Empathy and Trust: Into a Better Workplace Environment

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Abstract: Empathy and trust are among the key factors in building a stronger relationship between two parties or more. Today, more and more organizations are recognizing the importance of the relationship between empathy and trust in order to serve their employees better. Empathy and trust are pivotal in helping the organizations become better workplace environments. This is because the current business world is characterized by rapid globalization, which has led to an increase in the growth and prominence of multinational organizations. This trend towards globalization has increased the challenges faced by business organizations, which have to manage their employees across cultures, time zones, and organizational structures. Accordingly, the reality of a global market calls for business organizations to increase empathy skills and instill trust among employees in order to have strong organizational structure and to enhance business survival and continuity.

Keywords: empathy; trust and leadership effectiveness

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1. Introduction

Today’s business environment is rapidly changing, forcing management and multinational organizations to create strategies that give them a source of competitive advantage in the long run (Lamsa & Pucetaite, 2006). One way to gain an edge in this current global market is to stay competitive by acquiring empathy and maintaining employees’ trust within organizations. Empathy has been regarded as a powerful tool in developing leadership skills that are instrumental in the development of trustworthy and motivated employees (Undung & Guzman, 2009). It is because empathy is important for employees to acquire as their “soft skill” in order to work better together at all levels. According to Voss, Gruber, and Reppel (2010), empathy allows employees to understand other peoples’ perspectives and opinions better, making the work environment more enjoyable and productive. Research suggests that empathy is one of the important factors in developing trust and can improve performance in organizations (Feng, Lazar, & Preece, 2004).

According to Leslie, Dalton, Ernst, and Deal (2002), and McCuddy and Cavin (2008), in today’s business environment, there are more employees working across borders and across cultural boundaries. These employees need to adapt to multicultural differences, have exceptional knowledge of business operations, have effective time management skills, and be able to act and think beyond traditional boundaries. Empathy is a pivotal component because the skill allows employees to acknowledge their emotions, feelings, thoughts, and concerns (Matthewman, Rose, & Hetherington, 2009). This could help these employees to adapt faster in coping with new environments and
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trends. In their research, Mahsud Mahsud, Yukl, and Prussia (2010) demonstrated that empathy could help employees to have a positive attitude towards adapting to new environments and trends, which creates a collaborative atmosphere. The research suggests that empathy involves emotion, which induces the thinking muscles to be more productive. Thus, employees are able to connect to each other, be aware of each other’s feelings, and give genuine recognition. This will lead to a better workplace environment in organizations. Martinovski, Traum, and Marsella (2007) supported the idea that empathy plays an important role in developing trust among employees in the workplace. Clark and Payne (2006) asserted that empathy is pivotal to effective interpersonal relationships, which could help build a strong foundation of trust and eliminate leader-employee barriers.

2. Empathy

Empathy is defined as the skill of understanding others’ feelings, predicaments, and challenges (Marques, 2010). Empathy involves the ability to experience the same feelings as others after listening and paying attention to what others have said (McCormick, 1999).

Goleman (2001) believes that the ability to understand the people who work around us is vital because it helps leaders to make the right decisions and carry them out successfully. This is important for organizations as a way to stay competitive in the current global market. Additionally, empathy is helpful when solving problems in the workplace because it enables leaders to make immediate connections with employees, facilitates a more accurate assessment of employee performance, and yields better outcomes. The need for empathy is increasingly important within organizations where shared vision and openness are critical factors for success and creating a better workplace environment. Thus, possessing empathy helps a leader identify with his/her employees, i.e., to experience their pain and understand what it is like to be in their positions. Consequently, empathy is a vital skill for successful leadership and organizations since leaders who have a high degree of empathy towards their employees are in a position to become effective leaders (Goleman, 1995).

Empathy is important in helping leaders to motivate their employees to perform above and beyond their abilities, which lead to increases in employees’ self-esteem (Boseman, 2008). According to Hoffman (2009), empathy is crucial for organizations because without this quality, leaders are not able to connect with their people and inspire or motivate them towards achieving a shared vision, especially during difficult times. Goleman, Boyatzis and McKee (2002) noted that empathy helps leaders to make connections, thus increasing their capacity and willingness to understand situations and accept proposed changes and the opinions of others. Empathy also enables leaders to be sensitive towards others so that they can create an atmosphere of openness, making these leaders more flexible and open to new ideas and perspectives. These progresses will lead to effective leadership and a better working environment.

