



BREAKTHROUGH WITH EMPATHY:

How to thrive in the new era of the employee with empathetic leadership



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Introduction

There has been a massive shift in mindset over the past two years in how people relate to their work. It's a re-prioritization of work and life, a desire for more emotional engagement and the willingness to look for a new job if the current one isn't fulfilling. This isn't a **small movement** either: Around 3% of the workforce in the US resigned in December of 2021. That may not sound like a big number, but it represents 4.3 million people.

Call it the "Great Reshuffling", "Great Resignation" or any of the names the media has given this phenomenon. But one thing is clear: After two years in crisis mode, employees—people—are struggling with burnout and are in desperate need of support.

This is especially challenging for businesses as they seek to rebuild, transform and grow. Mentally exhausted people are less likely to seek out and embrace new ways of thinking. It's hard to be innovative when you're struggling just to stay engaged.

We tend to think of technology alone as the answer to problems like this. And it's true that tech can empower workers, help them be more productive and do more meaningful work, and

enable collaboration across the world. But there's a paradox at play: people are more likely to resist a new technology solution if their mental health needs aren't being met. We can't rely on technology alone to solve this problem.

As a company, Dell knows the power of an optimistic culture first-hand. We believe that when people have the freedom to ideate, innovate and drive results — and they feel respected and supported —the growth opportunities are limitless. That's true for both the company and each individual.

So, how can leaders create an environment that promotes mental well-being, increases morale, and equips employees to innovate? To help find the answer, we commissioned an in-depth study of 10,500 respondents across the world. Then we asked behavioral experts to analyze the results, to understand how businesses can better engage with their people.

What follows are key takeaways from this research, in addition to advice from experts in human resources and human behavior.



Measuring the capacity to innovate

Human beings are creatures of habit, for the most part. That said, the willingness to try new things is a survival trait that has put us at the top of the evolutionary ladder. Neuroplasticity, the ability of neural networks in the brain to change through growth and reorganization, looks at people's willingness to experiment, ability to innovate and capacity to embrace change. Adding to the challenge, however: this essential trait can't be seen with a blood test, DNA test, MRI or X-Ray. The capacity to pursue new ideas can only be measured by observing behavior.

Based on the responses we received, our behavioral experts were able to classify readiness for digital change in four broad categories:

10%



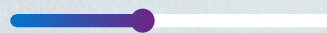
Sprint: Will chase innovation and trailblaze technological change.

43%



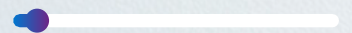
Steady: Poised to adopt technological change, selected by others.

42%



Slow: Inclined to hold back and observe/deliberate.

5%



Still: Tend to anticipate problems and resist proposed technology innovations based on perceived risk.

It might seem that promoting innovation is as easy as weeding out those in the bottom two groups, but everyone adds value in the workplace; it takes all four of these traits to have a well-balanced team equipped for success.

John Roese, global chief technology officer at Dell Technologies, concurs: "Challenge and caution should be welcome—it enables improvement." However, he warns, "Improvement requires an agile but thick-skinned business culture that's always open to review, iterative course corrections and isn't easily derailed."

Roese also notes that these behavioral benchmarks are not static measurements: "We've made it very clear that one of the key skills for people in our industry is empathy—whether you're a developer, a sales representative or an inventor."



"Focusing on the individual is key. Businesses tend to talk in broad strokes, but they actually can't afford to take a reductionist approach to their workforce. For instance, there aren't just three types of employees. There's a lot more nuance. Leaders need to understand individuals' strengths and weaknesses. They're not all the same."

Dr. Shannon Rogers, behavioral scientist, Dell Technologies



Leading with empathy

Empathy was once an often-overlooked soft skill. There's a dawning recognition that empathetic leaders can boost the morale of a workforce beyond measure and a happier and more engaged workforce is often a more innovative one.

