

Business leaders should be compassionate: Here's the evidence to prove it

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Credit: AI-generated image ([disclaimer](#))

In the month after Elon Musk triumphantly announced his takeover of Twitter with his now famous "the bird is freed" tweet, he implemented a large-scale cull of the social media platform's global workforce. While Musk's rationale for this move was to make Twitter more efficient, how he carried out the cuts was widely criticized as showing a lack of

compassion for employees.

Instead, Twitter might benefit from a more thoughtful and caring approach to leadership. Research shows compassionate leaders boost staff morale and productivity, not to mention projecting a more positive image of an organization and its brands to the world.

Compassion in this context can be taken to mean a leader who is understanding, empathetic and that strives to help their employees. This kind of leadership is needed now more than ever. Businesses are facing difficult times because of the lasting effects of the pandemic and the rising cost of living. The UK was already experiencing a slump in productivity growth since the 2008 financial crisis and a decline in the standard of living, which is set to continue over the next two years. Brexit has not helped this situation.

Such testing times warrant organizational leadership by compassionate and competent people with sound judgment and effective coordination skills. This also applies to [political leadership](#). The UK has seen a lack of this in recent months while dealing with "[partygate](#)," [reported bullying](#) and harassment in government offices, and the dire effect of recent leadership decisions around the economy.

International leaders aren't doing much better. The US appears to have become far more polarized, leading to the [Capitol riots](#) and suffered accusations of a "[leadership vaccum](#)" during the pandemic. In the EU, compassionate leadership appears to have been in short supply based on [slow responses to COVID](#) and [the energy crisis](#). All of these examples suggest a need for more compassionate leadership.

What is a good leader?

Research shows that good leadership helps companies to be more

competitive and boost performance, particularly concerning innovation and flexibility. [One study argues](#) that good leaders win followers because of three main attributes: sound judgment, expertise and coordination skills. These qualities allow leaders to lead by example.

Unfortunately, however, not all leaders fit this bill. A recent Europe-wide study found 13% of workers have "bad" bosses, although participants tended to score their bosses worse on competence than consideration. Still, poor leadership can negatively affect workers' morale, well-being and productivity. A [review of studies](#) in this area reported that worker well-being tends to be better served when companies—and their leaders—allow workers to have some control and provide more opportunities for their voices to be heard and for greater participation in making decisions.

In addition to the competence and coordination skills highlighted in a lot of research to date, [my research shows](#) that "soft leadership skills" are also important. This is about being compassionate and making others—employees in particular, but also suppliers and customers—feel important. Leaders with such "[people skills](#)" are not just technically competent, they can also look at an issue from a human perspective, thinking about how it might affect people.

My recently published research used nationally representative data from the 2004 and 2011 workplace employment relations survey, which polls more than 3,000 organizations and over 35,000 workers. They were asked to score their managers on a five-point scale in terms of certain soft leadership skills, chosen to measure the impartiality, trustworthiness and empathy of leaders.

These employees were asked whether their managers:

- could be relied on to keep to their promises

- were sincere in attempting to understand employees' views
- dealt with employees honestly
- understood that employees had responsibilities outside work
- encouraged people to develop their skills
- treated employees fairly
- and maintained good relations with employees.

The results suggest that workers' perception of good quality leadership is also positively affected by managers being upbeat when discussing organizational performance. This kind of leadership boosts workers' well-being, helping employees experience greater job satisfaction and lower levels of job anxiety.

This research suggests that compassionate leaders help to both enhance company performance and boost worker well-being. It shows that improving the quality of leadership is worthwhile. This can be achieved with recruitment, appraisal and training of leaders that elevate soft leadership skills.

Good leaders matter. As organizations and society in general face particularly difficult times, compassionate [leadership](#) could make a real difference to future business success.

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