Empathy in Leadership: How it Enhances Effectiveness

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EMPATHY IN LEADERSHIP: HOW IT ENHANCES EFFECTIVENESS

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ABSTRACT

Empathy enhances leadership effectiveness. In times of the pandemic and increased commitment to fostering diversity and inclusion, it is considered an essential ingredient of leadership. The importance of empathy in leadership is especially emphasized in global organizations operating in a cross-cultural and multicultural environment. This study aims to develop a multi-level conceptual framework of the impact of empathy on leadership effectiveness in the field of business management. For this purpose, a systematic literature review based on Web of Science and Scopus databases has been conducted. The content analysis method was used to analyze and synthesize qualitative data. The research results show that empathy enhances leadership effectiveness through its extensive effects on the level of leader, followers, and organization. It contributes to raising self-awareness, developing listening and mentoring skills, and enhancing the relationships of the leader as an individual. On the followers' level, empathy in leadership is associated with improving well-being, empowering, and providing role models in developing emotional intelligence. It enhances organizational effectiveness by inspiring diversity and inclusion, increasing employee engagement and retention, and creating a culture of responsibility, care, and innovation. These findings have practical implications for leadership and organizational development specialists, human resources managers, and business leaders. The interdisciplinary nature of the topic calls for the collaboration of researchers from the fields of business economics, psychology, and neuroscience to advance future research on empathy in leadership.
Keywords: effectiveness, empathic leaders, empathy, leadership

1. INTRODUCTION

Empathy is an essential ingredient of leadership. In times of the pandemic, the ability of leaders to express empathy has been valued more than ever (Holt, 2022). Cultivating empathic leadership has proven to be an effective crisis response strategy (Van Bommel, 2021). A growing commitment to building more diverse and inclusive organizations requires humanity, which embraces a deep empathy for others (Seijts and Milani, 2021). Leaders who express empathy can create a space where diverse groups feel accepted, supported, and able to contribute fully (Moore *et al.*, 2020). In global organizations operating in a cross-cultural and multicultural environment, empathic behaviors are resulting in a better performance of leaders (Sadri, Weber, and Gentry, 2011; Rahman and Castelli, 2013). It is therefore important to understand how empathy can enhance leadership effectiveness. As an emotional intelligence competency, empathy can be developed throughout life. Together with emotional self-control, it is the basis for effective relationship management (Goleman, 2006, 2007; Goleman *et al.*, 2017). Extensive research of empathy as a concept began in the field of counseling and psychotherapy (Book, 1988; Gladstein, 1977; Rogers, 1975). Rogers (1975: 3) revealed the intersubjective nature of empathy by describing it as "a complex, demanding, strong yet subtle and gentle way of being". Goleman *et al.* (2017) indicate that neuroscience and psychology literature recognizes three aspects of empathy: cognitive empathy (the ability to understand another person's perspective and to reflect on the mental state of others); emotional empathy (the ability to feel what another person feels and be emotionally in tune with feelings of others); and empathic concern or compassion (acting on an inclination to relieve the suffering of another person).

