

## EMPATHY AND ORGANISATIONAL RESPONSIVENESS OF FINTECH ORGANISATIONS IN RIVERS STATE

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### ABSTRACT

This study examined the relationship between empathy and organisational responsiveness of Fintech organisations in Rivers State. The objective of the study was to determine the relationship between empathy and measures of organisational responsiveness (flexibility, agility, feedback) of Fintech organizations in Rivers State. The study was anchored on organisational embeddedness theory, contingency theory and the organisational learning theory. The study adopted a correlational research design. The population of the study comprised of five (5) Fintech organisations with registered offices in River's state. While 25 respondents were studied as sample size using census method of sampling. Data for the study was generated through primary source. The main data collection instrument for this study was a structured questionnaire. To ensure the validity of the instruments for this study, the content and face validity was adopted in ascertaining the extent to which the instrument can be said to be accurate and precise in the measurement of the variables under investigation. The reliability for the study was determined using the Cronbach alpha coefficient. The bivariate analysis was carried out using Spearman Rank Order Correlation Coefficient. The findings revealed amongst others that there is a positive and significant relationship between empathy and the measures of organisational responsiveness (flexibility, agility, feedback) of Fintech organisations in Rivers State. It was concluded that empathy plays a vital role in building trust and strong relationships within organizations. Based on the findings and conclusion, it was recommended that management in Fintech organizations in Rivers State should encourage employees to paying attention and understand other people' feelings and emotions. By doing this, organizations can create a more empathetic and responsive environment that leads to improved employee morale, customer satisfaction, and overall organizational performance.

**Keywords:** Empathy, Organizational Responsiveness, Flexibility, Agility, Feedback.

### INTRODUCTION

Responsiveness is a core competency that enhances the provision of superior customer value, strong differentiation and extendibility which are relied upon to achieve desired financial and market positions (Nwulu & Ateke, 2018). The concept of organisational responsiveness, refers to the capacity to adjust and modify operations, behaviour and systems to correspond or match with the changes or trends in the environment or market of the organisation (Harcourt & Ateke, 2018). Responsiveness is vital to the survival of the organisation as it assures of operational or functional consistency with the practices in the environment.

Studies (Gamble, 2010; Edwards, 2011) have shown that when it comes to organisational change, a great deal of such and the emanating structures and direction, centres on the leadership of the organisation; particularly the ability to comprehend and understand another person's situation from their point of view. To remain competitive it is necessary that strategic managers acquire empathy skills to enable them to relate effectively to different groups of workers, in order to attain good outcomes needed in the current global market (Kayworth & Leidner, 2002). Luca and Tarricone (2001) define empathy as the "capacity to see the world from another person's perspective". In the context of emotional intelligence, empathy is the ability of an individual to understand the feelings transmitted through verbal and nonverbal messages, understand the links between others' emotions and behavior, and provide emotional support to people when needed (Polychroniou, 2009).

Empathy promotes connections between employees so that each one is included and no one feels excluded. This means that an empathic strategic manager is seen as a productive leader (Cockerell, 2009). Marques (2010) argues that empathy skills enable strategic managers to perceive better other peoples' arguments and ideas, making the context of work more exciting and highly productive. He continues to argue that, to attain leadership performance effectiveness, strategic managers should develop empathy techniques to the highest level for empathy promotes a sense of leadership performance by enabling strategic managers with the awareness to listen to others, serve them, and have good understanding of relationships within the unit. For this reason, subordinates may be more likely to put effort and commitment in their performance to the unit.

