

Monk Prayogshala Working  
Paper # 2021-07

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Mainak Bhattacharya

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August, 2021

# EMPATHY IN NON-ALTRUISTIC SETTINGS

Conceptualization and  
operationalization in  
business

# **Empathy in non-altruistic settings: Conceptualization and operationalization in business**

**Mainak Bhattacharya**  
Monk Prayogshala, Mumbai, India

Address correspondence to [mainak@alumni.harvard.edu](mailto:mainak@alumni.harvard.edu)

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*I am thankful to Hansika Kapoor, Anirudh Tagat, and four anonymous referees for helpful comments on this manuscript.*

## **Empathy in non-altruistic settings: Conceptualization and operationalization in business**

### **Abstract**

A hundred years since the first mention of the word empathy in the English language, scientists and philosophers have been unable to arrive at a common consensus on its precise definition. Common wisdom associates empathy with vicarious emotional arousal or altruism. This study conducts a systematic review of research work in business studies dealing with empathy. The method used comprises applying lower-level abstract taxonomy to empathy, for the first time, in external business stakeholder interaction situations of sales, marketing, and customer service. The measurement scales used in the studies are analysed to showcase mental processes at stake during the act of empathy, the theorised functions, and the expected business outcomes of empathy. Implications are drawn for various aspects of managerial decision making. The study suggests a novel framework to execute a more nuanced grade examination of processes involved in empathy and reducing subjectivity in conceptual definitions. The study also calls for overhauling empathy measurement scales, mainly to suit adaptations in empirical business studies.

*Keywords:* business empathy; sales empathy; marketing empathy; customer service empathy

### **Empathy in non-altruistic settings: Conceptualization and operationalisation in business**

Much has been debated and researched on the word empathy since Edward Titchener coined it in 1909. New meanings and relevance of empathy have been derived by social scientists, neuroscientists, psychologists, medical scientists, and philosophers. However, a hundred years hence, the theoretical depth has only managed to compound the complexity of arriving at a common consensus on the term's precise definition. As it stands, "the field is not conceptually coherent" (Hall & Schwartz, 2019, p.237). Researchers' inability to draw meaningful insights from existing empathy studies can be attributed to non-systematic differences in conceptual and operational approaches. This is particularly challenging in domains where empathy has been applied with significant implications beyond academic work, such as business studies. Although there is not substantial academic work dealing with empathy, work in business consulting has shown that having empathy in business strategy has implications not just in commercial success (Parmar, 2015) but is key to employee motivation, productivity, and low turnover (Businessolver, 2020).

The nature of conceptual definitions can be multidimensional, defined by one feature or by two features. Hall and Schwartz (2019) review varying definitions of the term, documenting conceptual taxonomies, functional components, and their use across different contexts (education, medical science). Typically, empathy could constitute cognitive engagement, emotion sharing, imaginative identification, or in different combinations. The Oxford Advanced Learners Dictionary (2020) states the definition of empathy as the ability to understand another person's feelings, experience and applies as with somebody/something, for somebody/something or between A and B. Empathy is essential for motivating prosocial behaviour toward others, including complying with social rules and engaging in altruistic behaviour (McDonald, 2014). Outside the

realm of academics, any reference to feelings of empathy intuitively and inevitably drives association to vicarious emotional arousal or altruism, i.e., a moral practice of concern. While this is a limiting factor, it would be interesting to find the application of empathy in a non-altruistic setting. This paper goes beyond common wisdom about empathy and examines its academic conceptualisation in a commercial organisation setting. The method consists of selective reading of the literature produced within the last decade for specific business activity domains related to empathy.

### **Empathy in Business**

While the very notion of empathy may be at variance with that of the traditional workplace setting of unhealthy competition among employees, stepping on each other, the reality is that business leaders must relate to the people around to cultivate success (Boyers, 2013).

Business is essentially a collaborative activity - both external-facing and internal. An organisation structure is organised to expose employees (at all levels) to external stakeholders to pursue a common organisational goal. Chief among these internal stakeholders are Marketing, Sales, and Customer Service business functions. The chief external stakeholder for any commercial organisation is the customer. However, there is a lack of methods and tools to facilitate 'professional empathy' among different stakeholders (Steenbakkens, 2016), which means transactors do not know what they are willing to exchange within this collaborative environment.

The subject of empathy is not underrepresented in business studies literature. However, these studies typically explore ethics, corporate social responsibility, organisational behaviour, leadership, and training. Most of this research is rooted in an internal-facing environment. This paper intends to evaluate empathy in external-facing environments. The fundamental difference between internal and external facing environments is that the latter is aimed at a transaction.

## Method

Given the evolving definition of empathy over the years and constant revision of measurement tools, we wanted to focus on modern conceptions of empathy in business studies. This includes years immediately preceding the recognition of the Fourth Industrial Revolution (Schwab, 2016) and its institutionalisation within policy, workforce, and technology. This study conducts a systematic review of research work in business studies dealing with empathy. The procedure we followed to source papers is depicted in Figure 1. We identified 21 quantitative studies for Sales, Customer Service, and Marketing published within the last decade (2010-20) and appeared in the first five Google Scholar pages with the word 'empathy' in the title of the paper. We selected studies with human subjects and those set within the context of sales, marketing, and customer service domains. Excluded were books, and fields of nursing, education, training, learning, behavioural studies, leadership, charity, donation, CSR, government, medical, healthcare, cyberbullying, learning, and altruism-related work. Research with students in classroom settings was excluded, but students engaging with businesses as part of the study were included. Qualitative, phenomenological studies and systematic reviews were excluded, focusing on primary data and quantitative studies. The final number of studies considered is 21 and represented a geographic spread over North America (the United States and Canada;  $n = 6$ ), Europe ( $n = 6$ ), and Asia ( $n = 9$ ; 3 studies based in China and 1 in India).

