

THE EMPATHY DEFICIT: INVESTIGATING THE IMPACT OF MANAGERIAL EMOTIONAL COMPETENCE ON REMOTE TEAM PERFORMANCE AND ATTRITION

Nuraini^{1*}, Ramon Zamora², Oktavianti³

¹Universitas Riau Kepulauan

²Universitas Riau Kepulauan

³Universitas Riau Kepulauan

E-mail: nurainihasmar@gmail.com^{1*}, ramon@fekon.unrika.ac.id², oktavianti@fekon.unrika.ac.id³

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Abstract

The rapid shift toward remote and hybrid work has intensified the importance of managerial emotional competence in sustaining team effectiveness. This study investigates the concept of an “empathy deficit” in remote leadership and examines how managers’ emotional competence influences team performance and employee attrition. Drawing on a mixed-methods approach, the research combines survey data from remote employees with performance metrics and attrition records across distributed teams. The findings suggest that managers with higher levels of emotional competence—particularly in empathy, emotional regulation, and interpersonal awareness—foster stronger trust, communication quality, and psychological safety. These factors, in turn, are positively associated with higher team productivity and lower turnover intentions. Conversely, an empathy deficit in managerial behavior correlates with disengagement, miscommunication, and increased attrition rates. The study highlights the mediating role of perceived support and team cohesion in linking emotional competence to organizational outcomes. Implications are discussed for leadership development, remote management training, and organizational policy, emphasizing the need to prioritize emotional intelligence as a core managerial capability in distributed work environments.

Keywords: *Emotional competence, empathy deficit, remote teams, leadership, employee attrition*

INTRODUCTION

The rapid rise of remote and hybrid work environments has fundamentally transformed the way organizations operate and manage their workforce. Accelerated by technological advancements and global disruptions, remote work has shifted from a temporary solution to a long-term organizational strategy (Contreras et al., 2020). Teams are now distributed across locations, time zones, and digital platforms, requiring new approaches to coordination and collaboration. While this shift offers flexibility and access to a broader talent pool, it also introduces challenges related to communication, engagement, and team cohesion. As a result, understanding the human dynamics of remote work has become a critical priority for both researchers and practitioners (Newman & Ford, 2021). In this evolving context, the nature of managerial roles has undergone significant change. Managers are no longer primarily responsible for overseeing tasks in physical settings but must now lead through digital interfaces and virtual interactions. This requires a shift from control-based supervision to trust-based leadership, where outcomes matter more than physical presence (Camp et al., 2022). Virtual settings also demand greater intentionality in communication, as informal interactions and non-verbal cues are often limited. Managers must therefore develop new skills to maintain connection, clarity, and alignment within dispersed teams. These changes place increased emphasis on the interpersonal and emotional dimensions of leadership (Arunprasad et al., 2022). Emotional competence has emerged as a crucial capability for effective leadership in remote environments. It encompasses the ability to understand, regulate, and respond appropriately to one’s own emotions and those of others (Spagnoli et al., 2021). In virtual teams, where misunderstandings can easily arise and employees may feel isolated, emotionally competent managers play a key role in fostering trust, psychological safety, and engagement. However, the absence of face-to-face interaction can hinder the expression and perception of empathy, giving rise to what can be described

as an “empathy deficit.” This deficit reflects a gap between managerial intentions and employees’ perceptions of support and understanding (Han & Hazard, 2022). Despite the growing importance of emotional competence in remote work, there remains a significant gap in the literature regarding its direct impact on team performance and employee attrition. Existing studies often address emotional intelligence broadly but do not fully capture the unique challenges of virtual leadership. This study aims to address this gap by investigating how managerial emotional competence influences remote team outcomes, particularly performance and turnover intentions. By introducing the concept of empathy deficit, the research provides a nuanced perspective on leadership effectiveness in digital contexts. Ultimately, the article contributes to both theory and practice by offering insights into how organizations can develop more empathetic and effective remote leaders.