In the leadership literature, empathy has been emphasized as an important aspect of individual and organizational effectiveness. Whilst empathy as a trait is mainly associated with positive leadership outcomes, recent research warns that it might also trigger cognitive overload, exhaustion, and bias (Koenig *et al.*, 2020; Peak *et al.*, 2016). Hence, leaders should set boundaries and be aware that empathy should not only be given but also received (Bachmann and Faundes, 2021). Leadership effectiveness can be enhanced by the expression of empathy. It refers to a leader's ability to mobilize and influence followers toward achieving organizational objectives (Cicero, Pierro, and Van Knippenberg, 2010; Vardiman *et al.*, 2006). A leader's effectiveness can be evaluated using indicators such as followers' attitudes, behaviors, and satisfaction (Amagoh, 2009). Lower employee turnover and absenteeism are also considered to be indicators of leadership effectiveness on the organizational level (Howell and Costley, 2006, as cited in Jogulu and Wood, 2006). In the context of the United Nations Sustainable Development Goals 2030, the effectiveness criteria in organizational leadership have been extended by the requirements for creating a positive social and environmental impact. As empathy is one of the leader's key competencies for a caring attitude toward followers, society, and the environment, it affects leadership effectiveness. Several studies indicate a positive relationship between empathy and leadership effectiveness (Goleman, 1998; Goleman *et al.*, 2017; Rahman and Castelli, 2013; Sadri *et al.*, 2011; Watkins, Fehr and He, 2019). Research shows that women leaders often have a more pronounced trait of empathy which makes them more effective on the individual and organizational level (Appelbaum *et al.*, 2013; Girdauskiene and Eyvazzade, 2015; Sergent and Stajkovic, 2020). Empathy is also considered by researchers as an essential competency in building certain leader's behavioral styles, such as transformational leadership (Girdauskiene and Eyvazzade, 2015; Hensel and Visser, 2018), servant leadership (Jit, Sharma and Kawatra, 2017; Linuesa-Langreo *et al.*, 2016), charismatic leadership (Choi, 2006), responsible leadership (Voegtlin *et al.*, 2020), and sustainability leadership (Amankwa, 2018; Hallin and Mantel, 2018). Due to the extensiveness of the impact of empathy on leadership effectiveness, the field of business management could be advanced by further research on this topic. In the leadership literature, there is a lack of systematic review papers on the relationship between empathy and leadership effectiveness from a business management perspective. Prior research on this topic was predominantly in the field of medicine, nursing, and other health sciences. Furthermore, most of the existing literature has examined the impact of empathy on the followers' and organizational level, while the effects on the level of the leader as an individual have not been emphasized. To address this gap, two research questions (RQ) are raised, as follows. RQ1: What are the characteristics of research on empathy and leadership effectiveness in fields relevant to business management? RQ2: What is the impact of empathy on leadership effectiveness on the level of leader, followers, and organization? This study aims to develop a multi-level conceptual framework of the impact of empathy on leadership effectiveness in the field of business management.

2. METHODS
A systematic literature review was selected as a research approach for this study. Compared to other methods of literature analysis, a systematic review is based on explicit criteria that enhance the reliability of the findings and minimize bias (Satalkina and Steiner, 2020). This approach can also be applied in the field of business management to collect and synthesize research and enable openness among researchers to prevent the repetition of effort (Thorpe *et al.*, 2005). The research consisted of three steps: (1) systematic literature review protocol definition and the article selection process using the Preferred Reporting Items for Systematic Reviews and Meta-Analyses (PRISMA) method; (2) bibliometric analysis, and (3) qualitative analysis and synthesis of the selected articles using the content analysis method.

PRISMA method ensures the transparent and complete reporting of systematic reviews (Liberati *et al.*, 2009). Bibliometric analysis enables researchers to gain an overview, identify knowledge gaps, and derive ideas for future research (Donthu et al., 2021), while content analysis is used to interpret meaning from the content of text data (Hsieh and Shannon, 2005). For the first step of this research, a systematic literature review research protocol was designed (Table 1). The search was conducted on November 29, 2021. The peer-reviewed journal articles and conference papers (hereinafter referred to as "articles") were browsed in digital databases Web of Science Core Collection (WoS) and Scopus. Searched terms were "empathy" and "leadership effectiveness" contained in the title, abstract, and/or keywords. The search was restricted to a specific time period (2012 – 2021). In addition, due to the specifics of research on empathy in medicine, nursing, and other health sciences, the search was limited to research fields more relevant to business management.

Table 1: Systematic literature review research protocol

| Protocol element	Translation into research
Digital databases	Web of Science Core Collection and Scopus.
Searched term	Empathy AND leadership effectiveness.
Search strategy	Publications in the period 2012-2021; search terms contained in the title, abstract, and/or keywords.
Inclusion criteria	Findings on empathic AND/OR compassionate, caring, considerate leaders AND leadership effectiveness; research fields: Business & Economics, Psychology, Behavioral Sciences, Education & Educational Research, Communication, Sociology, Social Issues, Social Sciences - Other Topics, Philosophy, Decision Sciences, Arts & Humanities; journal articles and conference papers only; English language only.
Exclusion criteria	Journal articles and conference papers without full access and not relevant for the research.

Note: Table structure adapted from Ivančić et al., 2019
Source: Author's work

The initial search resulted in 62 articles found (34 in WoS and 28 in Scopus). After excluding the duplicate articles, 46 articles remained. These articles were sought for retrieval, and 39 were available in full text. After the screening of the full articles, 15 articles were excluded as not relevant for the research (4 articles with no considerations of empathy; 5 articles in the field of medicine and nursing; 4 articles focused on the effectiveness of learning programs; 2 articles related to the sympathy of teachers and empathy in psychotherapy). The articles containing findings related to "compassionate, considerate, or caring leaders" instead of "empathic leaders" were assessed as eligible, due to the similarity of those terms. As a final result of the selection process, 24 articles were included in the systematic literature review. The article selection process using the PRISMA flow diagram is presented in Figure 1.