[Insert Figure 1]

### Bypassing the term empathy

Previous research has suggested bypassing the term empathy instead of using terminology that is operationally referenced and therefore, unlikely to be misunderstood or debated. Avoiding the term empathy altogether or prudence with its usage would also mean that citations to previous

research would become more useful and accurate because they would reference the specific elements of empathy measured. The continued use of the term empathy to attribute a wide range of methodologies and definitions can only recycle the complexities (Hall & Schwartz, 2019). Accordingly, we use lower-level constructs with apparent conceptual and empirical homogeneity to categorise the articles under different themes of definitions.

Recent/emerging evidence shows that empathy can be defined as understanding, feeling, and sharing what someone else feels, with self-other differentiation (Håkansson Eklund & Summer Meranius, 2020). The taxonomy suggested by Eklund and Meranius (2020) is shown in Table 1. The relationships between the themes of understanding, feeling, and sharing are such that to share another's world is to understand and is to feel the other's world, and vice-versa. Thus, these three themes are ways of establishing closeness to the other person. The fourth theme, self-other differentiation, is an understanding and feeling that "I am not the other person." The themes of sharing and self-other differentiation are interconnected such that they are both contrarian but mutually dependent on producing empathy.

The purpose of this study is not merely to apply lower-level constructs but also to examine the mental processes at stake and whether the source of empathy is the self or the other. To that extent, we do not limit the synthesised taxonomy to those suggested by Eklund and Meranius (2020) but include the complete list of constructs.

Given the ambiguity of the definition, most papers tend to illustrate myriad conceptualisations for a theoretical background to empathy. To err towards comprehensiveness than specific characterisation lies the limitation of these studies. Nearly half of the studies analysed by Hall and Schwartz (2019) failed to provide conceptual definitions that correspond with the measurements. They indicate that authors sometimes had a general idea of what they meant by empathy but did not look closely at the content of the instruments they employed. In this paper,

we account for the operational usage or definitions and ignore the rest of the background literature. For such, we bypass the definition entirely and consider the scale used to measure empathy.

The measurement tools used in quantitative analysis typically study various dimensions, one of which is empathy. In our analysis, only measures related to empathy are considered. The other dimensions measured in such studies may be closely related or influence empathy in specific ways. However, such analyses were beyond the scope of this paper.

### **Priority of attribution**

This is important because measurement tools are often dated to cited definitions. The definitions of empathy cited to provide a theoretical framework in the papers range from extant literature covering multidimensionality to vague terms like give-and-take between the customer and employee. Delpchitre (2013) has done an extensive literature review and highlighted several limitations. A typical measurement tool for empathy in customer service is SERVQUAL, developed in 1988. Often, however, the definitions cited in the paper's hypothesis using SERVQUAL are from the post-1988 period. While the use of SERVQUAL is in itself subject to criticism (Morrison Coulthard, 2004), juxtaposed to the parallel development of empathy can limit the findings of any future research. This paper hence prioritises attributions from the scale used.

## **Results**

While Eklund and Meranius (2020) have found consensus in the four lower-level constructs (Understanding, Feeling, Sharing, Self-other differentiation), it is difficult to accommodate the Caring construct in any of them as it raises subjectivity. We are not sure if it arises from verbal or non-verbal cues and if it can be categorised under Understanding, Feeling, or Sharing. For



example, in the questionnaire items in table 2. These include statements such as: Deal in a caring fashion; Personally care about me a great deal; Cares about customers' feelings; Have the best interest at heart; The service agent would have enjoyed making you feel better; Has a high level of empathy with respect to my needs.

Similarly, there is no concrete measurement of self-other differentiation, although it can be implied and is required to produce empathy. The fourth theme, self-other differentiation, is to be aware that it is the other person and not oneself experiencing something (Håkansson Eklund & Summer Meranius, 2020). Thus, we derive that empathy has two dimensions: the source and the target or perceiver. Most scales of measurement used, however, are one-sided, i.e., the perceiver, the customer. Hence, even lower-level constructs' attribution is difficult in such cases, particularly when exploring the source's mental underpinnings. In cases where the Empathizer does not accurately identify Target's state, irrespective of whether the Empathiser shares the state they judge the Target to be in, they cannot fulfil the standard definition of empathy (Coll et al., 2017). The attribution at places in the analysis may seem inconsistent and certainly not exhaustive. However, this does not change the implications drawn in this paper. Since we are not sure about the source's, the employees' mental processes of empathy, we could not attribute the Self-Other distinction construct to the implied definition in most parts of the analysis. It begs the question, what goes on in the co-creation of empathy?

Table 2 contains the analysis of the definition themes portrayed in the selected studies.

The Sales studies have largely measured empathy against dependent outcomes of sales performance, customer satisfaction, loyalty, relationship building, and adaptive sales behaviour, whereas Customer Service studies in empathy measured outcomes majorly of loyalty, satisfaction, and service recovery. Marketing studies measured outcomes of brand equity, satisfaction, and other related marketing metrics. Tables 3, 4, and 5 summarise the analyses.

## Theoretical Implications

The following points summarise key insights from our synthesis of empathy research in commercial settings.

- (a) Different contexts may require the use of the word empathy to refer to different mental processes at stake. However, a novel empirical framework may be available to provide a simple vocabulary encapsulating various dimensions of empathy. See Table 1.
- (b) Shifting the theoretical basis for future research to lower-level abstractions may help propagate finer-grained examination of how individual processes predict critical outcomes. See Table 1.

### [Insert Table 1]

- (c) From the results in Tables 3 to 5, we can infer that empathy is subject to interpretations, often for both the participants, the source, and the target. Like any other game involving anticipating opposition strategy, one is making guesses for interpretations. Guesses can be wrong and do not provide a perfect framework for the efficacy of our guesses, especially since these strategic interactions are not typically between perfectly rational agents. Therefore, it is unlike a game theory of rational agents (but see Page and Nowak, 2002). Attributing lower-level abstracts reduces questions about subjectivity - what are the two parties exactly doing in the empathetic act? For example, the item “The brand employees understand the needs of their customers,” refers to the theme/sub-theme of Understanding/Knowing. Similarly, “Try to understand my customers’ stance,” refers to the theme/sub-theme of Understand/Cognition; and, “Asks questions to understand my needs and concerns,” refers to the theme/sub-theme of Understand/Perspective Taking.

