

The image features two silhouetted figures holding hands against a vibrant sunset sky. A large, semi-transparent watermark of the letter 'F' is overlaid on the scene. The overall mood is one of connection and hope.

ON THE (DOUBLE BOTTOM) LINE

Donato Tramuto

We've been living in unprecedented times.

Never before in my lifetime has there been as much widespread disruption in our daily lives and as many seismic shifts in how people work and live as those I've witnessed during the COVID-19 pandemic. As a result of the pandemic and the civil, political, and social upheaval we've been living through, important trends that were emerging prior to these events quickly accelerated: remote work and flexible hours, flexibility and adaptability that allow businesses to pivot quickly, and the need for a more modern approach to leadership that's better suited to today's workforce and marketplace all increased.

Now more than ever, leaders need to upgrade skills such as communication, transparency, adaptability, and understanding and support of employees' needs. They need to embrace diversity and inclusion, create stronger teams, and take responsibility for the impact they have on the communities in which they work and on the world. And, most importantly—as we are seeing how these shifts affect our neighbors, families, employees, and coworkers—we need to raise empathy and compassion to the top of the list.

During the pandemic, many companies struggled to stay open or simply had to shut their doors. Still others rose to the challenge, not only weathering the storm but also finding breakthrough ideas and moving from strength to strength to drive their businesses. They've seen that this test has solidified their organizations and unified their teams.



There are many variables that separate those who have survived and thrived from those who have suffered, but it's clear that the most effective leaders are putting *people* at the top of their priority list and embracing compassion and humanity to a greater degree than ever before in their workplace. They are finding that putting people first and delivering results are not two separate goals. Rather, a strong focus on people *drives* strong results. That what I call *The Double Bottom Line*.

FORCES OF CHANGE

It's not only the pandemic that makes compassion-driven skills and a more "fully human" approach so important. Rapidly accelerating technological advances have had a counterintuitive impact on the needs of the workforce. Workers do not necessarily need highly technical skills as automation and artificial intelligence become pervasive. Instead, workers need to develop more human dimensions, like creativity and compassion.

Another fundamental shift that is just as profound is the generational shift in the workplace. The percentage of younger generation—millennial and Gen Z—workers is growing, and the workforce has more diversity in general. Five generations make up the workforce as the youngest generation enters it and older workers delay retirement. Workers come from different backgrounds, experiences, and perspectives. Every demographic has changed. For example, since I started my career in 1980, the proportion of the workforce that was white has dropped from eighty-three percent to sixty-three percent today. Only around half of millennials in the workforce are white today. Along with the shifting demographics come shifting economic and work trends. The bottom line: things have changed!

Are leaders and managers ready for the future workforce? I believe, in many cases, the answer is no. Most senior leaders in CEO or C-suite jobs are in their late fifties. That means they started out working in businesses led by executives who began working in the 1950s, when businesses were more manufacturing-based. The technological boom had not yet happened. The workforce was not diverse. They learned skills and a work style from more traditional, top-down leaders focused on efficiency and productivity. Those things don't work anymore. Conversely, younger, up-and-coming leaders will be managing workers older than themselves. A new approach to leadership is needed to create understanding across generations.

LEADERSHIP NEEDS AN UPGRADE

If you look at the engagement of the workforce now, and at how satisfied people are in their jobs, things haven't changed much over the past several decades. There is a big gap between the current level of engagement (only about one-third of workers are engaged) and what companies should be striving for, both for their bottom lines and for the well-being of their workers.

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The new order requires a new approach to leading, managing, and participating at work and in the world. At every company or organization that I have recently been engaged in or led, and in every conversation that I've had with workers, whether they are CEOs or recent college grads, a new set of vital leadership skills and traits are being identified. The new workforce needs leaders they trust who empower them, understand differences among people in diverse workplaces, and act to build bridges. It's now vital for leaders to communicate that what workers do has purpose and meaning and to demonstrate how each individual's work connects with a larger mission.

I believe without a doubt that there is one dimension that both underlies and drives all others. That common denominator is compassion.