According to Kail (2011), the definition of empathy is to understand the emotions of another person. In this instance, leaders are viewed by employees in regards to the personal impact these leaders have made on the lives of their employees. A great leader is defined by his or her relationships to those under him or her. Leadership is not merely just the idea of accomplishing the goals of an organization. Many leaders incorrectly put forth much effort attempting to impress other people when they could be much more impressive to these people by connecting with them instead. Leaders need to connect with their employees as well to ensure tasks are completed properly. In the end, the employees decide how much power a leader has over them, not the leader. Employees will complete tasks if asked to by their leader. However, the quality of their work is their discretion, not that of the
leader’s. It is therefore important that the leader be someone that is liked by the employees.

The mark of an effective leader is one who genuinely enjoys the work given to him or her by the organization, not someone who merely seeks positions of power over large amounts of people. A leader whose goals align with those of the organization are likely to produce better work. Leaders who solely want status and power are likely to be brutal towards their employees, have little regard for their quality of work, and complete work through dishonest means. Leadership is a cycle. When leaders lead with empathy, it will strengthen their relationship with their employees, which will then strengthen the influence these leaders have over their subordinates. When one thinks deeply about it, leadership is also a form of relationship. Each side of the relationship needs to give to the other in order for the bond between them to be strong. When leaders give empathy to their employees, they are in turn rewarded with higher quality work (Dervitsiotis, 2006).

The most effective leaders see their employees as a collection of unique individuals, as opposed to a horde of subordinates over which one has power over. Every leader should take the time to get to know each of their employees at least a little bit to strengthen the relationship between the two, vanquish any barriers between the two, and facilitate cooperation between employee and employer. Because employees are all individual people, effective leaders embrace the diversity of their employees. Each person in a team contributes a unique set of knowledge, strengths, and experiences to the group, which will make the team well rounded and better able to overcome any unexpected challenges that may arise. When each employee feels as if they are an integral part of the team, they tend to do better work. Empathy creates strong bonds between leaders and employees and strong bonds cause the team to work as a cohesive and effective unit. A team with strong skill sets but no empathy within the team may not necessarily perform well, meaning that empathy is just as pertinent to a group as any ability or technical knowledge.

In regards to trust, empathy plays an important role in developing trust in leader-employee relationships. This is because to establish trust with employees, leaders also need to demonstrate openness and transparency (Martinovski et al., 2007; Tager, 2004). By demonstrating openness and transparency towards their employees, leaders could have a better understanding about the working environment around them. Research by Mahsud, Yukl, and Prussia (2010) noted that empathy is a crucial skill because today’s leaders have to learn to cope with new environments and trends (i.e., adaptability). Mahsud et al. further demonstrated that empathy skills help leaders have a positive attitude towards adapting to new environments and global trends. Research stated that empathy has become increasingly important to effective leadership, especially during organization expansion or relocation because leaders with empathy have the needed skills of openness and adaptability (Atwater & Waldman, 2008; Choi, 2006; Feng, Preece, & Lazar, 2004; Goleman, 2000). These leaders could help organizations create better workplace environments because they understand what the needs of the organizations are.

According to Gardner and Stough (2002), to help organizations to stay effective and competitive, leaders could use their empathy skills to create bonding to mutually understand the emotions or thoughts of their employees. In the same vein, empathy enables leaders and employees to regulate their own emotions, grasp how others feel, and intuitively determine the emotional state of others (Harvard Business Review, 2004). By placing themselves in similar situations as those faced by their employees, leaders have the potential to help their employees feel like they are an integral part of the organization (Puvarattanakul & Muenjohn, 2009). Thus, empathy could not only help improve teamwork but it will also help organizations to stay competitive and have better workplace environments.
3. Trust

Establishing rapport and trust is part and parcel of the empathy building process. Building rapport and trust allows leaders to be able to have adult discussions with employees, should problems arise. Creating trust between leaders and employees is about listening and understanding each other, though the two do not necessarily have to agree with one another, which is different. A good goal to aim for when listening to another person speak is to try to understand how the person feels as well and try to discern what it is that person wishes to achieve. In Dr. Stephen Covey’s *The Seven Habits of Highly Effective People*, Covey writes about his support for the idea of always striving to understand the perspective and emotions of the person one is speaking to. He advocates for a restructuring of how people within a corporation interact with each other, a revision based on empathy and results instead of hierarchy and ego.