This resonates with Dr. Shannon Rogers, behavioral scientist at Dell Technologies: "Empathetic companies build loyalty, the cornerstone of a productive and effective workforce. You can't underestimate its influence."

Our research shows ample room for improvement in leading with empathy. Eighty-three percent of respondents say their leaders overlook different perspectives and viewpoints. A majority (59%) say

they are not experiencing fair, merit-based decision making and equal opportunities in their role.

In this report, we will explore seven ways in which leaders can break through with empathy:

- 1. Don't underestimate your employees**
- 2. Study your employees' wiring**
- 3. Leverage your employees' motivators**
- 4. Provide purposeful work**
- 5. Make inclusivity commonplace**
- 6. Provide psychological safety**
- 7. Heed suspicions and build trust**

Compassion or Empathy?

Empathy is the ability to sense other people's emotions, coupled with the ability to imagine what someone else might be thinking or feeling. *Compassion* literally translates as "to suffer together." It's the feeling that arises when confronted with another's suffering and the ensuing motivation to relieve that suffering. Though there are nuances of meaning between the two terms, in this report, we treat 'empathy' and 'compassion' as interchangeable. Both are an expression of the same set of values.



Leaders must show compassion to truly support employees

“After working from corners and closets, homeschooling children while running business meetings, employees are seeing their value and organizational power differently. They are craving respect and reciprocity for their sacrifices.

This exchange isn't often forthcoming. Following a bruising couple of years, Dell's research shows many employees are experiencing unfair, unequal decision-making, dominating leadership styles and limited opportunities to make themselves heard. Consequently, many workers feel overlooked, undervalued and burned-out.

In the event of a digital transformation, this creates a problematic impasse. For any substantive change to succeed, you need more than technology. You need the goodwill of an engaged and emotionally secure workforce. Their 'tank' needs to be full at the outset to cope with the cognitive dissonance, the mental discomfort that results from holding two conflicting beliefs, values or attitudes, that often accompanies change.

Ensuring team members build resilience and maintain their emotional stores is not solely the employee's responsibility. Rather, it is a matter of employee engagement inside of a healthy organizational culture. In other words, leaders have a role to play in establishing conditions for employees thriving rather than mere survival. It is upon leaders to establish two-way dialogue and set-up mechanisms for employees to shape or influence change. Most tension can be managed and soothed with humble, compassionate leadership.

It is important to emphasize, these are not weak leaders. Quite the opposite. They are sufficiently confident to scrutinize their own behavior and course correct. Effective leaders provide necessary support and challenge and invite collaborative communication methods rather than sprinting toward change, independent of an advisory group. Their openness and authenticity can unlock digital transformation for businesses large and small, the world over.”

Dr. Jessica Rimmer, leadership and culture expert and partner at GiANT Worldwide



Seven ways business can break through with empathy:

1. DON'T UNDERESTIMATE YOUR EMPLOYEES

The research suggests that people are being underestimated in two broad ways:

1. Leaders are underestimating their centrality to the success of a digital transformation program. Technology alone will not move the needle.
2. Leaders are underestimating how complex human behavior is and the lengths they need to go to win support and secure buy-in.

On the surface, business leaders value their people:

85% consider employees their company's greatest asset

Yet the research shows a disconnect between what leaders say and how employees feel.

Over a third (34%) of respondents say their leaders treat staff as 'dispensable'. A lot of the time they feel unheard. By leaders' own admission, there's truth in that. More than half (54%) admit they assume employees understand why it's important to adopt new technologies and modernize.

That's not to say this disregard is intentional. Four in ten (39%) believe their fellow leaders need to develop a higher level of self-awareness and consider how their behavior might impact others. It's still a lack on their part—but essentially, they might not be aware that they're even underestimating their people. Of course, that makes it all the harder to fix. But it's important that they do, at all levels.

Just as exhaustion and burnout affect neuroplasticity, feeling overlooked and underestimated can stifle people's capacity for

embracing change. Ultimately, this will negatively affect the business; after all, businesses can only go as far as their people will take them.