Figure following on the next page

Figure 1: PRISMA flow diagram of the article selection process
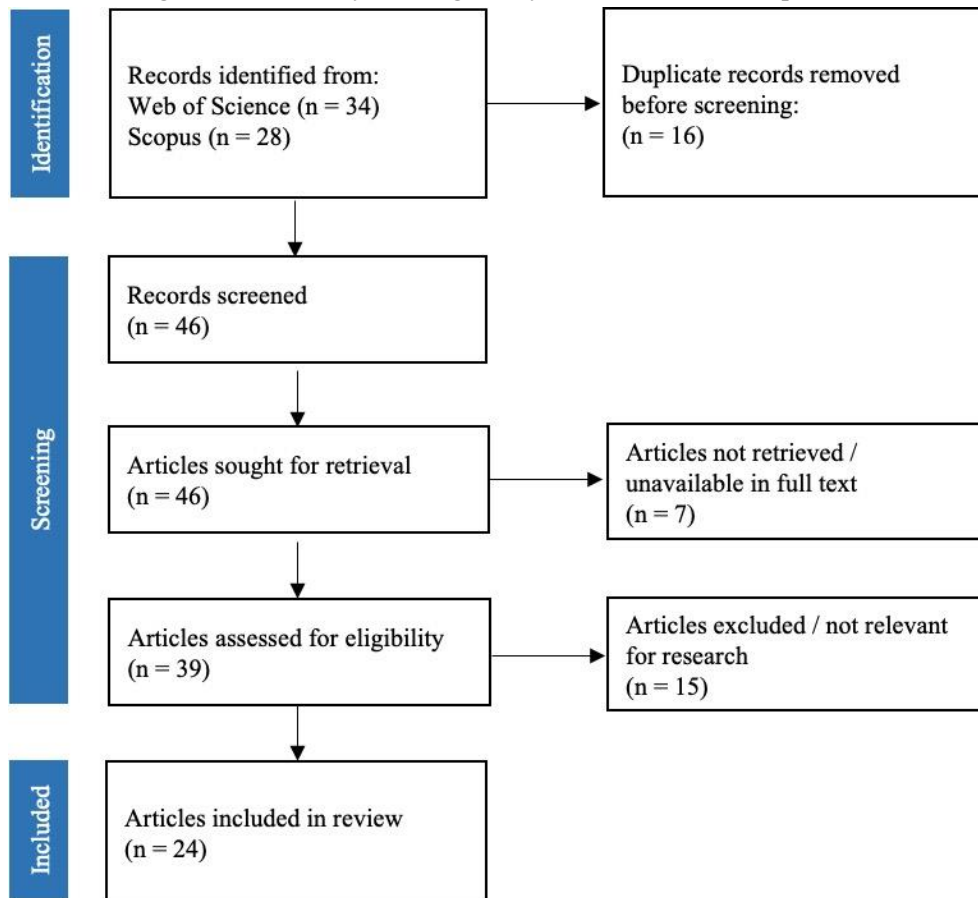
Note: Flow diagram structure adapted from Page et al., 2021
Source: Author's work

In the second and third steps of this research, the selected articles were further analyzed based on exported WoS and Scopus data and full text reading. MS Excel was used for coding. A bibliometric analysis gave answers to RQ1, while the answers to RQ2 are based on the qualitative outcomes from the detailed content analysis of the selected articles.

3. RESULTS
3.1. Characteristics of research on empathy and leadership effectiveness
A bibliometric analysis presented in this section responds to RQ1. Table 2 shows the characteristics of the reviewed articles concerning article type, research methods, and instruments.