### Avenues for future research

(d) How do we exactly differentiate Empathy, Listening, and Emotional Intelligence?

Active listening and emotional intelligence are commonly espoused as traits of good leadership and business personality. Ramsey and Sohi (1997) suggest that there are essentially three dimensions of listening: sensing, processing, and responding. The MSCEIT V2.0 (Mayer et al., 2003), emotional intelligence has four branches: (1) perceiving emotion accurately, (2) using emotion to facilitate thought, (3) understanding emotion, and (4) managing emotion. Differentiating empathy, listening, and EI will lead to a valuable scholarship.

(e) Is empathy spontaneous or regulated or both co-occurring?

Individuals who are high in empathic tendencies may, in certain situations, have difficulty in displaying rationality (Gilin et al., 2013). Situations could include conflict and competition from a strategic perspective or one removed from their emotional experience, leading to a failure to protect themselves in risky political situations with multiple stakeholders or unbridled retaliation to provocation. It is critical first to evaluate the extent to which individuals spontaneously engage different components across contexts before attempting to regulate them (Weisz & Cikara, 2020). Given the lack of clarity on the spontaneity of empathy or deliberate representation, in this analysis, we are not sure if empathy can be controlled, manipulated, or the degrees of manipulation in the business process.

(f) Should we trust it?

Can we trust the customer's assessment of empathy? We are not entirely sure what led to empathy, whether they were perceived through non-verbal cues or verbal. What if they are

prejudiced? Imagine-other perspective-taking inhibits prejudice reduction, whereas imagine-self perspective-taking would not (Vorauer & Sasaki, 2014). Moreover, avoidance motives drive people to feel less empathy (Weisz & Zaki, 2018). Any task which requires cognitive effort could be exhausting, depleting, and could lead to unconscious avoidance.

(g) Should we cultivate it?

Empathy is commonly compared to a muscle that strengthens with repeated use. Studies show that managerial empathy ironically accelerates self-reference in interpreting consumer preferences. Managers' self-referential tendencies increase with empathy because taking a consumer perspective activates managers' egocentric identity and, thus, their personal consumption preferences (Hattula et al., 2015). Secondly, manipulation of empathy will lead to further ethical and political questions.

### **Discussion and Managerial Implications**

What is the long-term business impact? Are longitudinal studies warranted? Studies with infants as young as 18 hours show biological dispositions to empathy, with responsiveness to other infants' distress. Empathy starts at an early age and progresses to more sophisticated empathy-related behaviours as we grow. Studies have implied empathy as a latent capacity (e.g., Batson et al., 1987; Coll et al., 2017; Tania & Ernst, 2005). Research also suggests that the capacity to empathise may subsequently decrease during adulthood as individuals' ability to manage their emotions increases (Batson et al., 1987; Lennon & Eisenberg, 1987; Thompson, 1987).

Rising consumer expectations have raised the challenges of product development. With the transforming requirements of business customers in different industries, products have to be in a constant innovation cycle and adapt to ever new environments (Smith & Reinertsen, 1992).

“Empathy is needed to take the famous walk in the customers’ shoes and discover potentials for innovative applications” (Maedche et al., 2012, p. 218). To empathise is to generate empathetic perspective-taking towards the nature of the problem and understand user needs (Köppen & Meinel, 2015).

While traditional scientific research calls for objectivity and distance between research participants and researchers, empathic strategies rely on collaborative and interpretative approaches (McDonagh & Thomas, 2011). Empathy is not seen as something static within a person but rather as something that changes according to the social situation or context. Therefore three ways are suggested 1) Observation, 2) Engagement - Interviewing and gaining access 3) Immersion - Simulation and experiencing the other (<https://dschool.stanford.edu/resources/design-thinking-bootleg>).

According to Köppen et al. (2015), empathy is possible if one’s perspective is rejected favouring the observed User. On the other hand, Holt et al. (2017) discuss the limits of empathy concerning idealism where the design emanates directly from the stakeholder. This shifts the product development process from only responding to the users’ needs to designing from a more personal perspective.

The association between empathy and negotiation presents a unique problem because one party’s goals are often not aligned or may even be counterpoised to another’s goals. However, studying the context and underlying motivations of both perceiver and target can provide insight into which empathy-related components might improve outcomes during negotiation (Weisz & Cikara, 2020). By understanding the differential value and effects of perspective-taking versus self-sabotaging traits of vicarious emotion, prejudice, or retaliation to provocations, savvy negotiators will know when to use their head and when the heart (Gilin et al., 2013, Weisz & Cikara, 2020).

Studies have suggested that sales performance is not independent of individual personal attributes, social and interpersonal variables, situational influences, and other factors (Darmon, 2008; Futrell, 2013; Johnston & Marshall, 2013). In this analysis, we are unsure if the empathy projected and consecutively measured was a natural action as part of the employee's situational influence or deliberate modulation to project it as such. Take, for example, the questionnaire item "The service employees have the customer's best interest at heart." There could be multiple causes for the employees to have the customer's best interest. It could be the employees, automatic action due to their personality, a reaction in response to the customer, or deliberate action due to situational training received. Understanding the stimulus may help managers hold the reins to empathy and work on each employee's individual strengths and weaknesses for appropriate business outcomes.

A tool used in managerial decision making as deliberate action, which is widely considered useful for fostering empathy, is design thinking. It has a long history and has stood the test of time to evolve as common parlance in many industries and disciplines (<https://designthinking.ideo.com/history>). Köppen et al. (2015) synthesise how empathy is being understood in Design Thinking - not as something that comes to you spontaneously and automatically but as something that can be achieved by an active and conscious focus on the counterpart.

Upon instruction, managers can suppress their personal consumer identity in the process of perspective-taking, which helps them reduce self-referential preference predictions (Hattula et al., 2015). The implication in hiring and training is significant because of the self-reference tendencies. Building empathy profiles, along with personality, would augur well in building sales, service, and marketing teams.

### **Limitations**

We acknowledge that the selection of papers is potentially biased in the search methodology through personalisation algorithms inherent in Google Scholar. By restricting the search to the first five pages ( $n = 50$ ), this study is also not exhaustive but implied to represent key literature in the domain of empathy in commercial settings. Qualitative studies were not included; hence conceptual frameworks remain to be analysed, which can be considered in future research.