THE STUDY OF COMPASSION

I have long been a student of compassion. I had a series of tragedies as a child, including an illness that resulted in nearly complete hearing loss for many years. I faked my way by letting others believe I could understand what they were saying when I could not, succumbing to the peer pressure that perfection is synonymous with youth. I watched as my parents struggled with loss, illness, and economic hardship while still putting other people's needs before their own. I studied for six years in a Catholic seminary, where I completed my undergraduate education, worked as a hospital chaplain, and studied to be a priest.

Though I ultimately decided to not become a priest and instead became an entrepreneur and a public company CEO, I took with me the calling to serve, the values that were cemented there, and a deep understanding of the practice of compassion. After my time in the seminary, I pursued an MBA part-time for two years and enjoyed a long career in health care, starting as a sales rep and eventually becoming a CEO, a position I held at multiple companies over a span of twenty-five years. Spending decades in health care, where there is vast and deep human suffering and need, kept me deeply immersed in the understanding and practice of compassion.

All of these experiences shaped me and cultivated in me a deeper practice of compassion. But one event changed everything and took my commitment to compassion to a new level, where it remains today. On September 11, 2001, I lost two dear friends and their three-year-old son in one of the planes that hit the south tower of the World Trade Center. They were on that plane returning to Los Angeles after visiting me. In fact, I was supposed to be on that plane with them, but a toothache and a last-minute change in plans to get to the dentist prevented me from getting on that plane and dying on that day. That deeply painful experience brought me to a crossroads. I could be bitter, or I could channel that pain into something productive and hopeful to honor the memory of my friends. I chose the latter and have dedicated myself and the foundation I launched in their memory to the pursuit and application of compassion-driven work. This also deepened my belief in applying compassion in my career and in the organizations that I worked with and led.

A NEW LEADERSHIP MODEL

During my career, I've seen many approaches to leadership and management. My early bosses were old-school, dictatorial managers who drove their teams to win at all costs. On the other side of the coin, I've had bosses and colleagues who led by empowering employees and consistently showed great compassion. Both types of leaders are around today. But, perhaps because of all the forces at work over recent years, I'm seeing an acceleration in the rise of the latter. Leading with compassion is taking hold. It brings success in the short term as well as in the long term to a business and to people. It's more imperative than ever.

Leaders of some of the most successful companies in the world, like Apple, PayPal, and Microsoft, have long utilized compassion as a core leadership principle. It obviously works for the strongest of leaders. Yet, many still view compassion as a weak approach, an unnecessary "soft skill," or a low priority in contrast to the pressing need to drive performance and profits. Leaders who prioritize it, though, know that compassion is a powerful driver of success. It correlates to greater creativity and innovation, higher employee engagement, better morale, increased loyalty, consistently better performance, and higher profits. When leaders take an opposite approach, they actually create headwinds for themselves that could be avoided with more consciousness and compassion.

Leading with compassion is taking hold ...
It's more imperative than ever.

I've watched some leaders struggle to grasp the importance of this fundamental. And worse, I've met others who truly believe that winning at all costs, that leading through force of will, is what it means to be a strong leader. This could not be further from the truth.

For some, compassion is an off-putting word in the competitive world of dog-eat-dog business, and it's looked down upon by many.

Some think being compassionate is weak, that it means copping out of doing the really hard thing. Or, they regard it as "nice to do" but not by any means a must. Or, they believe that people are either born compassionate or they're not. In all those estimates, they couldn't be more wrong. Men and women around the world have used the model with outstanding success on both the human and profit-making fronts.

I've championed compassion as a leadership practice for a long time, in many ways. I've instituted anti-discrimination and anti-bullying initiatives in the workplace. I founded the Robert F. Kennedy (RFK) Human Rights Workplace Dignity Program. I've committed to a years-long study of the topic of loneliness and how compassion in policy and leadership can address it. Then in 2020, after a year in the making, I stepped away from a full-time CEO role and started work on what I think of as a compassion campaign to take the next step to help cultivate more compassion within organizations and in the world at large. My foundation, the Tramuto Foundation, is now committed to compassion as its core mission.