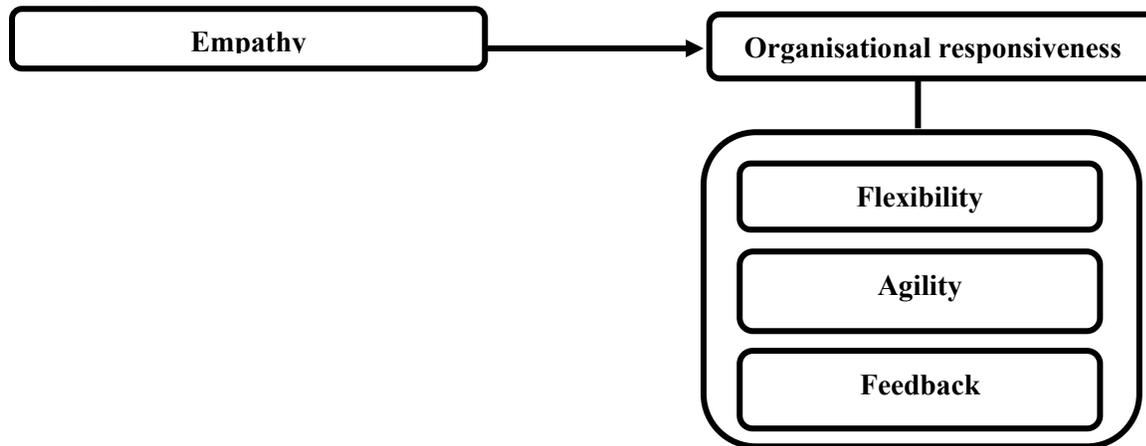
Research on the relationship between empathy and organisational responsiveness is however scanty. This follows Lussier and Achua (2010) observation that not only is the concept of empathy novel, but research in that area is also relatively scarce. As a departure from previous research, this study attempts to investigate the role of empathy in the outcome of organisational responsiveness of Fintech organisations in Rivers State. The study, based on this intent, contributes to scholarship and knowledge in two major ways, first, it enriches literature on the theories linked to empathy and the characteristics of the variable. Second, it provides a theoretical as well as empirical position on the relationship between empathy and organisational responsiveness, that way, enriching research on the variables.

### **Purpose and Objectives of the Study**

The purpose of the study was to examine the relationship between empathy and organisational responsiveness of Fintech organisations in Rivers State. The specific objectives of the paper were to:

- i. Examine the relationship between empathy and Flexibility of Fintech organisations in Rivers State.
- ii. Determine the relationship between empathy and agility of Fintech organisations in Rivers State.
- iii. Ascertain the relationship between empathy and feedback of Fintech organisations in Rivers State.

**Conceptual Framework**



**Figure 1:** Conceptual Framework for Empathy and organisational responsiveness

**Source:** Desk Research (2025), with measures of organisational responsiveness adapted from the work of Dove (2001).

**Research Questions**

The following research questions were put forward for this research:

- i. What is the relationship between empathy and flexibility of Fintech organisations in Rivers State?
- ii. What is the relationship between empathy and agility of Fintech organisations in Rivers State?
- iii. What is the relationship between empathy and feedback of Fintech organisations in Rivers State?

**Statement of Hypotheses**

The following hypotheses were tested in this research. These are as follows:

- Ho:1** There is no significant relationship between empathy and Flexibility of Fintech organisations in Rivers State.
- Ho:2** There is no significant relationship between empathy and agility of Fintech organisations in Rivers State.
- Ho:3** There is no significant relationship between empathy and feedback of Fintech organisations in Rivers State.

**LITERATURE REVIEW**

**Theoretical Foundation**

Three theories are adopted as theoretical framework for this study, is the organisational embeddedness theory, the contingency theory and the organisational learning theory.

**Organisational Embeddedness Theory**

The organisational embeddedness theory was put forward by Granovetter in 1985 and contributes toward a clearer understanding of how organisations integrate into their environment, building relationships and also maintaining their effectiveness and performance within the environment

(Self et al, 2020). Theory postulates that each context or environment is unique and characterised institutions and values that one must understand, value and adopt in order to effectively engage and thrive within the environment of interest (Self et al, 2020). The theory, thus emphasizes the view that organisations must build on creating sustainable relationships and integrating within their environment for them to survive and establish their goals. The organisational embeddedness theory, therefore proffers a deterministic position on the nature of the environment and the imperatives of operational alignment (Mondalek, 2013).

The adoption of the organisational embeddedness theory is justified on the basis that it reaffirms and serves as the foundational support for the position on adaptive leadership as key in ensuring improved outcomes of organisational responsiveness (Self et al, 2020). The theory serves as premise for the argument that there is the need for leaders to promote both internal and external collaborations, emphasizing win-win solutions to organisational and stakeholders' problems or challenges, the navigation and learning about new environment, and a more empathetic approach toward dealing and leading people.

### **Contingency Theory**

The contingency theory is useful in advancing the imperatives of flexibility, through learning and knowledge development. Developed by Fiedler in the 1960s (Donaldson 2001) the theory is particularly useful in identifying decision variables pertinent to the proper design of firms (Burton & Obel 2004). The recurrent characteristic of the contingency approach to organizational theory is to reject one best way to organize firms and suggest different alternatives according to the circumstances. The theory advocates that organizational effectiveness results from fitting characteristics of the organization to key selected factors related to particular challenges faced by the organization (Donaldson 2001).

