

HUMANTECH

HOW TO BUILD EMPATHETIC COMPANIES



MAËLLE GAVET

There are plenty of books about how to cultivate empathy on a **personal level**. Chances are, you've picked up a few yourself. But this mini-guide is not about that. It's about how you create an empathetic, human-focused **company**. A company where technology and humanity enhance each other, and where social responsibility and financial abundance go hand-in-hand—and allow us to be our most human.

This isn't an exhaustive guide to building empathetic companies. Think of it as a set of directions that will lead you to the foot of the path toward building a company equipped to tackle the challenges of the future.

What does an empathetic company look *and* feel like?

- It uses respectful (yet more intense) questioning to understand other perspectives
- It makes psychological safety a priority
- It builds teams that are diverse in background, experience and capability
- It encourages employees to “be themselves” at work

In empathetic companies, people embrace meetings because they're places to be heard, where real issues are aired and debated. But they also recognize that when it comes to meetings, less is often more. Fewer, highly-focused and all-inclusive meetings lead to higher productivity and less burnout. There are less office politics, fewer silos between teams and fewer bristling egos.

As people engage more with one another and are able to express their disagreements, they get creative and take risks, cross-pollination of ideas becomes common and complicated problems benefit from multiple and sometimes unexpected sources of expertise.

On the path to creating a successfully empathetic company, two elements matter most:

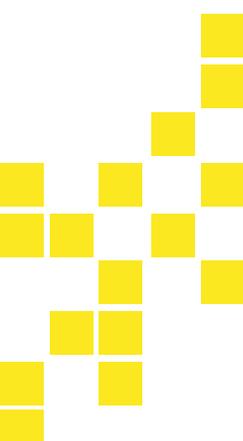
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PART I

PEOPLE



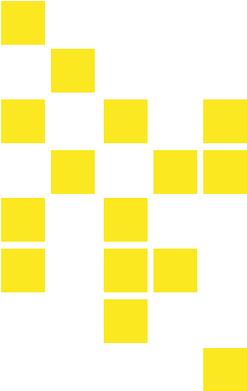


IT ALL STARTS WITH THE CEO

Creating an empathetic company starts with the CEO believing they actually need to be more empathetic and that empathy can unlock higher employee retention, more effectiveness, more innovation, and better service to customers. Without this conviction, trying to make companies more empathetic is a fruitless exercise in navel-gazing. Beyond the usual list of bumper-sticker mantras and leading by example, there are six actionable, high-impact things CEOs can quickly put into action:

- Hire an executive coach focused on helping them develop their empathy skill. “I’m not a people person” is no longer an acceptable excuse. Get over it—you’re the CEO
- Make it a personal goal to build a critical mass of empathetic people, starting with their immediate teams
- Ensure that performance is measured both on achieved results and behavior. CEOs should ensure that top achievers who don’t exhibit empathy despite repeated feedback and coaching are ultimately let go
- Make empathy the cornerstone of their company’s values and mission statement
- Build empathy in core processes
- Stop delegating empathy to other people. Empathy starts not just with listening, but actually hearing people’s opinions and responding to them

APPROACHABLE HR DEPARTMENTS



While HR can't be held solely accountable for ensuring that a company is as people-driven as it is performance-driven, that department has a critical role to play.

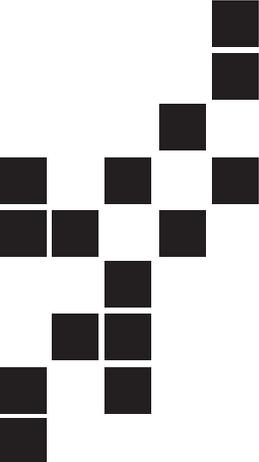
The perception among workers is more often than not that HR's ultimate job is to protect the company and its leadership rather than ordinary employees. With that in mind, there are a few things that HR departments need to urgently implement to ensure more empathetic environments for staff:

- Treat employees like clients and segment them by archetype. For each segment, identify what matters most and what they want their experience to be. Then, build programs and processes to meet these needs
- Create a safe, effective and anonymous way of reporting inappropriate behavior and ensure that all claims are treated equally and properly investigated
- Refuse to include forced arbitration agreements clauses in employees' contracts
- Full and continuous disclosure of diversity numbers, as well as what is being done to address this
- Make an empathy KPI a critical component of performance reviews
- Implement systematic and widespread empathy training

PART II

PROCESSES





HIRING WITH EMPATHY

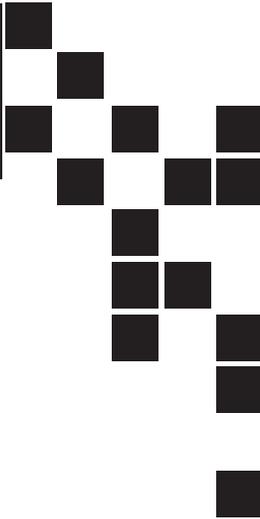
Large firms usually have a well-structured framework with which to assess candidates based on their values and the results they want to see them driving. However, very few test explicitly for empathy.

What might “testing for empathy” look like? It can involve asking questions that examine a candidate’s ability to view a given problem, task or situation from multiple perspectives. Or explore a candidate’s experience in resolving conflicts in a fair and sensitive manner for everyone involved.