Another manifestation of underestimating people is abstracting and anonymizing them to mere roles on a team, as opposed to complex individuals that need to be carefully communicated to during periods of change. In the context of a digital transformation, 67% of respondents say their organization underestimates the people requirements when planning new programs.

Conversely, when leaders understand people's background, emotional state and unique strengths and weaknesses, they will be better equipped to support employees and preclude potential obstacles.

One frequent stumbling block is clashing work styles or mentalities between employees. For example, 65% of respondents say they are methodical and resent it when others are not, while 35% say they are not methodical and rely on others to be. Empathetic leaders are better equipped to spot this potential conflict and resolve it.

Making sure employees feel valued will also be a prerequisite in the ongoing effort to recruit top talent. The balance of power is shifting from employer to employee. People can look across the market and cherry pick their new role. Businesses will need to work harder to attract and retain talent.

The challenge for leaders is to communicate and demonstrate that they value employees collectively and as individuals. Leaders must show, as well as say, that employee feedback is valuable, their mental health is a priority for the company, and that each person is a pivotal part of the team.

2. STUDY YOUR EMPLOYEES' WIRING

We have seen the gap between how much leaders value their people, and how valued these employees actually feel. That gap only gets wider when the push for digital transformation is focused exclusively on technology, not people.

Our research found employees struggle with change in a few key ways:

48% say they are habitual creatures who like routine

43% say they need more time, support or incentives than they are getting, in order to change habits and learn new skills

40% say they do not like to be hurried

A successful approach to digital transformation must address these realities. Almost half of respondents are categorized as slow or reluctant to embrace change. They will need their concerns addressed, their fears allayed and to know their voices have been heard. Remember, we have seen that humans are creatures of habit, wired to resist change, until the conditions are right to support neuroplasticity.

Others are open to change but require more support than they are currently receiving. It's important to build in time to provide a nurturing environment for employees to embrace the change. In fact, only 37% of respondents expressed any desire to speed

up change. And as the study shows, just 10% of employees are likely to be Sprinters, ready to blaze trails and drive change.

That's not to say people can't catch-up, with the right assurance. These designations are not rigid, cast-in-stone descriptions. Moving people from Still to Slow, Slow to Steady, Steady to Sprint requires, among other things, requires building empathetic relationships with employees.

Those who are less inclined to embrace change can be encouraged, empowered, and equipped to do so. But leaders need to understand how people are wired—their motivations, fears, triggers and desires.



“Just as people need to be adaptable, so do workplaces. But they should be adapting to their people first and foremost. I've been working with a company in the UK on an active listening exercise. They've been monitoring people's reactions to space, place, pace (in this case, pace relates to employees' comfort with the pace of change). The company has made really impactful changes as a result. I would encourage all workplaces to conduct regular holistic temperature checks and demonstrate they're making changes in step. Listening should be intrinsic in the design.”

Prof. Sally Eaves, author and global strategic advisor in emergent technologies and founder of Aspirational Futures



Respondents say their top priority is work-life-balance. However, over half (58%) say they are not yet experiencing a better balance.



3. LEVERAGE YOUR EMPLOYEES' MOTIVATORS

Digital transformation depends on people being motivated and incentivized to innovate and welcome change. It depends on people working as a team and being collegial. And it requires them being open-minded about partnering with technology, to achieve their goals.

Which means the architects of digital transformation first need to know what motivates their people, so these motivators can be leveraged. According to the research, the primary motivator for most employees is “personal gain.”

However, personal gain doesn't necessarily mean financial gain. Money is one factor, of course, but it's not the only one. Nor does it follow that these people will be ruthlessly ambitious and bury the company or team's ambitions below theirs.

But it does mean that they expect work to 'work for them'. These expectations can manifest in various ways.