I believe my background uniquely positions me to further this mission: I was steeped in compassion from birth, even studying it in my undergraduate work as a would-be priest.

Knowing that I might have had circumstances different from others that allowed me to focus on and practice compassion from an early age and in depth, I wanted to understand how other people become compassionate. Did they have compassionate parents? Is it developed through experience with deep suffering? Is it possible to learn compassion as you would learn a new language?

I also wanted to know how the best leaders practice this type of leadership in a way that brings out the best in their workers and their bottom-line results. How do they combine compassion with the tough aspects of the job? How do they combine purpose with performance? I knew how I did it, but I wanted to learn from other strong leaders who had been doing it with great success.

I decided to study compassion with more depth and focus. I assembled a small team of committed and compassionate collaborators to dive in fully to this work. We talked with hundreds of people over the course of a year, many of whom were CEOs or executives, others who were college students or recent college graduates, and many in between.

We conducted a formal survey among 1,500 workers in the United States to study the dimensions of compassion in the workplace. We then did in-depth interviews with forty successful compassionate leaders and asked them key questions. These handpicked proven leaders also completed the compassionate leadership survey so that I could compare the similarities and differences between them and a general population of senior leaders.

THE COMPASSIONATE LEADERSHIP GAP

The results of the formal survey research were both validating and concerning. For example:

Most workers believe a compassionate workplace leads to cooperation, which leads to greater productivity and profitability. Yet most workers believe the workplace is more competitive than cooperative.

- Eighty-four percent of respondents believe that a compassionate workplace encourages cooperation, which in turn leads to greater productivity and profitability.
- Sixty-eight percent believe the workplace is more competitive than cooperative.

Most leaders and workers believe that compassion can be part of a double bottom line that favors both profitability and care for workers and communities. Yet, at the same time, most workers see their leaders as rejecting this notion.

- Eighty-four-and-a-half percent of our leadership group and seventy-seven percent of our survey group believe that compassionate leadership can be part of a double bottom line.
- Sixty-and-a-half percent of all workers believe that leaders in general reject compassion because they see it as contradictory to productivity or profit.
- Sixty percent of workers said that the beliefs and attitudes held by leaders are insufficient in the promotion of compassion.

Most workers see compassionate acts by their leaders as good examples, yet a majority also view compassionate leadership as weak or distracted.

- Eighty percent of workers believe that leaders who demonstrate compassionate acts set a good example for others to follow.
- Fifty-seven percent of respondents strongly or somewhat strongly agree that leaders who emphasize compassion are seen as weak or distracted from normal priorities.

Part of the research focused on the comparison between the responses, views, and beliefs of the most senior leaders and the lowest-level employees. One statement read:

Leaders in my current organization inspire others to be compassionate in their work and personal lives.

- Eighty-six percent of the most senior leaders (e.g., CEOs, C-suite executives) said they agreed with this statement.
- Sixty-five percent of the lowest-level employees agree with this statement.

**The core issue is that we believe in it—
but we're not doing it.**

Leaders in my organization seek input and support from employees and other stakeholders to promote a compassionate workplace.

- Eighty-five percent of the most senior leaders agreed with this statement.
- Fifty-nine percent of the lowest-level employees agreed with this statement.

Most of us, if asked, would say of course we believe in compassion. Most of us believe compassion-driven leadership can improve workers' engagement and well-being as well as a business's financial results. In fact, study after study shows this is true. So, the core issue is that we believe in it—but we're not doing it. Either our leaders think they're doing it but the effect isn't being felt, or they say they're doing it but they're not.

WHAT COMPASSIONATE LEADERSHIP IS NOT

I've been looking at the world and at business through the lens of compassion throughout my life. I've observed many other compassionate leaders empower people while accomplishing their goals and delivering amazing financial results. There are countless examples of compassionate leadership throughout history, courageous acts of leadership that have even *changed* history. In reviewing existing research and the results of original research done for my new book, *The Double Bottom Line*, I see that most agree that compassionate leadership is a good thing. The majority of people believe it drives performance, and plenty of studies and analyses show that it *does drive performance* across many measures, including the bottom line.