### **Concluding remarks**

From 1909 to date, one would like to believe that the conceptualisation of empathy concerning the functional domains of sales, marketing, service, and innovation has come a long way. Quantitative reviews of the term's history and further synthesis of reviews provide ways to operationalise it in various contexts. One of the significant implications of this study relates to the need to adopt a new paradigm in measuring empathy. The advantages of doing so are too large to pass. It would provide conceptual and empirical homogeneity within and across the various dimensions of empathy (Delpechitre, 2013). Incorporating a multitrait-multimethod approach (Campbell & Fiske, 1959) would help identify how each empathetic trait and empathetic state (or process), whether coactivated or independently activated, influences different business outcomes (Hall & Schwartz, 2019). Overall, it will help to understand the operational structure of empathy in a more comprehensive manner.

As a result of adopting different scales from different research fields, researchers have conceptualised empathy heterogeneously and used scales that do not measure the same version of empathy, resulting in methodological variegations and a fragmented understanding of empathy in business studies literature. This is a major reason that the effect of empathy in a sales setting is inconclusive, and findings have been mixed (Comer & Drollinger, 1999). The present review

provided a framework to study empathy literature in commercial organisations and makes recommendations for future research. This new system of applying lower-level constructs should help stakeholders use, understand, and operationalise empathy by providing a structure to how empathy is manifested in businesses. Weisz et al. (2020) suggest that individuals could willfully exert control over specific empathy components in service of their social, emotional, and occupational goals. Such deliberate regulation of empathy could impart lasting changes to people's social and emotional lives in the real world. We extend this conclusion to our economic lives as well and contribute to the literature. Necessarily, a more holistic measure of empathy in commercial contexts will need to account for other confounding behavioural traits. Harnessed well, empathy is much more than merely a prosocial etiquette. The ability to empathise develops with contributions from various biologically and environmentally based factors. If one or more of these factors function atypically, they may contribute to empathy deficits (McDonald, 2014), ultimately leading to potentially adverse outcomes. While the utility or efficacy of empathy is a subject of ongoing research, applying lower-level abstractions to empathy may help businesses uncover specific ingredients to when, where, how much, and which interlinking component is advantageous or disadvantageous. It may help train self-regulation and assess individual empathy profiles for hiring. In an era of data science and artificial intelligence, we could find ways to induce empathy to algorithms or feed off algorithms to apply empathy. For motivations of commercial transactions, immediate or in the future, empathy as an intervention needs to be practised and developed. It is not just how one feels but what one does, interpersonally and intrapersonally, that generates commercial value. Indeed, an empathy deficit world is perhaps less desirable.

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Figures and Tables

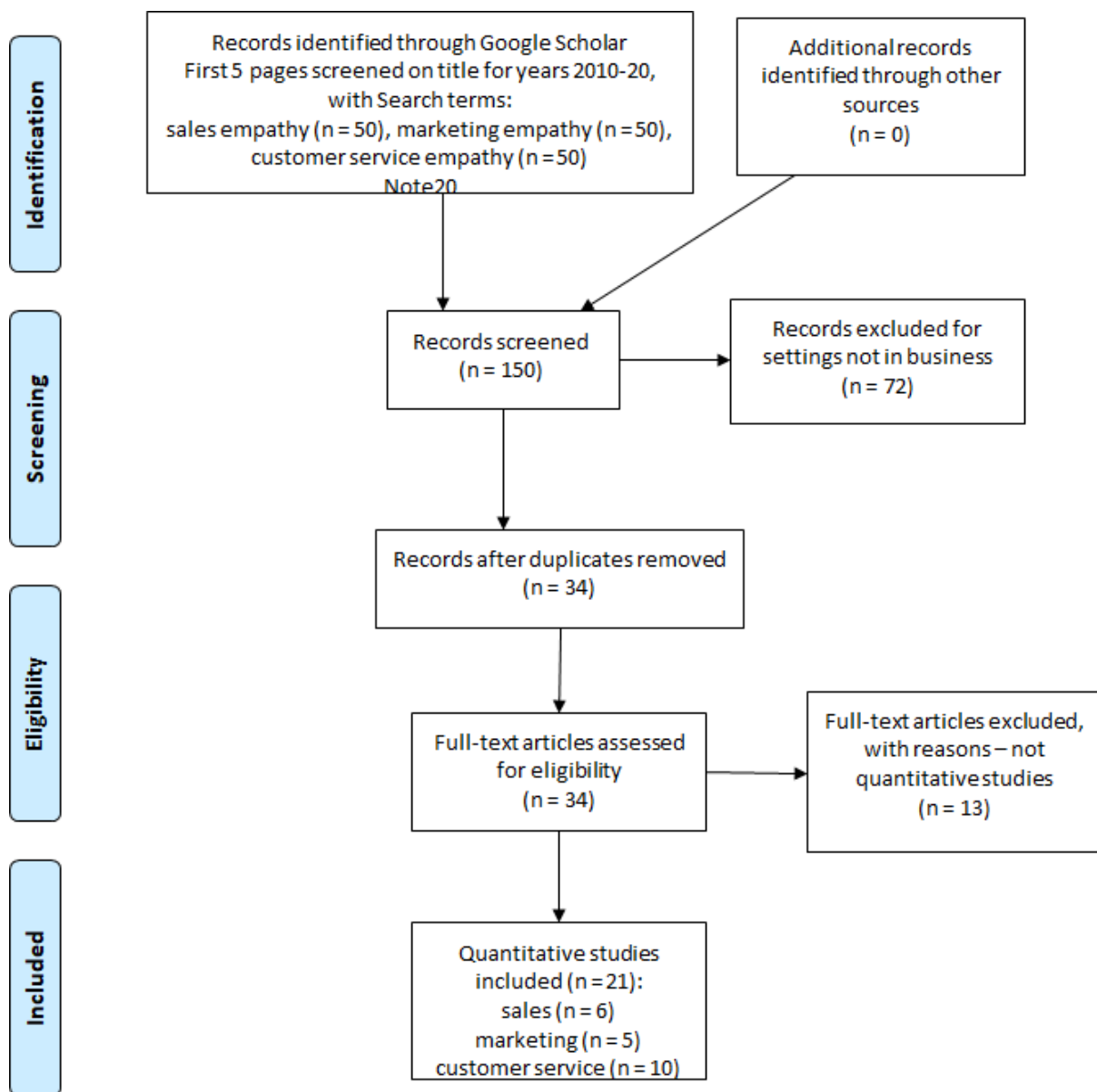


Figure 1: PRISMA reporting for research on empathy in commercial organizations contexts