For instance, our respondents say their top priority is work-life-balance. However, over half (58%) say they are not yet experiencing a better balance, even

in the midst of a hybrid/remote work boom. Just 39% believe they'll enjoy the benefits of hyper-connectivity and will still be able to mentally switch-off. Presumably the rest have been burned in the past; with work intruding upon their personal time—to their detriment. This is impacting respondents' ability to also connect with their colleagues, which would dampen their job satisfaction. In the Still and Slow groups, 58% say they find it difficult to collaborate remotely or connect with other employees.

This indicates that businesses need to both be zealous in protecting employees' non-working time, and in promoting communication and collaboration.

That last part is key, because the absence of enriching collaboration can lead to loneliness and loneliness can be deleterious for employees and the business alike. According to our experts, loneliness is known to reduce productivity while increasing absenteeism and turnover.

To prevent or combat loneliness, leaders will need to find more personal, tactile ways to help their people feel seen and appreciated.



“Lone worker isolation and loneliness were huge issues during the pandemic. Digital technology is in our hands to help here. It can bring people together across geographies to collaborate like never before. It can facilitate co-creation of new solutions. It can provide avenues for homemakers to re-enter the marketplace. But it needs to be used in an empathetic way. For instance, to provide for those who need time away from collaborative environments to produce their best work. And in ways that will mitigate rather than exacerbate burnout.”

Rachel Ivers, business psychologist and consultant at GiANT London

4. PROVIDE PURPOSE-DRIVEN WORK

When we asked what motivates people to do their best work, the responses were surprising. Work-life-balance was in the lead, followed by salary and opportunities for training and development. Rounding out the top four: A clear purpose and the opportunity to have a positive social impact.

Businesses need to be strategic—purposeful, if you will—in providing employees with a greater sense of purpose in their work. At present, only 37% of employees say they are experiencing mentally stimulating work. And only a minority say they have a clear purpose or opportunity to make a positive social impact.

This is especially crucial as the lines between personal and work identity are dissolving. Over 75% of respondents say their job is a core part of their identity. If people don't feel that sense of purpose in their work, it can directly relate to their perception of self.

Leaders can help foster this sense of purpose by clearly communicating:

- Each person's value to the organization
- Support and understanding for each person's needs
- How each person's role contributes meaningfully to the company's success



Respondents ranked which motivators they're experiencing the most in their role:

1. Work / life balance
2. Competitive salary and benefits
3. Opportunity for training and development
4. A clear purpose / opportunity to have a positive social impact
5. Working for a company with a diverse workforce and inclusive principles
6. Fair, merit-based decision-making and equal opportunities
7. Solid future prospects (based on certainty my role can't be outsourced to an AI)
8. Sense of community at work
9. Mentally stimulating (not repetitive) work
10. Prestige from working for an industry leader
11. Scope to switch fields and be supported in that switch



5. MAKE INCLUSIVITY COMMONPLACE

Diversity and inclusion should be implicit in every part of the business. In a multi-racial, multi-creed, multi-gender society, diversity is not optional.

It should be easier than ever to promote diversity and inclusion. In the remote and hybrid, do-anything-from-anywhere world, the old boundaries of geography and accessibility are erased.

“Technology can absolutely foster empathy,” says Dr. Mark van Rijmenam, future tech strategist, author and founder of Dataflog.com, “from collaborative tools that embed healthy boundaries, to inclusive AI that measures the way people interact with work and learns from their pain points.”

In our survey, 80% say new ways of working will promote inclusivity. However, only 43% said they see themselves advancing opportunities to make their workforce more inclusive.

Employees who feel free to bring their whole selves to work can be a driving force for innovation. Those who feel limited or pressured to fit a certain mold will be less motivated, and more limited in the value they can bring to the organization.

“I love the transition we’re seeing to focusing on the whole person,” says Cheryl Foulkes, senior vice president of team member experience and IT strategy at Dell Technologies. “For me, I’m a mom of an 11-year-old and a 13-year-old. I’m a wife; I’m a daughter. We talk about work-life balance, but to me that implies they’re just pieces you’re trying to keep in the air. But I’m telling you, all these pieces come together and I bring them all to work every day. Dell is working through policies, culture and technology to allow me to be my whole self every day.”