The contingency perspective of the firm has been reinvigorated in the field of strategic management by the work of Birkinshaw et al. (2002), which emphasizes the relationship between knowledge characteristics and organizational structure, functions and responsibilities; within the context of organizations within highly dynamic or changing environment. Taken together, these studies on technology as a contingency factor demonstrate that certain organizational structures are more appropriate for dealing with uncertainty and complexity than others (Birkinshaw et al., 2002). The ability to deal with input uncertainty and complexity requires activities such as collecting appropriate information, applying information in a timely fashion, transmitting information without distortion, and managing high volumes of information.

### **Organizational Learning Theory**

In literature, initially, the term "OL" was employed by Kurt and March (Saadat & Saadat, 2016). However, Easterby-Smith, Crossan, and Nicolini (2000) use empirical analysis to explore the organizational learning. Whatever the case may be, the debate over whether OL are viewed as an alteration in perceptions or behaviour is declined considerably recently as a result of prevalent reception in recent literature that acquisition involves equally a shift in perception and a shift in bearing. Practically everyone agrees that learning entails both mental processes and actual behaviour.

In the context of international businesses or operations, diverse cultural and political country environments will prompt learning-oriented firms to engage further in formal market research and exploration activities, which enable them to find new solutions or even solutions for problems

which were not necessarily searched for. Hence, they have a higher degree of strategic flexibility or, following the Kim et al (2015) framework, high processing behaviours. Situations may arise where higher levels of learning lead firms to suffer from the 'competency trap. However, we concur with the broad perspective in the literature that learning, especially learning in and about the international business operations, facilitates behavioural changes that lead to improved performance (Easterby-Smith et al, 2000). Therefore, organizations should aim to become learning oriented if they are to compete successfully in the long run (Saadat & Saadat, 2016).

## **Conceptual Review**

### **Empathy**

Empathy is the ability to comprehend and understand another person's situation from their point of view, i.e., to put yourself in their shoes and feel what they are feeling. Empathy is a crucial component of an individual's EI in shaping described behaviour because it is the ability to see the world from another person's perspective; the ability to tune into what another person might be thinking and feeling about a situation, regardless of how that view differs from their own (Stein & Book, 2019). According to Antonio *et al.* (2012), it can be interpreted as understanding the thoughts and feelings of other people by placing oneself into that person's psychological framework.

At present, empirical research on empathetic leadership is lacking (Bani-Melhem et al., 2021). In order to fill this research blank, we discuss the relationship between empathetic leadership and innovative behaviour, which can enrich the research outcome of empathetic leadership. Empathetic leaders provide employees with emotional support resources (Bani-Melhem et al., 2021), and they integrate emotions into the communication process to express concern for employees (Mayfield & Mayfield, 2017). This results in employees have a good sense about their work situation (Kock et al., 2019) and believing their leader as warm. This increased trust and positive affect among employees results in them developing new ideas and being more innovative to obtain more emotional resources from leaders (Hobfoll, 2011).

### **Organisational Responsiveness**

Responsiveness is a prerequisite for organizational effectiveness and survival today. The factors which drive organizational responsiveness are linked to the organization's overall learning and change behaviour, as well as the extent to which the organization is able to innovate. Day (2005) noted that there is a major difference between reacting and responding. Responsiveness is the ability of a firm to respond to customers' needs in terms of quality, speed and flexibility and it is characterized by combined goals such as time, quality and flexibility (Asree, Zain, & Razalli, 2010).

Responsiveness is the behavior of employees in the organization to act in time and convey information in accordance with consumer needs (Holweg, 2005; Pitafi *et al.*, 2019). Employees will act according to organizational goals based on the desire to appreciate the time that has been sacrificed by consumers when making a purchase. The ability to respond to what is owned by employees will be positively assessed by consumers so that it can create capabilities when serving consumers (Famiyeh *et al.*, 2018; Esaiasson *et al.*, 2017). The responsiveness of employees is based on personal responsibility for the organization. Personal conditions of

employees who have good responsiveness can encourage the desire to act and treat consumers fairly.

### **Flexibility**

Flexibility describes the extent to which the organisation has a broad range of functional and operational options. Dove (2001) opined that flexibility, drives the robustness of the organisation, ensuring continuity and consistency in its operations. Highly flexible organizations may swiftly create novel and distinctive goods while also increasing their output without compromising efficiency, cost, or performance (Martínez, et. al, 2016). It also improves the formulation of different approaches and possible change experiences. Operational flexibility refers to a company's capacity to address both internal and external issues, resulting in the creation of possibilities for competition and the mitigation of losses (Alolayyan, et. al. 2012; Tiwari, et. al. 2015). The firm can interact with prestigious suppliers and all kinds of clients thanks to the dimensions of input and output flexibility, which results in a value chain that boosts the efficiency of the organization (Sawhney, 2006).