Study	Empathy, Nonverbal Immediacy, and Salesperson Performance: The Mediating Role of Adaptive Selling Behavior. Limbu et al. (2016)		The mediating effect of empathy on the relationship between cultural intelligence and intercultural adaptation in intercultural service encounters. Kong et al. (2020)	
Context	Outcome and relationship performance of B2B salespersons.		Direct sales encounter with tourists at duty-free shops	
Function	Adaptive Sales Performance		Generate positive emotional resonance, Reduce perceived cultural & psychological differences. Share perspective, feelings, understand needs and expectations	
Outcome	Outcome (commercial KPIs) and relationship (listening, problem-solving, CRM) performance		Adaptive Sales Behaviour	
Methodology	Plank and Greene's (1996) framework of salesperson effectiveness; 438 pharmaceutical sales representatives employed in 14 pharmaceutical companies in India		Davis (1980) and Kim (2006) 341 salespeople at duty-free shops in S. Korea	
Measurement	<b>Perspective Taking Empathy</b>		<b>Cognitive Empathy</b>	
	Before criticizing someone, I try to imagine how I would feel if I were in his/her place.	Sharing	Sharing	I try to understand my customers' behaviours by "putting myself in their shoes".
	Sometimes I try to understand my friends better by imagining how things will look from their perspective.	Sharing	Understanding	I try to understand my customers' stance.
	I try to look at everyone's side of a disagreement before I make a decision.	Understanding	Sharing	I try to understand my customers better by imagining how things look from their perspective.
			Sharing	I look at the situation from my customer's perspective.
	<b>Empathic Concern</b>		<b>Emotional empathy</b>	
	I would describe myself as a pretty soft-hearted person.	Feeling	Feeling	I try to experience the unpleasant emotion that customers show.
	Other people's misfortunes do not usually disturb me a great deal (r).	Feeling	Sharing	I am concerned about my customers' difficulties.
	I often have tender, concerned feelings for people less fortunate than me.	Feeling	Sharing	I share my customers' pain.

Figure 2. Illustration of Limbu et al. (2016) that shows Adaptive Sales as a Function of empathy and Kong et al. (2020) that shows it as an Outcome with empathy as a mediating effect. The scale adaptations derived from different sources comprise Sharing, Understanding, and Feeling, albeit in different contexts. A retrospective classification of empathy components through lower-level constructs shows encouraging results.

Table 1: *Eklund and Meranius (2020) taxonomy used for analysis*

Theme	Sub-themes	Code
Understanding	Knowing	Know feelings; Awareness; Knowledge; Know other
	Perspective-taking	Perspective-taking; Simulation; Mentalizing
	Cognition	Cognition; Top-down process; Theory of mind
Sharing	Sharing experiences	Merging of self-and other; Resonation; Identification; Sharing experiences
	Sharing representations	Simulate states; Sharing representations; Activates corresponding representations; Sharing perspectives
	Sharing feelings	Feeling with; Affect matching; Sharing emotional states; Sharing affective states
Feeling	Emotion	Emotion; Emotional; Emotional experience; Emotional state
	Sensation	Sensation; Sensitive; Sensation; Sensory
	Affect	Affect; Affective; Affective experience; Affective state
Self-other differentiation	Self-other distinction	Self-other distinction; Self-other differentiation; No confusion between self and other
	Differentiation of feelings	Recognition that the other is the source of feeling; Recognition that feeling is appropriate for the other; Recognition that the other's feelings are distinct
	Objectivity	Objective; Self-awareness; Sense the other's world "as if" it were your own
Automatic	Bottom-up processes; Involuntary; Uncontrolled	
Observing	Perceiving; Recognizing; Seeing	
Regulation	Emotion regulation; Modulation; Self-regulation	
Behaviour	Action Motor; Response	
Interaction	Communication; Relationship Bond	
Caring	Altruistic motivation; Concern; Prosocial motivation	

Listening -

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Nonjudgmental -

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Being present - -

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Table 2

*Coding and systematic review of studies of empathy in commercial organization contexts*

Code	Sub-theme	Theme	Occurrence
Is able to find out my needs; Know me and my needs; Understands needs; Was aware of my unique problems looks things from customers' view	Knowing	Understanding	6
Comprehends my concerns; Try to understand my customers' stance; Sensed the importance of what I said; Sensed why I felt the way I did; Seemed to understand the main points what I complained; Assured me that he/she understood me, by restating or paraphrasing important points; Understand the company's point of view	Cognition	Understanding	7
Senses what I am feeling; Sense distress and discomfort on the part of others; Sensed how I felt If someone is unhappy; I quickly realize this, even if I do not know the person well; Felt toward X	Sensation	Feeling	7
Try to experience the unpleasant emotion that customers show; Seemed to be emotionally disturbed by my situation; Became nervous, when I felt nervous, because of the incident; Could not remain cool because of my discomfort; Felt unhappy due to my miserable incidents;	Emotion	Feeling	6
The service agent would have gotten upset if you were being treated disrespectfully Seemed to be affected by my unpleasant emotion; become nervous if others around me are nervous; cannot remain cool if others around me are excited; I get easily infected by the mood of others; If I see unhappy people, I feel unhappy myself; If I see happy people, I feel happy myself.	Affect	Feeling	6
Deal in a caring fashion; Personally care about me a great deal; Cares about customers' feelings; Have the best interest at heart; The service agent would have enjoyed making you feel better; Has a high level of empathy with respect to my needs	Prosocial motivation	Caring	9
Asks questions to understand my needs and concerns; comfortable discussing my needs; Showed his/her interest by asking questions to gain more information and to clarify my problematic situation; Asking Questions; Understands my needs from my perspective	Perspective Taking	Understanding	7
Refers to what is most important to me; Providing language customers need for their explanation; Proposing options; Stating what other customers have done; Repeating; Paraphrasing; Elaborating customers ideas Summarizing	Cognition	Understanding, Interaction	8
Can identify how things look from my perspective; Finds it easy to adopt my perspective as customers; Look at the situation from my customer's perspective; Adopt my perspective; Try to understand my friends better by imagining how things will look from their perspective; Try to understand my customers' behaviours by "putting myself in their shoes"; Tries to find out my needs by adopting our perspective; Put himself (herself) in my shoes	Sharing Experiences	Sharing	9
Has greater affection toward me; Stating understanding; Offering an apology; Referring to the experience of others; Acknowledging	Affect	Feeling	5

