

Inside the Empathetic Organization

Stanford Professor [Dev Patnaik](#) has created the term “[Open Empathy Organizations](#)” for those that encourage employees to focus on empathy as part of the company mission. Success requires employees at all levels to be genuinely interested in other people, and there must be multiple ways for them to interact.

Open Empathy Organizations also provide ways for employees to buy and use the company’s products and services. [Netflix](#) gives DVD players and free subscriptions to employees, who can learn firsthand how customers experience the company. Similarly, gardening giant [Smith & Hawken](#) boasts a large garden at its company headquarters. Leaders encourage employees to plant and tend to crops, while familiarizing themselves with the company’s products.

At such empathic companies, employees begin to understand how their work plays a positive role in their customers’ lives. Staffers become more attached to the results they see at work. Employees perform at optimum levels when they know they make a difference. When they are encouraged to demonstrate care for customers, they become more engaged and energized.

When a Company Lacks Empathy

Some business executives dismiss the need for [empathy](#), favoring the more concrete and defensible virtues of [rational analysis](#). They have a point. So did [Blockbuster](#) executives when faced with [Netflix’s debut](#). Blockbuster witnessed [Netflix’s](#) dramatic growth in the very

early 2000’s and chose to do nothing. Company leaders saw the world from a solitary vantage point: atop a \$6 billion business with 60% margins, tens of thousands of employees and a thriving nationwide retail chain. Blockbuster’s management team certainly didn’t view the world from its customers’ perspective: late fees that drove renters up the wall, a limited range of movies that eschewed anything that wasn’t a new release.

Netflix’s ultimate market domination is a cautionary tale for other complacent companies. The Blockbusters of the world go belly up because they sell what *they want to sell*—not what their customers *want to buy*.

Empathy helps companies stay grounded and connected. Face-to-face encounters with the people you serve provide context for market research and customer needs.

The Way Things Used to Be

Overly simplified, abstract information often carries authority inside organizations. Knowing and understanding your customers is the antidote. “The problem with business today isn’t a lack of innovation; it’s a lack of empathy,” writes Professor [Dev Patnaik](#) in [Wired to Care: How Companies Prosper When They Create Widespread Empathy](#). Empathy is the ability to step outside yourself and see the world as other people do. For some companies, it’s also a rarely discussed engine for growth. [Harley-Davidson](#) gets it right. The company hires fans and publicizes its connection with consumers. Leaders work hard to stay in touch with consumers’ changing needs.

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This is the way business used to be conducted two centuries ago. For thousands of years, craftsmen made things for people they knew. Tailors, cobblers and other tradesmen understood what their customers wanted.

This approach ended with the [Industrial Revolution](#). As more goods were mass-produced in factories - suppliers and consumers experienced a growing rift. It's much harder to succeed when you create products for people you don't know—individuals whose lives seem different to yours- whether in your community or are halfway around the world.

Empathy through Social Media

If your company hasn't jumped on the [social media](#) bandwagon yet, it's probably missing opportunities to connect with customers in new and empathic ways.

Information technology is reshaping the company/consumer relationship, often bringing benefits to both. Despite living in an age where technology has made always-on data connections ubiquitous, we are more disconnected from the people we impact than at any other time in history. Even with the proliferation of social-media sites, we continue to miss opportunities for genuine dialogue.

Fortunately, many companies are changing this. They know their customers crave the ability to provide immediate input on specific products. When managed properly, [social-media sites](#) allow open communication. A 2011 study conducted by [Parasole Restaurant Holdings and new BrandAnalytics](#) found what consumers say

online increases staff ownership of the employee/customer relationship. Indeed, technology can actually enrich relationships between customers and employees. But it requires commitment from senior managers, who must:

1. Affirm their commitment to active, empathic involvement with customers
2. Understand the ways in which current procedures and systems mediate interactions with customers
3. Promote the deployment of social networks and other technologies to help customers tell their stories
4. Encourage and enable workers and managers to hear them

Only when employees can step into their customers' shoes can companies add authenticity to the claim, "We care for you."

Key Questions & Free Empathy Assessment

1. In what ways could you create opportunities to demonstrate customer care in your work?
2. If you don't have contact with customers, then in what ways could you see yourself connecting with co-workers with enhanced empathy?
3. In the work you do at your company, in what ways do you see a lack of understanding of customer's complaints?
4. Where do you see opportunity to use social media to increase empathy?
5. [Contact Cynthia](#) for free Organizational Empathy Assessment.
6. Join [Smart2Smarter Community](#) for free emotional intelligent workplace tools.