



Leaders Don't Have to Choose Between Compassion and Performance

By Mark Mortensen and Heidi K. Gardner

Just before the holidays last year, Rosa, the head of customer service at a health insurance company, canceled her monthly town hall meeting. She thought that since employees were scrambling to hit their year-end targets, they would welcome that extra hour. In the moment, her move was completely rational. But it backfired. One of her trusted managers told her that employees were grumbling in the breakroom about how “higher-ups constantly put numbers before people.” Rosa later told us: “I blew it. I thought I was being compassionate by removing some demands on their time. But with their pressure to deliver results, the message they heard was ‘keep your heads down.’”

Rosa's story illustrates the challenge of navigating the complex relationship between managers' need to show compassion and drive performance. In our recent worldwide survey of 300 senior business leaders across industries ranging from hospitality to automotive to biotech, 61% reported that they're struggling to balance employees' need for support with their company's drive for high performance. While most of us believe that real leadership entails both compassion and accountability, these results suggest that actually exhibiting this kind of leadership feels harder than ever.

We're experiencing extreme demands for compassion at a time when there's no room for compromising on outcomes. As a result, many leaders have fallen into the trap of thinking in terms of a binary choice between compassion or performance. They know that both are essential but are finding it hard to drive performance in a way that also maximizes support of their employees.

This dual need for increased compassion and higher performance is hitting while Covid fatigue has employees, leaders, and customers alike running on fumes. This problem of extreme demands isn't going away. To deliver both compassion and performance in a sustainable way, leaders need data, prioritization, setup, and collaboration.

Data: Figure Out What Matters

We've found that many leaders approach this challenge thinking they have a good grasp of what matters most to the key stakeholders involved, but it's not clear that they actually do. Acting on poorly understood priorities is not only ineffective, but it can backfire when leaders' actions suggest that they don't understand what their people are wrestling with. As one leader we spoke to put it, "Tone-deaf compassion is more dangerous and costly than none at all."

Leaders need to collect data on what employees really care about rather than assuming they already understand. For example, we've heard too many stories of senior leaders failing to appreciate the difference between their comparatively luxurious pandemic work-from-home experiences and their employees' less-than-ideal experiences. The goal is to get the real story. Ask concrete questions like, "What have you struggled with the most in the past month?" or "What change at work would have the biggest positive impact on your well-being?"

Remember that different data collection methods yield different types of information and send different signals. Surveys and townhalls are good for capturing and measuring trends, but they don't give you deep understanding of employee experiences, nor do they show true compassion. As one manager at a Fortune 100 energy company shared, water-cooler conversations made it clear that people in his organization were "sick and tired of townhalls — they don't trust the messages or the sincerity of the compassion."

In contrast, one-on-one conversations are ideal for understanding the complexity people face and conveying true compassion. That same manager had recently sat down to have a cup of coffee with an employee whose father had been very sick for

a while. She told him how much that meant to her, saying, “You’re the first one, in half a year, who asked me how I’m doing.” Those conversations matter, but they require significant time investment and may not help you see the big picture. The best approach is a combination of methods and being thoughtful about which you use and how you combine them to get the best result.

Prioritization: Make Time for Compassion

The fact that holding compassionate conversations takes time highlights what is, at its core, a capacity issue: For managers to spend time showing compassion, their organizations need to take away the work that doesn’t matter. This is easy to say, but challenging in practice. In a conversation with a pharma executive, she stressed that, “We always get hung up on prioritization. There is a real tension in determining where we can let go, particularly with respect to short-term performance.” To differentiate critical aspects of performance from those that are simply nice to have, leaders should ask questions like, “How much reporting goes on that’s time consuming and stressful without real value add?” Or, more pointedly, “What are two deliverables you receive but don’t actually read?”

Line managers are in the best position to think about prioritization. They have direct knowledge of both the work being done and the people doing it, but they need help. Leaders need to help managers remember that this isn’t about trading off between performance and compassion, but rather about trading off between different elements within each so that they can free up time to focus on what creates the most value. Senior leaders need to accept that their line managers have more and better data than they do, and therefore trust and support their prioritization efforts and requests as those managers work to support employees who need it.

Setup: Increase Transparency

One executive we spoke with recounted an employee telling him, “I would like my manager to understand the context I operate in,” but also, “I don’t want to have to reach out to my manager to tell him this stuff — that makes me look like I’m

complaining." This highlights an important part of the challenge: creating an environment that normalizes conversations about the support people need.

First, ensure everyone in your organization recognizes why the well-being vs. performance trade-off is a false dichotomy, particularly in the long term. Help people see that well-being is enhanced by managers showing compassion and providing support, and that well-being in turn enhances all sorts of measurable, performance-related outcomes. Acknowledging that it isn't a binary choice between well-being and performance will help managers see that choosing to invest time and energy in compassionate leadership will help them achieve their broader targets.

Second, build psychological safety into these discussions for both leaders and employees. You need employees to be honest about their need for support and leadership to be honest about the performance demands the organization is facing.

Only once all this data is on the table can you make reasonable, informed, and compassionate decisions about how to invest time and effort to maximize employee well-being and performance.

Collaboration: Co-Create Solutions

The final piece of the puzzle is co-ownership of the problem. Increasing employee well-being and engagement falls to both managers and employees — it's a collective challenge that organizations must own and solve together. We must move away from thinking about the solution in terms of a leader stepping in to fix employees' problems. No one knows what they need better than employees themselves, so we need to reduce the burden on leaders to provide the answers. Instead, they should focus on creating an environment that provides communication channels and encourages open discussion, proactively providing resources and tools to help employees understand their own needs, and being responsive to and supportive of employee requests.

Reminding everyone what they're accountable for is an important first step: Employees own their challenges and capabilities, and managers own organizational demands and resources. Some companies are taking a page out of the L&D handbook and increasingly shifting toward more individual-level interventions. As one executive put it, "We need a self-serve, buffet approach to support, one that provides employees with options and tools that they can use to help themselves." These actions range from offering small budgets for people to create in-house communities like book clubs to connecting employees to third-party wellness providers, such as meditation apps, online yoga instruction, and mental health professionals for themselves and their families.

As with everything in today's rapidly changing environment, the best way to ensure your solution remains relevant is to get everyone to agree up front on when you'll revisit the approach and make adjustments.

Compassionate leadership isn't simply about taking away work and giving people whatever they want. Nor does achieving high performance mean ignoring the needs and well-being of your employees. Leaders who strive for sustainably high performance — particularly in today's environment — need to put in the time and the effort to ensure they're enabling their employees to achieve it.

And a warning: Don't make compassionate leadership a new pressure point. As employee needs for support have increased, some managers have found themselves increasingly measured on their ability to support them, typically through retention rates and engagement scores. While accountability on these dimensions is good, it comes with the dual risk of adding yet an additional stress into a system that's already stretched thin and turning actions that used to be authentically human-centric and compassionate into instrumental ones. We lose both authenticity and effectiveness when showing compassion becomes a performative act.

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