Can recognize my feelings exactly, without becoming upset him/herself; Knows how others feel understood how the reviewer felt with the problem	Knowing; Objectivity	Understanding; Self- Other Differentiation	4
Try to look at everyone's side of a disagreement before I make a decision; Understood my feelings believe that there are two sides to every question and try to look at them both	Perspective Taking	Understanding; Self- Other Differentiation	4
Describe myself as a pretty soft-hearted person; Seemed to be a soft-hearted (understanding) person	Emotion	Feeling	4
Concerned about my customers' difficulties; Share my customers' pain; Have feelings of concern for me; Had a tender, concerned feeling for my unpleasant situation; Can predict how I will feel; Quickly realized that I was unhappy even if he/she did not know my problem well	Sharing Feelings	Sharing	7
Before criticizing someone, I try to imagine how I would feel if I were in his/her place; Transpose themselves in an imaginary manner into fictive situations; While watching the ad, I experienced feeling as if the events were really happening to me; While watching the ad, I felt as though I were one of the characters; While watching the ad, I felt as though the events in the ad were happening to me; While watching the commercial, I experienced many of the same feelings that the characters portrayed; While watching the commercial, I felt as if the characters' feelings were my own	Sharing Feelings; Objectivity	Sharing; Self-other differentiation	8
Can tell if I am masking my true emotions	Sensation	Feeling	1
Recognizes me and my role in this organization; Can recognize my emotions; Understood how the reviewer felt with the problem; Seemed to detect the problem I had	Cognition	Understanding	4
Able to adapt his or her interaction to my needs in different situations	Modulation	Regulation	1
Other people's misfortunes do not usually disturb me a great deal; Other people's misfortunes usually disturb me a great deal; Have tender, concerned feelings for people less fortunate than me	Affective Experience	Feeling	4
Feel sentiments of sympathy and compassion towards unhappy persons; The service agent would have gotten a strong urge to help you if you were feeling upset	Altruistic Motivation	Caring	2
Spontaneity in adopting the psychological point of view of others in everyday living	Sharing Experiences	Automatic, Sharing	1
Responded to my inquiries with his/her body language	Response	Behaviour	1
Give individual attention		Being Present	3
Listened for more than just spoken words Listened for the tone of the conversation; Assured me that he/she would remember what I complained		Listening	3
Kept track of points	Perceiving	Observing	1

Table 3

*Analysis of empathy studies in sales*

Study	Context	Theorised Function of Empathy	Hypothesized Business Outcome	Country	Scale and Data	Finding
To Be or Not to Be... Does the Level of Empathy Contribute to Successful Personal Selling? Roy <i>et al.</i> (2016)	Salesforce in financial services; perspective-taking	Understanding needs, the offering of significant options to a buyer, and the existence of long periods of discussion between the prospective buyer and the seller.	Sales Performance	Canada	Interpersonal Reactivity Index (IRI). 163 sales representatives of three major financial institutions.	No strong nor positive relationship was found between empathy, or of one of its components, and the sales performance of a representative
Empathy and affect in B2B salesperson performance. Anaza <i>et al.</i> (2018)	Sales Performance in a Fortune 500 manufacturing firm.	Active Listening behaviour, adaptive selling behaviour - predict, regulate, respond	Sales Performance	USA	Stock and Hoyer (2005); 200 salespeople in a manufacturing firm	Positive emotions are related to buyer and firm-directed goal achievements in the form of adaptive selling, active listening, and higher performance.
Empathy, Nonverbal Immediacy, and Salesperson Performance: The Mediating Role of Adaptive Selling Behavior. Limbu <i>et al.</i> (2016)	Outcome and relationship performance of B2B salespersons.	Adaptive Sales Performance	Outcome (commercial KPIs) and relationship (listening, problem-solving, CRM) performance	India	Plank and Greene's (1996) framework of salesperson effectiveness; 438 pharmaceutical sales representatives employed in 14 pharmaceutical companies	Empathy has a positive influence on salesperson performance, but such an effect is mediated by adaptive selling behaviour. Only perspective-taking empathy displayed a direct impact on outcome performance. Both perspective-taking empathy and empathic concern have positive effects only on relationship sales performance but not on outcome performance.