In light of all this, I've asked myself many times, *Why isn't everyone doing it?*

I've come to some broad conclusions. There are certainly long-established societal and systemic influences, such as financial markets and corporate boards that tell leaders there is only one set of results that matter—financial results. These are deeply entrenched and will take time to change. I also believe there is a fear of being compassionate in the workplace, and a resistance or reluctance to spend time trying, that is driven by a lack of real understanding of what compassionate leadership is, how it's executed, and what its impact is. Which brings me to a key point: There are powerful myths and misconceptions about compassion in leadership that prevent broad acceptance of this approach. These misconceptions are standing in the way of important change.

LET'S CLEAR UP THE MYTHS

Myth 1: Being compassionate is the same as being nice.

Myth 2: Compassionate leadership is a “soft skill,” not a driver of real results.

Myth 3: Compassionate leadership is weak leadership. If you're compassionate, you'll be walked all over by your employees and colleagues.

Most people have an incomplete understanding of what compassion-driven leadership really is in practice. While many view compassion in the same vein as empathy and kindness, there are dimensions of compassion that set it apart. There are both anecdotal and measurable benefits of compassionate leadership in a company or organization and in society as a whole.

COMPASSION IS A STRENGTH

I challenge leaders to see compassion in a different light, as a strength, a critical skill, and as an imperative. Leaders can be strong, firm, and tough while sticking to their values and principles. I will make the case that compassion is power. Adding this component to one's overall leadership approach boosts its effectiveness. Adopting these attributes is not just nice to do but also a "must-do."

Evidence-based findings demonstrate how compassion is as good for those practicing it as it is for those receiving it. Could it be that the key to compassionate leadership is also the key to happiness? I believe so.

Importantly, compassion can be taught. In our own research, we saw that ninety-four-and-a-half percent of senior leaders believe that compassionate leadership can be taught, and eighty percent across the whole population believed so as well. A recent study featured in the *Harvard Business Review* found that eighty percent of managers want to be more compassionate but they do not know how.

When it comes to the future, a statement is less useful, less truthful, than a question.

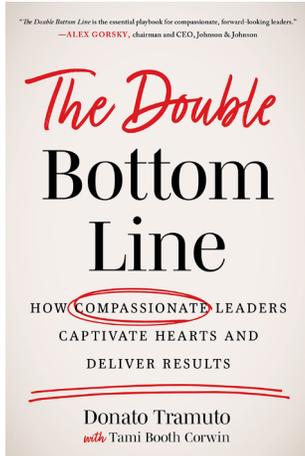
My firm belief is that compassionate leadership should be taught in some way, in every school, at every level, especially in college and MBA programs. Robert F. Kennedy would often use this quote from French philosopher Albert Camus: “We live in a world where children go hungry. Our job is to lessen the number of children who are hungry.” Perhaps we live in a world where many individuals are incompassionate, and perhaps we can lessen the number of those incompassionate individuals. That is our goal.

I wrote *The Double Bottom Line* because I’ve seen firsthand that it is possible to be compassionate, to empower people and help them grow while also delivering strong results, not just on a parallel track but also because compassionate leadership makes results stronger. I believe its messages are imperative for our current and future workforce and world. I know it’s possible to implement *The Double Bottom Line* in any organization that does indeed captivate and light up hearts and minds while delivering stronger results.

It is a uniquely opportune time to help spread the word, to grow the movement, to be part of what we see as a coming leadership revolution. 🌱



Info



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Donato Tramuto is a global health activist, former CEO of Tivity Health, and founder of the Tramuto Foundation and Health eVillages. He was the recipient of the prestigious Robert F. Kennedy Ripple of Hope Award in 2014, alongside Hillary Clinton, Robert De Niro, and Tony Bennett, and the 2017 Robert F. Kennedy Embracing His Legacy Award.

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