Table following on the next page

Table 2: Characteristics of the reviewed articles

| Authors (year)	Article Type	Research method	Research instrument	No. of participants
Jian (2021)	J	Qualitative	Literature review	n/a
Lumpkin and Achen (2018)	J	Qualitative	Literature review	n/a
Voegtlin *et al.* (2020)	J	Quantitative	Survey	782
Perry, Cebulla and Andreas (2021)	J	Qualitative	Literature review	n/a
Cranston and Kusanovich (2013)	J	Qualitative	Survey (pre- and post-workshop assessment), nonparticipant observations	14
Hensel and Visser (2018)	J	Quantitative	Survey (multi-rater system)	66
Koenig *et al.* (2020)	J	Qualitative	Literature review	n/a
Girdauskiene and Eyvazzade (2015)	C	Qualitative	Interviews	6
Wei, Bilimoria and Li (2017)	J	Qualitative	Interviews	42
Bertrand (2019)	J	Qualitative	Interviews	5
Miao, Humphrey and Qian (2018)	J	Quantitative	Meta-analysis	n/a
Contu (2020)	C	Quantitative	Survey	n/a
Sergent and Stajkovic (2020)	J	Mixed	Publicly available data and briefings	n/a
Librada-Flores *et al.* (2020)	J	Qualitative	Systematic literature review	n/a
Wang, Zhang and Jia (2017)	J	Mixed	Survey, interviews	451
Nadler, Carswell and Minda (2020)	J	Quantitative	Survey (pre- and post-intervention assessment)	37
Karanian *et al.* (2013)	C	Qualitative	Tell/Make/Engage experiment	16
Silliman, Edwards and Johnson (2020)	J	Mixed	Survey (pre- and post-self-assessment)	64
Sart (2016)	C	Quantitative	Survey (emotional intelligence assessment and metacognitive-based intervention assessment)	189
Amankwa (2018)	C	Qualitative	Literature review	n/a
Young *et al.* (2017)	J	Mixed	Survey, video-based online experiment	483
Jit, Sharma and Kawatra (2017)	J	Qualitative	Interviews	15
Linuesa-Langreo *et al.* (2016)	J	Mixed	Survey, interviews	n/a
Appelbaum *et al.* (2013)	J	Qualitative	Literature review	n/a

Notes: n/a – information not available or applicable; J – journal article; C – conference paper
Source: Author's work

The analysis by article type indicated that the majority of the reviewed articles were published as journal articles (79 percent), while only 21 percent are conference papers. In the reviewed articles, the qualitative research method is predominantly used (13 articles or 54 percent). The quantitative method was used in 6 articles or 25 percent, while 5 articles or 21 percent applied mixed research methods.

Of the 24 reviewed articles, 6 articles are literature reviews and only one is a systematic literature review (related to empathy and compassion in community networks). As presented in Table 2, there is a broad range of instruments that can be applied in empirical research on empathy and leadership effectiveness (surveys with pre- and post- workshop or intervention assessments, experiments, meta-analysis, interviews). The articles were additionally analyzed by research fields (Figure 2). The results are aligned with the intention to limit the search of articles in WoS and Scopus databases to research fields more relevant for developing a conceptual framework in the field of business management.

Figure 2: Research fields of reviewed articles
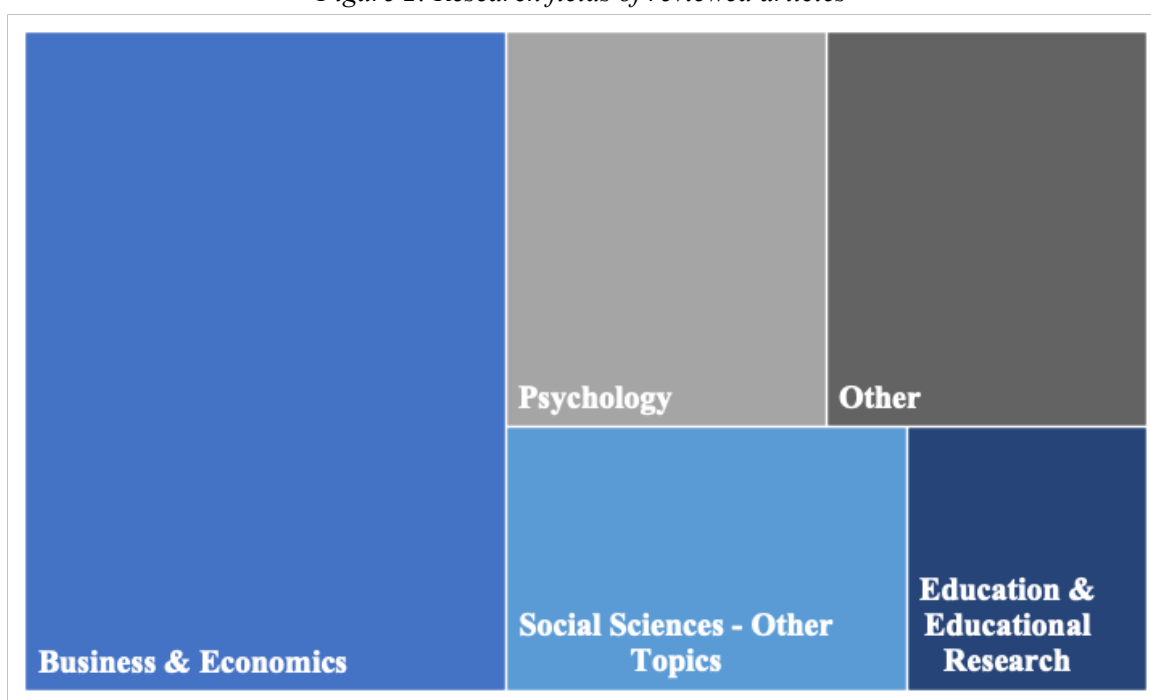
Source: Author's work