Persuading others to do what we wish is always difficult and rarely done correctly. Rather, one should understand what the person wants themselves and draw parallels between one’s goals and that of the other person’s. This makes both people on the same side as they are both working towards similar goals. Leaders cannot simply bark out orders and watch employees from a distance as this creates a rift between leaders and employees, which in turn will ruin communication and productivity. Instead, leaders must work collaboratively with employees as equals. This strengthens the bond between team members and establishes trust (Covey, 2013).

Macaulay and Cook (2011) stated that trust is an important component for a leader’s lasting success. This is because in an organization, trust plays an important role in fostering employee morale and strengthening leader-employee relationships. Trust is also described as a belief, as a decision, and as an action (Bakker, Leenders, Gabbay, Kratzer, & Van Engelen, 2006). “Organizational trust is important for successful social skills, loyalty, and effective teamwork (Lamsa & Pucetaite, 2006, p. 130)”. This is because; trust is the key success between employees within the organizations. The presence of trust could help organizations increase communications and improve employees’ performance within organizations.

It is increasingly accepted that trust is very important in conducting business as well as to improve organizational performance. Trust enables employees to demonstrate openness and transparency (Tager, 2004). In organizations, leaders could create bonding through their ability in understanding others once they have earned trust from their employees (Gardner & Stough, 2002). Feng et al. (2004) pointed out that meeting a person on a regular basis and spending time listening to their ideas shows high levels of trust, thus leading to stronger relationships among employees. Trust is a skill developed by continual engagement with others over time, thus organizations could focus on the development of empathy and trust in an environment while still maintaining focus on concerns with organizational performance (Cameron, 2003). Trust will lead to better communication among employees, less confusion, less mistakes, good teamwork, and a better workplace environment. Trust will also give organizations a competitive advantage over others in today’s business world (Clark & Payne, 2006).

Organizations that establish a high-trust culture will see connections between followers and leaders, and the organizations performing with integrity and creditability will result in increased productivity and returns. Organizations function better when members know, trust, and feel positively toward one another (Cameron, Bright, & Caza, 2004). When trust is non-existent, essential processes may experience a disconnect resulting in poor quality of output, bad decisions by organizational leaders, and a reduced capacity to innovate and explore new possibilities for adaptation to emerging new competitive landscapes. This will lead to an “unhealthy” workplace environment.
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Trust is also described as networks of relationships of people, especially in business functions (such as marketing, finance, and other departments) within organizational objectives and performance. A solid foundation of trust is necessary for an organization to be effective, especially in today’s work environment (Dervitisiotis, 2006). Trust plays an important role in fostering employee morale and strengthening leader-employee relationships in organizations (Macaulay & Cook, 2011). Trust also gives organizations a competitive advantage (Rudawska, 2010). In the current highly interconnected world in which the rate of globalization is accelerating, trust is vital because organizations are challenged to achieve high levels of productivity and have a capacity to adapt or change in order to survive and succeed. To address these challenges, it is essential to develop high quality and healthy relationships within organizations. The quality of these relationships can be enhanced by acquiring empathy skills and establishing a culture of trust among employees within the organizations. By doing this, employees would have a better workplace.

Trust enables sharing material, information, and communication processes to generate valuable flows of productivity and increase employee satisfaction. It should be understood that a high degree of trust helps organizations reaffirm their identities, enhance their cohesiveness, and improve their flexibility and capacity to learn and adapt (Dervitisiotis, 2006). It is important to understand the positive effects of trust and apply them to the organizational culture. This will give companies an advantage when harsh times affect an entire industry, thus maintaining and providing a good workplace environment for employees (Rudawska, 2010).

When interacting with other people, trust can induce a number of emotions and sensations for both parties. Like relationships, trust is also a two way street. One may infer that this two way street is based on the establishment of trust on the part of each participant in the other person during conversations. However, that is not the only example of this type of situation. Fostering trust also means to be vulnerable to other people. By doing this, we place our faith in someone else but also in ourselves for being able to show private emotions to people other than ourselves. When a leader puts trust and faith in his or her employees, the leader reassures his or her own worthiness in themselves, sharing usually hidden emotional states with other people (Einwiller, Geissler, & Markus, 2000).