How Talespin uses mixed reality to foster empathy

Talespin is striving to sharpen employees’ empathy and improve inclusivity in the workplace with VR and AR. Its immersive learning platform helps businesses train employees in interpersonal skills, including empathy and conflict resolution. Employees interact with a simulated “virtual human” – or avatar – in a virtual environment. During these learning simulations, employees experience emotionally realistic conversations, with the virtual characters exhibiting the speech and body language of actual human beings. This enables employees to practice navigating workplace conflicts and stressful interpersonal situations in a safe, virtual environment. The software also provides real-time skills development feedback and guidance on how to better empathize and communicate with someone in a difficult situation. The virtual role-play and feedback loop is sensory enough to develop emotional muscle memory, so the subjects emerge more aware of how their unconscious bias or demeanor may be affecting others and creating an unhealthy company culture.



Top team struggles

1. Everyone accessing the necessary tools, and coaching to use the tools to their fullest
2. Having a clear shared vision of how digital transformation can realize their business goals
3. Each person effectively playing their part
4. Everyone working as a team and valuing and respecting each other's contributions
5. Everyone having a platform/space to contribute ideas and be heard

6. PROVIDE PSYCHOLOGICAL SAFETY AT WORK

The term “psychological safety” means that people feel free to express ideas, share opinions and participate in decision-making. It includes the idea that their contributions will be welcomed and their voices will be heard, as well as the assurance that leadership will keep this safe space open. And it's a key component for fostering neuroplasticity.

“The pandemic has created burnout. People can recover from this only if they feel supported. But often they don't,” says Meghan M. Biro, human resources tech strategist and founder of TalentCulture. “I speak to so many that are fearful of speaking up—either saying they need help or disagreeing with a decision from leadership. This is not a recipe for success.”

It's important to also note that psychological safety can vary by employee demographic. Our study found that younger people and women were more likely to say their team struggles with everyone feeling free to clarify or challenge ideas as they see fit.

We found that 61% of respondents struggle with internal politics, a lack of clear communication and/or weak governance. Without that sense

of psychological safety, people will quietly resist change. They will wait and watch what will happen, find excuses to not participate, or even actively undermine the change.

One key element of psychological safety: Knowing that leadership will protect employees' contributions and will not tolerate those who jeopardize the team dynamic. “There is nothing more disengaging for employees than to see a leader tolerating bad behavior,” says Dr. Sam Mather, organizational psychology, resilience expert and founder of Riseability. “We all need to be held to account. It's important that bad behavior is called out. Failure to do so also erodes psychological safety.”

Most businesses seek to boost psychological safety by offering well-being resources for employees. However, these benefits tend to be under-utilized. Just 22% of our respondents say they have an employee well-being resource but have never needed to use it. It's crucial that leaders work to make psychological safety part of the culture, and not relegate it to a list of resources.

The importance of psychological safety

“It's only when feeling safe that the human brain can invest all its energy and resources into being smart, agile, innovative, open to change rather than into self-preservation. However, our brains are acutely tuned to detect potential threats. One way the brain perceives threat is through its highly proficient error detection system. Inconsistencies are a threat. For example, people being treated differently, passive aggressive behavior such as gaslighting, political behavior, inconsistent messaging or decision making, tone of voice versus body language, even veiled language. And this only needs to be seen to happen. Even if an individual has not personally experienced it, seeing that it can happen is threat enough. So organizations are only as safe as their least “safe” leader.”

Dr. Sam Mather, organizational psychology, resilience expert and founder of Riseability



7. ADDRESS FEARS AND BUILD TRUST

Fear is a flywheel. Left unchecked, an employee's small concern can spiral into suspicion and fear, which can spread through an entire team and even an organization.