### **Agility**

Organizational agility refers to firm's ability to sense opportunities and threats and respond by assembling the needed organizational resources with rapidity (Wamba, Akter & Guthrie, 2020). Agility, as a business concept, was coined in a manufacturing context – particularly in relation to flexible manufacturing systems (Del Giudice, et al. 2021). Agile organization has the ability to survive and prosper in a competitive environment of continuous and unpredictable change by reacting quickly and effectively to changing markets, driven by customer-defined products and services. Organizational agility refers to firm's ability to sense opportunities and threats and respond by assembling the needed organizational resources with rapidity (Overby, Bharadwaj & Sambamurthy, 2006). For an organization to maintain relevance, agility is a priority because it is the essential enabler of organizational effectiveness and excellence (Mische, 2000). It is a means of reaching and sustaining high performance. Agility must exceed business process and be core characteristic of its people, teams and overall organizational culture.

### **Feedback**

Feedback is an essential aspect of responsiveness as it serves as a basis for justifying the extent or degree to which concerns have been duly addressed. Harcourt and Ateke (2018) opined that organisation, through feedback and learning, are able to effectively discern the issues of concerns of their environment. Feedback, according to Day (2005), provides the yardsticks for assessing the organisations responses as it not only specifies the areas, issues and particular gaps to be addressed, but it also provides the basis for the development of benchmarks utilised in the investigation of the research. Feedback therefore demonstrates the extent to which the organisation is in touch with the dynamics of its environment. The feedback includes a wide range of sources from formal rules to personal thoughts and feelings (Hanser & Muchinsky, 2018). Pulakos and O'Leary (2011) illustrated that ongoing informal feedback exchanges between managers and employees can enhance the effectiveness of performance management (e.g. communicating clear work expectations, setting short-term objectives and deadlines, and providing continual guidance).

### **Empirical Review**

Uzma and Tajammal (2013) conducted a study titled "empathy and employee performance in Nigeria" with the aim of exploring the relationship between empathy and employee performance. The study was carried out in the city of Ibadan, Nigeria, with a sample size of 150 employees from various organizations. The study employed a quantitative, cross-sectional survey design to gather data on empathy and employee performance. The study population was composed of employees working in organizations in Ibadan, Nigeria. The sample size for the study was 150 employees, selected through convenience sampling method. The convenience sampling technique was used to select the participants, whereby individuals were selected based on availability and willingness to participate in the study. Data was collected through a self-administered questionnaire that was distributed to the participants to assess their perceptions of empathy and employee performance. The study found a significant relationship between empathy and employee performance, with higher levels of empathy being associated with higher levels of employee performance. The findings of the study also revealed that the moderating role of organizational culture significantly influenced the relationship between empathy and employee performance, such that the positive relationship between empathy and performance was stronger in organizations with a strong learning culture.

Oyebade and Ajibua (2015) conducted a study on the relationship between empathy and employee performance in Nigerian organizations, using a quantitative research design. The study population consisted of employees from various organizations in Nigeria, with a sample size of 500 employees selected using a simple random sampling technique. Data collection involved the use of a self-administered questionnaire that assessed empathy, organizational culture, and employee performance. The findings of the study revealed a significant positive relationship between empathy and employee performance, particularly in the areas of job satisfaction, commitment, and innovation. The study also found that organizational culture had a significant moderating effect on the relationship between empathy and performance, with a stronger relationship observed in organizations with a supportive and collaborative culture. The results of the study suggested that empathy could be a valuable tool for enhancing employee performance and workplace outcomes in Nigerian organizations, particularly in contexts where organizational culture is supportive and collaborative. Overall, the study highlighted the potential benefits of empathy in the workplace and emphasized the need for further research and interventions to promote empathy in Nigerian organizations.

Research on empathetic leadership is controversial, particularly with regard to concerns of discipline and the extent of tolerance in the workplace. Salanova et al (2016) noted that while it may come with some disadvantages in terms of project extensions over leaders' patience with some workers or processes, empathy is nonetheless important as it drives trust and support for leadership. Workers tend to be more collaborative and engaged; hence there is a heightened level of commitment and creativity from the workforce. As such, empathetic leadership is imperative for healthier and more integrated organisational systems. Salanova et al (2016) also argued that it is only through sincere concerns and empathy for employees, that leadership can truly engage and motivate them.