Einwiller et al. (2000) wrote that trusting a person involves taking a leap of faith. People always use their judgement to determine the dependability of another person using their opinions and behaviors. Once a person is comfortable with another person, a person can allow himself or herself to be vulnerable with that person to remove any remaining barriers and strengthen bonds. Despite all this, trust is always a risk as one must deal with much uncertainty to gain positive association with others. Assessments of a person’s character are filtered through a person’s perspective, meaning these assessments differ from person to person and are considered to be opinions more than they are objective observations.

4. Empathy and Trust

Empathy and trust complement each other as a premise for effective understanding, communication, and relationships. Empathy is the ability of sensing another person’s feelings and needs. Trust is a major key in building a better relationship between two parties or more. Empathy could help the process of establishing trust because empathy is a key to strong relationships and it helps employees to establish trusting relationships. Empathy gives employees the ability to place themselves in other peoples’ shoes and understand their feelings, allowing them to work together as a team. The main idea behind empathy is to understand the point of view of
another person. An integral part of the empathic process is to understand another person even when a person personally disagrees with him or her. The empathic process is also about building trust through listening without judgement. Completing these goals allows a leader to establish rapport with employees for the purpose of interacting with them as equals. By understanding other people and listening without judgement, leaders give their employees a deep level of respect through effective communication. This respect, coupled with the idea of equality, is the platform for establishing empathy and trust.

Trust can be both a logical act and an emotional one. Trust is a logical act because trust is where one must determine the probability of loss and gain, concluding that an employee is likely to behave in a certain manner by making calculations using hard performance data. Trust is also an emotional act because trust is where a leader must expose his or her vulnerabilities to people in the hope that those people will not take advantage of their leader’s openness. When analyzed further, trust is a form of confidence because when people place their trust in a person, these people are confident that the person will meet their expectations.

Empathy and trust are two elements that could help organizations to stay competitive in a globally competitive economy and could help create better workplace environments. Empathy not only gives employees insight into what others may be thinking, it also allows employees to create special bonding and build trust. Thus, it helps employees to understand how and why others are reacting in certain ways and allows them to be able to react to it.

Empathy and trust constitute the basis for effective communication, relationships, and understanding. These two components are also critical in finding solutions to problems, resolving conflicts, and retaining business. Empathy and trust are also needed in regards to addressing employee complaints and retaining talent within the organization. In today’s business world, successful businesses have effective communicators. Persuasion, salesmanship, and other communicative strategies do not foster strong consumer relationships the way trust and empathy do. In an era where networking and relationships are becoming increasingly important in business, trust and empathy are the key to building these relationships and are, thus, a critical component of business today.

Understanding the perspectives of others is the basic definition of empathy. A critical component of the empathic process is on building trust and rapport with other people. Establishing trust in the workplace allows connection and reliance to grow between leaders and their employees. Empathy between leaders and employees allows both parties to understand one another more thoroughly. This is because a reliant and comfortable connection is created and the habit of understanding and sharing openly is allowed to develop. This is vital as it paves the way for the connections that bind team members to deepen into friendship, which will facilitate communication and increase efficiency.

There are three levels of empathy: compassionate empathy, cognitive empathy, and emotional empathy. Compassionate empathy is when leaders wish to help employees deal with their situation and emotions. Cognitive empathy is when leaders recognize what employees are feeling. Emotional empathy is when leaders can actually feel what employees are feeling. Trust is created within the realm of compassionate empathy, in which leaders desire to reach out to their employees. This is due to the fact that in the cases of the two other forms of empathy, most leaders might not necessarily externally express feelings of camaraderie even when these leaders experience these feelings within themselves. Trust can only be established when leaders possess the desire to reach out and help employees (Stephan & Finlay, 1999).

A large number of modern day gurus skilled in management, communication, and self-development note in some shape or form the importance of empathy, especially in the workplace. Truly understanding the emotions
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and perspectives of others is the basic concept of empathy. The ability to zoom out and disregard one’s own emotions for a moment to understand the emotions of others is critical to constructive and effective relationships in the workplace (Joseph & Winston, 2005).