3.2. The impact of empathy on leadership effectiveness

In this study, a deductive coding approach was selected in synthesizing the results of the systematic literature review. The content analysis of the selected articles started with setting the codes based on the RQ2. Levels of the impact of empathy were used as codes, which provided the basis for the development of the proposed conceptual framework. The use of a pre-defined set of codes provides a clear trail of evidence for the credibility of the study (Fereday and Muir-Cochrane, 2006). As a result of the detailed content analysis, about 40 effects were initially extracted from the reviewed articles and assigned to one of three levels of impact. The highest number of effects is associated with the organizational level, which contributes to the relevance of the findings from an organizational development point of view. After iterative reviews and summarizing effects with similar meanings and/or impact, the three most relevant groups of effects on the level of leader, followers, and organization were identified.

3.2.1. The impact of empathy on the leader's effectiveness

A leader's trait of empathy has an impact on her or his effectiveness. In addition to the orientation toward the other and the organization, a leader also needs to question oneself in the process of expressing empathy which leads to a heightened sense of awareness (Jian, 2021).

Raised self-awareness of the leader results in improved facial, behavioral, and verbal expression (Jian, 2021) which enhances interactions with various stakeholders. According to Bertrand (2019), leaders more aware of their internal dialogues are also more effective. Furthermore, empathy facilitates responsible leadership behavior and causes a more balanced approach to leadership by caring for stakeholders at multiple levels of the organization (Voegtlin *et al.*, 2020). The enhanced ability to perceive and consider the needs of others (Miao *et al.*, 2018; Sergent and Stajkovic, 2020; Wei *et al.*, 2017) contributes to the development of listening and mentoring skills. These skills are related to the empathic concern of leaders resulting in compassionate responding to relieve the followers' distress (Jit *et al.*, 2017). Empathic listening requires presence in the moment, observation of non-verbal messages, appreciation of the ideas, opinions, and situations of others, asking questions to express interest, reflection, and response. A leader who acts as a mentor provides support to the ones she or he is empathizing with also in a form of advice and sharing personal experiences in resolving similar situations. Lastly, the most recognized effect of empathy on the leader's effectiveness is related to enhancing relationships within and outside the organization. Empathy in leadership contributes to better communication which in turn improves relationships with others. Leaders who practice empathic communication with various stakeholders evoke respect and trust (Girdauskiene and Eyvazzade, 2015). In addition, the leadership competency to communicate a strong vision to employees is related to both assertiveness and emotional empathy (Hensel and Visser, 2018). Because of their ability to influence others' emotions, empathetic leaders improve their relationships also through their ability to motivate, inspire, and stimulate interaction (Appelbaum *et al.*, 2013; Bertrand, 2019; Girdauskiene and Eyvazzade, 2015; Karanian *et al.*, 2013; Miao *et al.*, 2018). Highly empathic leaders will gain greater stakeholder appreciation due to their expression of compassion (Koenig *et al.*, 2020), and have greater promotability prospects based on the followers' evaluations (Young *et al.*, 2017).