Two of my favorite tests are:

- Asking a candidate to describe a time when they had a positive impact on someone. This is a way to understand their ability to see when other people need help, how they sense it, whether they proactively offer a helping hand, and if the candidate truly understood what the other person needed.
- Watching out for how candidates treat the people who “don’t matter” in the interview process

EMPATHETIC FEEDBACK



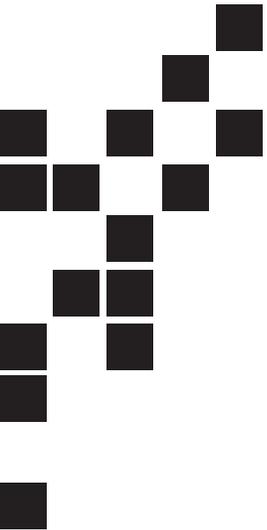
Let's face it: giving good feedback is hard and time consuming. Especially in a large organization, training all managers to give empathetic feedback once a year, let alone throughout the year and to all employees, is a Herculean task.

Performance reviews and stack rankings should not be used exclusively as tools to sideline and fire people. Assuming the recruiting process is effective, a company should instead use performance reviews to identify the 10, 20, or 30 percent of employees who need extra support. Either because they're still in the learning phase, or they're in the wrong position, or they're going through difficult personal times, or they have the wrong manager.

The problem is that this is not how most companies operate. For all the conversations about the "right to fail," if you have one bad performance review, in a high performing company you will likely end up being exited within the year. This leads to people becoming too focused on the short term results.

Here are a few alternative ways to do performance reviews:

- Use performance reviews as detection tools rather than elimination tools. Identify employees who need help or who are being poorly deployed, and use performance reviews to find ways to augment your employees' abilities
- Go beyond number-based KPIs and account for soft skills in your evaluation. Assess skills like communication, the ability to bring clarity to complex situations, decision-making under stress, remote management. These have become important COVID-era skills
- Shift the focus from managing tasks and deliverables to developing people



SEPARATION

The way you terminate employees says as much about the company as everything else combined. How you treat people when they become “surplus to requirements” is a pretty good indicator of your empathy level.

This isn't just about the exit package. It's also about how it's communicated to the employee, to the rest of the company, how you help them get back on their two feet, and how much you believe the company failed them as much as they failed the company.

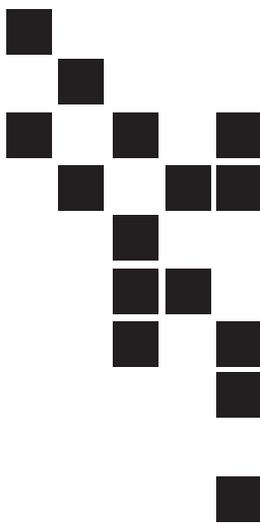
Here's the wrong way to do it:

- Limited or non-actionable feedback
- No real explanation
- No human conversation and no empathy
- No opportunity to say goodbye properly

Here's an empathetic way to do it:

- Provide a clear and transparent explanation
- Set a meeting that is not time-restricted
- Offer genuine human care for their well-being, which can include discussions about the next position for them, whether they should take some time off, potential people you can recommend them to, etc.
- Discuss how to best say goodbye to colleagues and hand over projects

BUSINESS MODEL + ECONOMICS



Beyond people and process, big companies need to face the difficult question of the long term viability and ethics of their business models and economics.

In many cases, the only way to make companies serve humans and society rather than the other way around is to disrupt certain revenue sources and alter key aspects of their business models.

Every industry has its own trade-offs. Having worked for 15+ years in tech, here are the ones my industry grapples with:

- Preserving anonymity and providing a platform to communicate vs. preventing falsehoods, bullying or hate. (Twitter, Facebook, YouTube)
- Offering consumers anything they want (or think they need) at lower prices vs. cracking down on bogus or potentially dangerous products or situations (Amazon, Airbnb)
- Promoting individual and societal welfare
- Supporting legitimate security efforts of democratic governments vs. enabling surveillance (Google, Microsoft, Apple)

WE SHOULD ALL BE CHIEF EMPATHY OFFICER

Empathy is a skill that can be measured and developed. Employees - from executives to engineering, legal, HR, and all the other employees - have a responsibility to build empathy into their own company and products, all the way to the core of their business models. Everything we do at work is ultimately human. Every line of code we release has a human impact sooner or later. If we're going to do business with human beings we have to do it in a human way.

The payoff will come in human terms first, through better relationships, better conversations, better feelings. But gradually it will start to pay off in business terms, too: better reputations, better attraction and retention, more engagement, better problem-solving, more creativity, more productivity. Empathy pays you back.

MAËLLE GAVET



One of the tech industry's brightest stars, Maëlle Gavet has been named a Young Global Leader by the World Economic Forum, one of *Fortune's* 40 Under 40, one of the Most Creative People in Business by *Fast Company* and was fifth among *Time* magazine's List of the Top 25 'Female Techpreneurs'. After six years as a Principal at the Boston Consulting Group she went on to become CEO of OZON.ru, Russia's largest e-commerce site, and executive VP of operations of the Priceline Group, the largest online and travel agency in the world which includes brands like OpenTable, Kayak, and Booking.com.

Most recently Gavet was Chief Operating Officer at real estate platform Compass, valued at over \$6bn. She has spoken regularly at the leading technology industry events and her writing has appeared in *Wired*, the *Harvard Business Review*, the World Economic Forum, *Fast Company* and *Fortune* magazine. *Trampled by Unicorns* is her first book.



Trampled by Unicorns: Big Tech's Empathy Problem and How to Fix It explores how technology has progressed humanity's most noble pursuits, while also grappling with the origins of the industry's destructive empathy deficit. Author Maëlle Gavet examines the Valley's cultural insularity, the hyper-growth business model, the sector's stunning lack of diversity, and a dangerous self-sustaining ecosystem. However, the book is not just an account of how an industry came off the rails, but also a passionate call to action on how to get it back on track.