Trust and empathy both require effective communication skills. Out of all the communication skills in existence, the skill of listening is arguably the skill that is most pertinent to the workplace. The most lustrous and effective speaker developed his or her skills by practicing his or her listening skills. Listening is not an inherent reaction to conversation for most people. It is therefore important that these people practice the art of listening and remember to prevent themselves from interrupting. During conversation, a vast majority of people do not actually listen to the other person; they simply wait for their turn to speak. This is because most people are more interested in announcing their own opinions and perspectives than truly listening to others and fully understanding them. The younger generation is growing up during a time when digital interaction acts as a substitute for physical interaction and it is because of this that there is so much to learn about how one’s relationships and identities are influenced by online activities. It is for this reason that empathy is critical for establishing trust, especially in modes of communication in which people do not meet face to face (Urban, Hauser, Liberali, Braun, & Sultan, 2009).

These findings are ironic since all people enjoy being understood and listened to. Covey discusses how human beings only feel validated and affirmed when they are understood by others. Covey was the one who coined the expression “Seek first to understand, and then to be understood”, an expression that serves as a constant reminder of the importance of listening to others before expecting others to listen to you. Empathy and trust, coupled with understanding, are all powerful skills for building good relationships. These abilities are the foundation for sustainable careers and business (Covey, 2013).

5. Empathy, Trust and Leadership

Empathy and trust bring new understanding to attribution in leadership. These two elements will bring the leaders and employees closer and bring about better working environments. It will be easier when it comes to employees’ negotiation as well (Martinovski et al., 2007). Empathy helps leaders to enhance their leadership skills and at the same time build the foundation of mutual trust. Trust is pivotal in making sure the relationship between employee and leader is successful (Macaulay & Cook, 2011). To be successful, leaders must show that they have empathy; they care about their employees and understand their feelings. This will prolong the feeling of trust among the employees. After all, leadership is about showing interest and concern and being resourceful to the employees (Russell & Stone, 2002).

6. Methodology

6.1 Research Design

The study used an online quantitative self-report survey in which a cross-sectional research design was administered to American and Malaysian business leaders to compare the level of empathy and trust among the leaders. These leaders were selected from companies listed on major stock exchanges in the United States and Malaysia. The survey measured empathy and trust among these business leaders. Data from the survey was analyzed via measures of reliability and validity to examine the psychometric properties of the empathy and trust scales.
6.2 Participants

Participants were top leaders from companies in Malaysia and the United States. A total of 216 business leaders from the United States and Malaysia responded to an online survey using Survey Monkey, 112 from the United States and 104 from Malaysia, for a response rate of 24.98%.

7. Results

Using Cronbach’s alpha test, empathy and trust scales were found to have strong internal consistency reliability with empathy ($\alpha = .852$) and trust ($\alpha = 0.888$). ANOVA tests found that the mean empathy scores and the mean leadership effectiveness scores did not vary significantly across the demographic characteristics of gender and position. The research found out that the youngest age group of leaders statistically also had significantly higher levels of empathy compared to the group of older leaders. The research showed that empathy and leadership effectiveness have a strong reliability (coefficient alphas, $\alpha > .70$) and validity (RMSEA < .090). In contrast to the results with empathy as a continuous variable, when empathy was included in the hierarchical regression as a categorical variable along with country, empathy was a significant predictor of leadership effectiveness ($Z = 7.94, p = .000$). The research showed that the American leaders have a higher level of empathy compared to the Malaysian leaders. In conclusion, the research found out that the higher the level of empathy, the higher the level of trust and leadership effectiveness.

8. Discussion

This paper examined the influence empathy has on trust and leadership effectiveness to make the workplace a better place. The results of the study are consistent with previous research on empathy and trust (Urban, Hauser, Liberali, Braun, & Sultan, 2009; Covey, 2013). The research deepens understanding of relationships between empathy and trust on leadership effectiveness. More importantly, the research has expanded the existing research on empathy and trust by comparing the impact between two countries, the west and the east, the United States and Malaysia. The research emphasized on the importance of empathy in creating a better workplace for the employees. The research showed that empathy helps leaders to understand better, create closer bonding, share information and make decisions better which leads to a more peaceful work environment.

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