*3.2.2. The impact of empathy on the followers' effectiveness*
Empathic leadership practice results in enhanced effectiveness of followers. Expression of empathy in leadership is more likely to lead to positive employee relevant outcomes, such as performance, satisfaction, and well-being (Wei *et al.*, 2017). A caring attitude of the leader is essential in improving the mental and emotional well-being of the ones cared for (Jian, 2021). Young *et al.* (2017) suggest that the leader's expression of empathic concern when providing negative feedback is increasing the positive affective reactions of followers. By restoring emotional balance and creating a positive work climate, empathic leaders improve the followers' well-being which leads to greater organizational commitment (Jit *et al.*, 2017). Moreover, empathic leaders empower followers through recognition and development. Jian (2021) argues that the empathic leadership practice of recognizing the diverse abilities and needs of others enhances the effectiveness of followers. Wei *et al.* (2017) consider empowering and developing others as a mixed form of emotional and cognitive social competency related to giving employees authority and freedom within certain boundaries, encouraging and valuing employee participation, and providing training and mentoring to individuals and teams. Linuesa-Langreo *et al.* (2016) distinguish two perspectives of the empowerment phenomenon: psychological empowerment at the individual level defined as intrinsic task motivation that increases employee involvement and commitment; and empowerment climate at the group level aimed at decentralizing power and authority to make organizations more competitive and responsive. As empowered followers experience an increase in intrinsic motivation and satisfaction of the needs for autonomy, competence, and relatedness, they perform with greater effectiveness at the individual and organizational levels (Lumpkin and Achen, 2018). They are also inspired to empower others. In addition, empathic leaders provide the followers with role models in developing emotional intelligence.

Role modeling can be considered essential in the development of emotionally intelligent leaders. It includes clarifying values and leading by example through aligning actions with shared values (Lumpkin and Achen, 2018). By observing and interacting with leaders who are proficient in cognitive empathy, emotional empathy, and empathic concern, followers are improving their practices of relating. Through receiving feedback from empathic leaders, followers can raise their self-awareness and enhance self-management competency. In organizations with group-centered leaders who promote equality and inclusion, unlike in leader-centered, hierarchy-focused organizations (Perry *et al.*, 2021), followers can also improve their social awareness which is based on empathy.

3.2.3. The impact of empathy on the organizational effectiveness

Existing scientific research indicates a positive relationship between empathy and leadership effectiveness on the organizational level. Empathy is the foundation of leadership competency to inspire diversity and inclusion. The leadership of global organizations is facing increasing needs for promoting employee diversity and developing new inclusive business models. A leader indicates empathic concern when valuing differences (Wei *et al.*, 2017), thereby contributing to creating an inclusive and diverse organization in terms of gender, ethnicity, race, work and cultural norms, and management methods (Girdauskiene and Eyvazzade, 2015). The ability to read others' emotions and express empathy promotes cross-cultural communication and adaptability (Miao, 2018). According to Jit *et al.* (2017), an empathic leader instills a sense of cohesiveness and collaboration thereby increasing altruistic behavior among followers. This behavior in turn improves the level of diversity and inclusion within the organization. Additionally, the results of a study by Voegtlin *et al.* (2020) indicate that responsible leadership behavior facilitated by a leader's empathy is positively related to employee engagement with the organization and society. Group-centered leadership produces better team outcomes than top-down leadership (Perry *et al.*, 2021). Ensuring that people feel valued improves team dynamics (Karanian *et al.*, 2013). As organizational performance is influenced by a leader's behavior (Contu, 2020), the followers' needs satisfaction due to empathic leadership mediates positive effects on organizational effectiveness (Lumpkin and Achen, 2018). By increasing employee engagement and retention, empathy in leadership can contribute to more effective human resources management. Finally, empathy in leadership has an impact on the organizational level through creating a culture of responsibility, care, and innovation. Jian (2021) indicates the importance of developing empathy toward a common outside party or collective other, such as competing groups or organizations. According to Koenig *et al.* (2020), highly empathic leaders will recognize warning signs more quickly, have access to more crisis-related information, and will be more committed to restoring the organization's relational system in post-crisis times. This is especially relevant in the context of the current pandemic as there is an increased need for responsibility and care on both the individual and organizational levels. In addition to being responsible toward oneself, others and the organization, a leader also needs to be responsible toward society and the environment. According to Amankwa (2018), empathy is one of the attributes of sustainability competency in leadership, and the leaders' ability to integrate sustainability into organizational purpose and practices will improve the organization's market position. Empathy contributes to creating an organizational culture of innovation, as perspective taking and empathizing with people inspires employees to generate creative ideas, and develop more useful and innovative products and services (Linuesa-Langreo *et al.*, 2016; Wang *et al.*, 2017). Based on the research results, a multi-level conceptual framework of the impact of empathy on leadership effectiveness was developed (Figure 3).

