (42%) employees say that their company doesn't follow through when it makes promises.

Employees describe an empathetic leader as someone who is transparent and fair, and follows through on actions. The top five qualities employees look for in an empathetic senior leader are:

- Open and transparent (41%)
- Fair (37%)
- Follows through on action (37%)
- Encourages others to share their opinions (36%)
- Trusted to handle difficult conversations (34%)

A lack of empathy in the workplace has caused many employees to leave their jobs, which is a possible contributor to this year's so-called "Great Resignation." Over half (58%) of employees have previously left a job because they didn't feel valued by their boss, and nearly half (48%) have left a job because they didn't feel like they belonged. The difficulty of connecting with colleagues has resulted in more than a third (37%) of employees leaving their organization.

## Benefits to leading with empathy

A staggering 89% of employees agree that empathy leads to better leadership. In fact, 88% feel that empathetic leadership inspires positive change within the workplace, and 87% say that it enables trust among employees and leaders. Additionally, 85% report that empathetic leadership in the workplace increases productivity among employees.

Beyond improving employee satisfaction and decreasing turnover rates, there are tangible business benefits to prioritizing empathy in the workplace. According to the survey, benefits are plenty, since employees agree that mutual empathy between leaders and employees increases:

- Efficiency (87%)
- Creativity (87%)
- Innovation (86%)
- Company revenue (81%)

## Looking ahead: empathy in 2021 and beyond

Unquestionably, the COVID-19 pandemic has resulted in myriad personal and professional challenges, and

the ability to have honest conversations in the workplace is crucial. More than eight in ten (85%) employees say that it's important for organizations to cultivate a climate in which diverse perspectives are valued. However, about a third (30%) of employees are not comfortable advocating for cultural changes within their organization, and one-in-four (26%) do not feel comfortable raising ethical concerns.

Top initiatives that would help employees feel more comfortable having open discussions with a boss include:

- Having regularly scheduled one-on-ones (45%)
- Providing opportunities to give anonymous feedback (42%)
- Participating in team-building exercises (37%)
- Receiving frequent reminders that they're in a safe space to have open discussions (36%)
- Participating in training/communication workshops about having open discussions (36%)

According to Payne, "The ability to connect with employees and provide a supportive work environment is more important than ever. Organizations and leaders must prioritize empathy to foster innovation, inspire growth and successfully lead business transformation efforts."

## 2021 EY Empathy in Business Survey methodology

EY US commissioned a third-party vendor to conduct the inaugural 2021 EY Empathy in Business Survey. The sample of 1,010 Americans who are employed, either full-time or part-time, was completed between July 1 and July 12, 2021. At the total level, the study has a margin of error of +/- 3 percentage points at the 95% confidence level.

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