Leaders need to know what their employees' fears are, on an ongoing basis. This is especially true in times of rapid change. We found several common fears among the survey respondents:

61% worry about being at the mercy of remote edge technology

26% of respondents in the Still and Slow groups worry they would be replaced by technology

30% of the Still and Slow groups are concerned that machines might make bad decisions without human judgment

These insecurities should be countered with communication, transparency and trust-building. Building trust with your employees can inspire them to earn your trust as well.

“Digital leadership starts with the C-Suite and a consistent demonstration of embracing digital change,” says Dr. Mark van Rijmenam. “They need to ‘show and tell’, not just ‘tell.’ And then they should create a culture in which people readily share their learnings.”

For John Roese, building trust through empathy is an essential part of the transformation process. “Empathetic design is the cornerstone of any successful technology adoption. Technology should be conceived in partnership with people, for people,” he says. “If empathy is in technology’s DNA, it’s very easy to dispel avoid myths and suspicions.”



Be the leader who unleashes innovation

Going through a digital transformation can be emotionally challenging. This is especially true of the accelerated transformation brought on by the pandemic and its fallout. Change always includes an element of uncertainty, which human minds are programmed to dislike. Employees need empathetic leaders to guide them through these times of change.

“If we take the time to really get to know our team members for who they are in their personal and professional lives, we can create an environment in which everyone thrives,” says Jenn Saavedra, chief human resources officer, Dell Technologies. “One where we grow in confidence, innovate and drive results. Where we’re empowered to create the future we want. This is what we strive for at Dell.”

People remain businesses’ greatest source of innovation and creativity. Leadership’s central

mission should be to release the innovator in each of their people—recognizing that innovation looks different from individual to individual.

“When you provide a great experience for employees, coupled with fantastic policies from HR and a supportive culture that the leadership has created, it’s really powerful in attracting and retaining the right people,” says Cheryl Foulkes. “One without the others doesn’t work. If you have the right policies, but not the culture and technology, it doesn’t matter, and vice versa.”

When leaders provide a safe psychological space, meaningful motivation, open communication and a sense of purpose, combined with technology that empowers employees, the opportunities are truly limitless.

About the study methodology

The research was commissioned by Dell Technologies and undertaken by Vanson Bourne; an independent research company based in the UK. Ten-thousand five hundred senior business and IT business leaders as well as knowledge workers, from small to large enterprises and across 14 industries, were interviewed across 40 locations. The study surveyed a random representative sample of companies. Fieldwork was conducted in August through October 2021.

LOCATIONS SURVEYED

North America

Canada, US

Latin America

Brazil, Argentina, Chile, Colombia, Mexico, Peru, NOLA (Panama, Costa Rica, Guatemala, Honduras, Puerto Rico, El Salvador)

Europe, Middle East & Africa

Belgium, France, Germany, Ireland, Israel, Italy, Netherlands, Poland, Russia, Saudi Arabia, Spain, South Africa, Sweden, Switzerland, United Arab Emirates, United Kingdom

APJ

Australia, Japan, India, Indonesia, Malaysia, New Zealand, Philippines, Singapore, S. Korea, Thailand, Vietnam

Greater China

China Mainland, Hong Kong, Taiwan

INDUSTRIES SURVEYED

Automotive

Government

Education

Financial services

Insurance

IT & Technology

Life Sciences

Manufacturing

Media & Entertainment

Oil & Gas (Energy)

Private Healthcare

Public Healthcare

Retail & consumer products

Telco

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Dr. Jessica Rimmer, leadership and culture expert and partner at GiANT Worldwide

Dr. Shannon Rogers, epidemiologist and behavioral scientist at Dell Technologies

Dr. Rachel Watson-Jones, cognitive scientist and user experience researcher, formally distinguished technical staff member at Dell Technologies

Helen Yu, digital transformation author and advisor, CEO and Founder of Tigon Advisory

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