Figure 3: Multi-level conceptual framework of the impact of empathy on leadership effectiveness
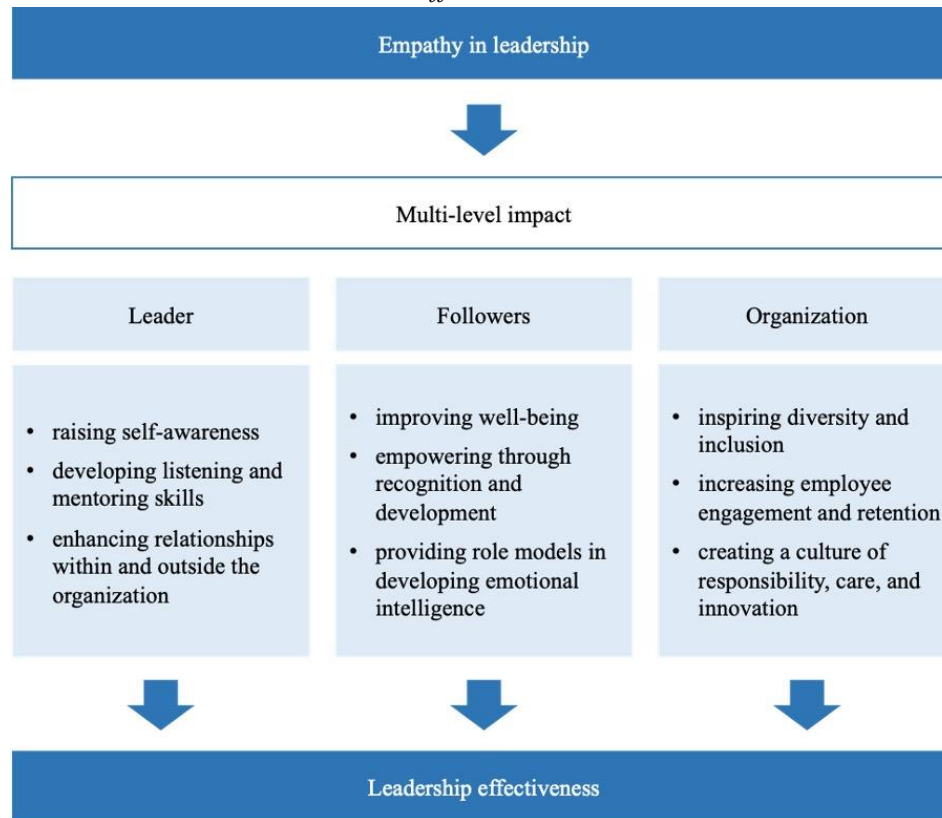
Source: Author's work

4. DISCUSSION

This research revealed the complexity and extensiveness of the impact of empathy on leadership effectiveness. To inspire the development and expression of empathy in leadership, it is important to advance research and discuss this topic more in both the scientific and business community. The emergence of more interdisciplinary conferences and projects could stimulate collaboration and co-creation of researchers from business economics, psychology, neuroscience, and other relevant fields. Furthermore, the systematic literature review indicated that empathy in leadership enhances effectiveness through its effects on multiple levels. The identified effects on the level of leader, followers, and organization could be considered interrelated. For example, raising self-awareness on the level of a business leader as an individual could lead to her or his enhanced competency of empowering followers through recognition and development, which in turn increases employee engagement and retention at the organizational level. This finding confirms the importance of empathy in leadership assessment, selection, and development, as well as in overall organizational development. The results of this study contribute to the existing leadership literature. While the majority of prior research on the impact of empathy was in the field of medicine, nursing, and other health sciences, this study examines the effects on leadership effectiveness from a business management perspective. The identified effects of empathy on the organizational level are consistent with the results of a recent study by Van Bommel (2021) with 889 employees, indicating that empathic leadership is driving innovation, engagement, retention, and inclusion. Compared to the results of other studies which provided conceptual frameworks related to empathy and leadership effectiveness, this research offers a more integrative framework by