### **METHODOLOGY**

This study adopted the correlational research design. The accessible population for this study consisted of five (5) Fintech organisations with registered offices in River's state. The study

adopted the census method of sampling in which the entire population was adopted as sample. The research data for this study was collected mainly from the primary source. The questionnaire was adopted as the primary data collection instrument for this research. The study adopted both content and face-validity. The reliability for the study was determined using the Cronbach alpha coefficient. Spearman Rank Order Correlation Coefficient was used to test the stated hypotheses formulated for the study.

**DATA ANALYSIS AND FINDINGS**

This section is concerned with the analysis and discussion of the findings for the empirical assessment of the relationship between Empathy and Measures of Organizational Responsiveness of Fintech organisations in Rivers State.

**Relationship between Empathy and Measures of Organizational Responsiveness**

**Table 1: Correlations Matrix for Empathy and Measures of Organizational Responsiveness**

			Empath y	Flexibilit y	Agility	Feedback
Spearman's rho	Empathy	Correlation Coefficient	1.000	.757**	.647**	.871**
		Sig. (2-tailed)	.	.000	.000	.000
		N	238	238	238	238
	Flexibility	Correlation Coefficient	.757**	1.000	.680**	.669**
		Sig. (2-tailed)	.000	.	.000	.000
		N	238	238	238	238
	Agility	Correlation Coefficient	.647**	.680**	1.000	.750**
		Sig. (2-tailed)	.000	.000	.	.000
		N	238	238	238	238
	Feedback	Correlation Coefficient	.871**	.669**	.750**	1.000
		Sig. (2-tailed)	.000	.000	.000	.
		N	238	238	238	238

\*\*Correlation is significant at the 0.01 level (2-tailed).

Source: SPSS Output, version, 25 (2025)

Table 1 illustrates the test for the last three previously postulated bivariate hypothetical statements. The results are stated below:

**H0:1** There is no significant relationship between empathy and flexibility of Fintech organisations in Rivers State.

The result as depicted in table 1 revealed that there is a strong and positive relationship between empathy and flexibility of Fintech organisations in Rivers State. The data indicates that empathy is significantly associated with flexibility (where rho=.757 and P<0.05). The finding suggests that

empathy enhances organizational responsiveness which is measured in terms of flexibility. Hence on the basis of the result, the null hypothesis ( $H_{07}$ ) is accepted and the alternate rejected.

**H<sub>0:2</sub>** There is no significant relationship between empathy and agility of Fintech organizations in Rivers State.

The result as depicted in table 1 revealed that there is a strong and positive relationship between empathy and agility of Fintech organisations in Rivers State. The data indicates that empathy is significantly associated with agility (where  $\rho=.647$  and  $P<0.05$ ). The finding suggests that empathy enhances organizational responsiveness which is measured in terms of agility. Hence on the basis of the result, the null hypothesis ( $H_{08}$ ) is rejected and alternate accepted.

**H<sub>0:3</sub>** There is no significant relationship between empathy and feedback of Fintech organisations in Rivers State.

The result as depicted in table 1 revealed that there is a very strong and positive relationship between empathy and feedback of Fintech organisations in Rivers State. The data indicates that empathy is significantly associated with feedback (where  $\rho=.871$  and  $P<0.05$ ). The finding suggests that increased empathy enhances organizational responsiveness which is measured in terms of feedback. Hence on the basis of the result, the null hypothesis ( $H_{09}$ ) is accepted and the alternate rejected.

### DISCUSSION OF FINDINGS

The result for hypotheses 1, 2, and 3 showed that there is a strong and positive significant relationship between empathy and measures of measures of organizational responsiveness of Fintech organizations in Rivers State. The result denotes that showing concern for others will result to increased organizational responsiveness of Fintech organizations in Rivers State. The result is tandem with the work of Salanova *et al.* (2016) who noted that while it may come with some disadvantages, empathy is nonetheless important as it drives trust and support for leadership. Workers tend to be more collaborative and engaged; hence there is a heightened level of commitment and creativity from the workforce. As such, empathetic leadership is imperative for healthier and more integrated organisational systems. Salanova et al (2016) also argued that it is only through sincere concerns and empathy for employees, that leadership can truly engage and motivate them.

### CONCLUSION AND RECOMMENDATIONS

Based on the results of this study, it was concluded that empathy plays a vital role in building trust and strong relationships within organizations. By demonstrating genuine concern for the well-being and needs of employees, organizations can foster a positive work environment and enhance overall performance. It is therefore recommended that management in Fintech organizations in Rivers State should encourage employees to paying attention and understand other people' feelings and emotions. By doing this, organizations can create a more empathetic and responsive environment that leads to improved employee morale, customer satisfaction, and overall organizational performance.

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