<p>Salespersons' empathy as a missing link in the customer orientation–loyalty chain: an investigation of drivers and age differences as a contingency. Gerlach <i>et al.</i> (2016)</p>	<p>Measurement of empathy as a driver from both salesperson and customer's perspective.</p>	<p>Customer-oriented attitude and behaviour; Customer perception as salespersons empathy</p>	<p>Customer Satisfaction, Customer Loyalty</p>	<p>Germany</p>	<p>Stock and Hoyer (2005); 164 salespersons and 405 customers on the shopfloor of 15 companies</p>	<p>Salesperson empathy, as perceived by customers, is an important facilitator of the customer orientation–satisfaction relationship. When there are large age differences, salespersons' customer-oriented attitude becomes more important for making customers feel understood. Salespersons' customer-oriented attitude is influenced by their perceptions of team-member exchange and age-inclusive climate.</p>
<p>The importance of customer's perception of salesperson's empathy in selling. Delpechitre <i>et al.</i> (2019)</p>	<p>Impact of empathy concerning both the salesperson's communication ability and customer-oriented behaviour; B2B</p>	<p>Information communication ability; Customer-oriented behaviour</p>	<p>Customer Satisfaction, Customer commitment</p>	<p>USA</p>	<p>Developed a new measure. 248 business-to-business purchasing agents</p>	<p>Cognitive empathy and affective empathy had a positive relationship with customer-oriented behaviours, information communication ability, and commitment to the salesperson. However, only cognitive empathy was found to have a positive relationship with customer's satisfaction with the salesperson</p>
<p>The Mediating Effect of Empathy on the Relationship between Cultural Intelligence and Intercultural Adaptation in Intercultural Service Encounters. Kong <i>et al.</i> (2020)</p>	<p>Direct sales encounter with tourists at duty-free shops</p>	<p>Generate positive emotional resonance, Reduce perceived cultural &amp; psychological differences. Share perspective, feelings, understand needs and expectations</p>	<p>Adaptive Sales Behaviour</p>	<p>S. Korea</p>	<p>Davis (1980) and Kim (2006); 341 salespeople at duty-free shops</p>	<p>Cultural intelligence has a significant impact on cognitive empathy, emotional empathy. The relationship between emotional empathy and adaptive sales behaviour is not significant. Cognitive empathy mediates the relationship between cultural intelligence and adaptive sales behaviour.</p>

Table 4

*Analysis of empathy studies in customer service*

Study	Context	Theorised Function of Empathy	Hypothesized Business Outcome	Country	Instrument	Finding
Examining empathy and responsiveness in a high-service context. Murray <i>et al.</i> (2019)	Retail store service in pharma; Interaction of empathy and responsiveness.	Understand consumer needs; More able and willing to display interpersonal concern, mutual support and welfare when interacting with consumers; promote the development of familiarity, affinity	Consumer loyalty	Ireland	SERVQUAL; consumer survey of customer service empathy and responsiveness from ten stores of one Irish pharmacy retailer	Empathy rather than responsiveness significantly affects loyalty to the store
Effect of employee empathy on customer satisfaction and loyalty during employee-customer interactions: The mediating role of customer affective commitment and perceived service quality. Bahadur <i>et al.</i> (2018)	Employee–customer interactions in the telecommunication service settings	Affective commitment and Perceived service quality – understand customer emotions, sense their expectations, and react accordingly; leading to customer satisfaction	Customer Loyalty, and loyalty outcomes	China	Shiu <i>et al.</i> 2009; 360 university students availing services from 3 telecom companies	Service brands, considering the empathic behaviour of employees, could increase customer satisfaction, and loyalty
Investigating the Effect of Employee Empathy on Service Loyalty: The Mediating Role of Trust in and Satisfaction with a Service Employee. Bahadur <i>et al.</i> (2020)	Customer–employee interactions in banking	Satisfaction and trust in service employee	Service loyalty	China	Shiu <i>et al.</i> (2009); 410 university students in 7 cities	Empathic behaviour of service employees significantly develops customer’s trust in service employees and also develops satisfaction



<p>Influence of empathy on hotel guests' emotional service experience. Umasuthan <i>et al.</i> (2017)</p>	<p>Service experience and behavioural intention among business and leisure hotel guests.</p>	<p>Emotional Experience-Service Quality Modulate customer attitude and perception, Meet emotional expectations</p>	<p>Behavioural Intention - Customer Satisfaction, Loyalty</p>	<p>S. Korea</p>	<p>Drollinger <i>et al.</i> (2006), Gearhart and Bodie (2011), Park and Raile (2010), Bodie (2011), McBane (1995), Wieseke <i>et al.</i> (2012), Yik <i>et al.</i> (2011). 330 hotel guest's cognitive views and behavioural intentions, as well as emotional about service failures while staying at the hotel</p>	<p>Interaction of both the cognitive and emotional dimensions of empathy conjointly determines the overall emotional service experience and intention of hotel guests</p>
<p>The influence of empathy in complaint handling: Evidence of grateful and transactional routes to loyalty. Simon (2013)</p>	<p>Complaint handling by companies with dedicated customer claim service support</p>	<p>Transactional satisfaction (TS), gratitude leading to relationship commitment and trust</p>	<p>Loyalty Behaviour - repurchase intent</p>	<p>France</p>	<p>Plank <i>et al.</i> (1996), Homburg and Stock (2005), Basil <i>et al.</i> (2008), Bagozzi and Moore's (1994), and Giacobbe <i>et al.</i> (2006). 148 business school students after 1 interaction with customer care</p>	<p>1) Impact of gratitude is significantly stronger than TS on repurchase intent. 2) Effects of gratitude and TS are mediated by trust and relationship commitment. 3) Perceived empathy leads to customer gratitude 4) Gratitude and TS are not altered by the medium of communication electronic vs phone</p>
<p>Empathy and apology: the effectiveness of recovery strategies. Radu <i>et al.</i> (2019)</p>	<p>Role of empathy in typical service failures occurring at restaurants, telecom, repairs, airlines, and retailers.</p>	<p>Increase reconciliation, reduce retaliation and avoidance</p>	<p>Service failure recovery</p>	<p>USA</p>	<p>Spreng <i>et al.</i> (2009); 213 respondents recruited from Amazon M-Turk</p>	<p>High empathy from the employee is more likely to increase consumers' reconciliation and reduce consumers' retaliation and avoidance, compared to consumers receiving low empathy from the employees.</p>