encompassing multiple levels of impact and providing descriptions of the concrete effects on the level of leader, followers, and organization. Previous studies were predominantly focused on the impact of empathy in leadership on followers and/or organizations. Skinner and Spurgeon (2005) focus on outcome measures on the level of followers in their model of empathy in health leadership and conclude that followers who perceive their managers as empathetic are willing to put in extra effort in their work. According to the reflective leadership framework, the empathic listening practice of leaders causes improved motivation and performance of followers (Castelli, 2016). In their model of empathy and leadership effectiveness, Rahman and Castelli (2013) show that leadership effectiveness is enhanced through certain behavioral characteristics, resulting in increased emotional control, interpersonal trust, and innovation. In the framework of the motivational effects of charismatic leadership proposed by Choi (2006), empathy has effects on the followers' needs for affiliation which improves group cohesiveness and organizational citizenship behavior. Deliu (2019) embeds empathy in the corporate governance framework as it evokes trust and motivation of employees, thus contributing to more effective corporate governance. This research offers practical implications for various stakeholders, such as leadership and organizational development specialists, human resources managers, and business leaders. Leadership development specialists can use the developed conceptual framework and descriptions of the effects in designing and implementing tailored programs aligned with the priorities of leaders, teams, and the organization as a whole. This framework can enable a more balanced approach to leadership development, as the findings of this study indicate that the effects of empathy in leadership are interrelated. Thus, when designing and implementing empathy-oriented leadership development programs it is important to collect feedback from both individuals and teams, and to redesign programs accordingly. The extensiveness of the identified effects requires diversity in the content and format of education, training, and mentoring. Individual and group empathy development exercises should be focused on improving mindfulness, self-reflection, listening skills, observation of non-verbal signs, and compassionate responding. Having an empathic leader as a mentor or at least as a role model is key to developing empathy in leadership. This conceptual framework is also relevant from an organizational development perspective, as it can be used in diagnosing, intervening, and evaluating the impact of certain behaviors on organizational culture and performance. Furthermore, human resources managers can use the research results as a basis for including empathy as competency in job specifications and personality tests in recruitment processes. This could be particularly relevant for job positions where building and maintaining relationships is essential for effectiveness, such as top management, sales representatives, and relationship managers. Finally, this research can assist business leaders in better understanding the complex nature of empathy and the impact it has on the level of leader, followers, and organization. Business leaders dedicated to developing and expressing empathy can lead by example not only in their organizations but also in the global markets. There are limitations to this research concerning the methodology. A relatively small number of the reviewed articles could be considered insufficient to generalize conclusions. The potential inclusion of seven articles unavailable in the full text could affect the results of the systematic literature review presented in this study. The reliability of the results may also be lower due to assigning the effects to one of the three levels of impact, as some of these effects could be related to more than one level. For example, increasing employee engagement and retention can also be considered as the effect of empathy on the followers' level; however, it is assigned to the organizational level as it is often used as an indicator in human resources management and organizational development strategies. Hence, the developed multi-level conceptual framework needs extensive empirical testing. To provide a deeper understanding of the impact of empathy on leadership effectiveness, future research in the field of business management should include the comparisons between the leaders' self-assessment

and followers' evaluation. Some leaders are unaware that they feel empathy but do not express it. Therefore, they may overestimate their level of empathy and this can make the relationship between empathy and leadership effectiveness unclear. By conducting interviews and surveys of both leaders and followers, the findings could be more reliable and could contribute to raising awareness on development areas at multiple levels of the organization. Additionally, the results of this study can be extended by exploring the relationship between empathy and leadership effectiveness in different countries. This could be especially beneficial for the leadership of global organizations operating in a cross-cultural and multicultural environment. The research results could provide a basis for designing and implementing country-specific leadership development programs, as well as diversity and inclusion initiatives. Lastly, future research could be directed at exploring how empathy in leadership can contribute to creating a positive impact on society and the environment. This topic could be researched in the context of contributing to the United Nations Sustainable Development Goals 2030 and improving the organization's market position by integrating empathy as one of the competencies of sustainability leadership.

5. CONCLUSION

The findings of this research show that empathy enhances leadership effectiveness through its extensive effects on the level of leader, followers, and organization. This study represents one of the first systematic reviews focused on articles related to empathy and leadership effectiveness from Web of Science and Scopus databases. It makes a significant contribution to understanding the impact of empathy on leadership effectiveness from a business management perspective. The research results extend the existing leadership literature by providing an integrative, multi-level conceptual framework and descriptions of the concrete effects of empathy in leadership. The finding that empathy in leadership also enhances the effectiveness of the leader as an individual is of special importance, as it could motivate more current and future leaders to improve their empathy competency. The interdisciplinary nature of the topic calls for the collaboration of researchers from the fields of business economics, psychology, and neuroscience to advance future research on empathy in leadership.

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