<p>The road to consumer forgiveness is paved with money or apology? The roles of empathy and power in service recovery. <i>Wei et al. (2020)</i></p>	<p>Various service failure contexts - restaurant food ordering, hotel reservation, online shopping</p>	<p>Elicit forgiveness leading to emotional and economic recovery</p>	<p>Service recovery</p>	<p>China</p>	<p>Wieseke et al. (2012)                      1. 54 participants at a fast-food restaurant over 7 days                      2. 110 participants at a university                      3. 386 participants on Tencent Survey</p>	<p>Emotional recovery, compared to economic recovery, is more effective at eliciting both consumer empathy and forgiveness toward the firm. High-power consumers exhibit forgiveness through the serial mediation effects of perceived fairness and empathy, while low-power consumers show forgiveness through empathy alone.</p>
<p>On the Role of Empathy in Customer-Employee Interactions. <i>Wieseke et al. (2012)</i></p>	<p>Sales interactions at travel agencies</p>	<p>Customer Satisfaction</p>	<p>Customer Loyalty</p>	<p>Germany</p>	<p>McBane (1995); 214 employees and 752 customers in 93 travel agencies</p>	<p>Customer empathy can amplify the positive relationship between employee empathy and customer satisfaction. Customer empathy can attenuate the negative effects of customer dissatisfaction on customer loyalty. For empathic customers, satisfaction with the service encounter is less important to customer loyalty than it is for customers who are less empathic.</p>

<p>Predisposing Customers to Be More Satisfied by Inducing Empathy in Them. Davis <i>et al.</i> (2017)</p>	<p>Manipulating the mental state of consumers at service provider settings.</p>	<p>Positive interpersonal attitudes; attribution of responsibility to the service provider</p>	<p>Customer Satisfaction</p>	<p>USA</p>	<p>Interpersonal Reactivity Index and other self-developed Real-world and Lab settings.</p> <ol style="list-style-type: none"> <li>1. 80 participants at a university cafe</li> <li>2. 137 participants at the cafe</li> <li>3. 29 customers at a personal fitness training facility</li> <li>4. 154 participants at a university lab setting</li> </ol>	<p>More satisfaction, better tippers, naturally occurring levels of empathy were positively related to consumers' feelings of satisfaction in a long-term service relationship (personal fitness training); positive effect of empathy on consumer satisfaction held true for a negative service situation (for females but not for male consumers). Overall empathy may make consumers more cooperative and that being satisfied is one way consumers "cooperate" with a service provider</p>
<p>Is Empathy Effective for Customer Service? Evidence From Call Center Interactions. Clark <i>et al.</i> (2013)</p>	<p>Nature and value of empathic communication in a multinational financial services call centre</p>	<p>Confirming Understanding; Diagnosing need for empathy; Uncovering real reason for calling; Communicating a shared condition; Demonstrating genuine understanding and care; Moving towards resolution</p>	<p>Effective Customer Service</p>	<p>Singapore</p>	<p>Grounded study approach (Strauss &amp; Corbin, 1990). Observing call centre operations, shadowing agents, interviewing 26 agents about their calls, communicating regularly with the supervising manager, and analysing 289 stressful calls</p>	<p>Affective expressions, such as "I'm sorry," were less effectual, but attentive and cognitive responses could engender highly positive responses although customers' needs for them varied tremendously. Thus, customer service agents must use both diagnostic and enactment skills to perform empathic communication effectively.</p>

Table 5

*Analysis of empathy studies in marketing*

Study	Context	Theorised Function of Empathy	Hypothesized Business Outcome	Country	Instrument	Finding
The influence of relationship marketing orientation on brand equity in banks. Yoganathan <i>et al.</i> (2015)	Influence of the dimensions of Relationship Marketing Orientation on the development of Brand Equity in banks.	Relationship marketing orientation	Brand equity	Srilanka	Sin et al. (2005). Survey 1400 customers of 11 banks	Empathy positively influences brand equity in banks
How does sensory brand experience influence brand equity? Considering the roles of customer satisfaction, customer affective commitment, and employee empathy. Iglesias <i>et al.</i> (2019)	Effect of sensory brand experience on brand equity in the banking industry	Customer affective commitment, customer satisfaction	Brand equity	Spain	Parasuraman, Zeithaml, and Berry (1994), 1739 banking customers	Employee empathy negatively moderates the relationship between sensory brand experience and customer satisfaction.

<p>When empathy prevents negative reviewing behaviour. Pera <i>et al.</i> (2019)</p>	<p>Lab studies for conditions under which tourists are more (or less) likely to report a review after a negative experience</p>	<p>Mediates the relationship between: 1. the type of setting (institutional vs. peer-to-peer) and reviewing biases (i.e., not reporting a negative review); 2. the social distance (high vs. low) and reviewing biases (i.e., not reporting a negative review)</p>	<p>Increases a more indulgent and compassionate attitude toward the service provider.</p>	<p>Italy</p>	<p>Batson <i>et al.</i> (1995)  118 respondents, online booking experience on Airbnb and Booking.com 131 respondents, active online reviewers on booking.com</p>	<p>Low level of social distance produces severe reviewing biases, and this is because of the activation of empathy. Tourists in an institutional setting (i.e., Booking.com) are more willing to leave a negative review compared to the ones in a peer-to-peer setting (i.e., Airbnb).</p>
<p>Factors Affecting Customer Satisfaction in Responses to Negative Online Hotel Reviews: The Impact of Empathy, Paraphrasing, and Speed. Min <i>et al.</i> (2015)</p>	<p>Online survey of hotel users perception of response reviews</p>	<p>Demonstrate genuine attention while restating the concern</p>	<p>Satisfaction with response</p>	<p>USA</p>	<p>Level of agreement with the following item: "The general manager understood how the reviewer felt with the problem." Questionnaire with 176 university students</p>	<p>While the timing of the response does not significantly affect the satisfaction of potential customers, hotel managers can positively influence satisfaction through strategic responses including both empathy and paraphrasing statements.</p>
<p>The Influence of Storytelling Approach in Travel Writings on Readers' Empathy and Travel Intentions. Akgün <i>et al.</i> (2015)</p>	<p>Online travel marketing</p>	<p>Determinant of emotion</p>	<p>Word of Mouth, Visit Intention</p>	<p>Turkey</p>	<p>Escalas and Stern (2003) Online survey with 155 respondents</p>	<p>Perceived esthetics, narrative structure and self-reference are the key components of storytelling in travel writing, and these components generate positive emotions for readers. Additionally, empathy helps people (1) to understand the feelings of the author, (2) to have emotional reactions, (3) to show behavioural consequences.</p>