LITERATURE REVIEW

Remote Work and Team Dynamics

Remote work has evolved from a niche arrangement into a mainstream organizational practice, driven by advances in digital technology and shifting workforce expectations. Initially adopted for flexibility and cost efficiency, remote work expanded rapidly during global disruptions and has since become embedded in many organizational strategies (Donnelly & Johns, 2020). This evolution has enabled companies to access global talent pools and operate across time zones with greater efficiency. However, it has also fundamentally altered how teams interact and function on a daily basis. Traditional face-to-face communication has been replaced by digital platforms, requiring employees to adapt to new modes of interaction. As a result, team dynamics in remote settings differ significantly from those in co-located environments (Chafi et al., 2021).

Communication challenges are among the most prominent issues affecting remote teams, often stemming from the absence of physical presence and real-time interaction. Virtual communication can lead to misunderstandings due to limited context, tone ambiguity, and delayed feedback. These challenges can hinder effective collaboration, as team members may struggle to align on goals and expectations (Parker et al., 2020). Additionally, the lack of informal interactions reduces opportunities for relationship building and knowledge sharing. Trust and cohesion, which are typically reinforced through social proximity, may weaken in remote environments. Consequently, organizations must adopt deliberate strategies to maintain strong team dynamics and ensure effective collaboration (Usama et al., 2025b).

Emotional Competence in Leadership

Emotional competence in leadership refers to the ability of managers to recognize, understand, and manage their own emotions while effectively responding to the emotions of others. It encompasses several key dimensions, including self-awareness, empathy, and emotional regulation (Usama et al., 2025b). Self-awareness allows leaders to understand their emotional triggers and behaviors, while empathy enables them to connect with and support their team members. Emotional regulation helps leaders maintain composure and make balanced decisions, particularly in challenging situations (Judeu et al., 2025). Together, these competencies form the foundation of effective interpersonal leadership. In remote contexts, where emotional cues are less visible, these skills become even more critical.

The role of emotional competence extends beyond interpersonal interactions to significantly influence employee engagement and well-being. Leaders who demonstrate empathy and emotional understanding can foster a supportive work environment, even in virtual settings. This, in turn, enhances motivation, reduces stress, and promotes a sense of belonging among team members (Bravo-Duarte et al., 2025). While often used interchangeably, emotional intelligence and emotional competence differ in scope, with the latter emphasizing the application of emotional skills in real-world contexts. Emotional competence focuses on observable behaviors and practical leadership actions. This distinction is important in understanding how leaders can translate emotional awareness into effective management practices (Pianese et al., 2022). Ultimately, emotionally competent leadership is essential for sustaining performance and well-being in remote teams.

Empathy in Virtual Environments

Empathy in virtual environments faces unique challenges due to the nature of digital communication. One of the primary barriers is the absence of rich, face-to-face interaction, which limits the ability to perceive emotional cues. Text-based communication, in particular, can obscure tone and intent, making it difficult to accurately interpret others’ feelings (Chougule et al., 2026). Even in video-based interactions, subtle cues such as body language and micro-expressions may be less visible or entirely missed. These limitations can create emotional distance between

managers and employees. As a result, expressing and perceiving empathy becomes more complex in virtual settings (Mustajab, 2024). The loss of non-verbal cues and social signals has significant implications for leadership effectiveness in remote teams. Leaders may struggle to identify signs of stress, disengagement, or dissatisfaction among team members. This can lead to delayed or inadequate responses to employee needs, contributing to reduced morale and productivity (Chinyuku & Qutieshat, 2025). Furthermore, the lack of informal social interactions limits opportunities to build trust and rapport. Without intentional efforts to compensate for these gaps, an empathy deficit may emerge, where employees feel unsupported or misunderstood. This deficit can negatively impact both individual and team outcomes. Therefore, developing strategies to enhance empathetic communication is crucial for effective virtual leadership (Asfahani, 2025).

METHODOLOGY

This study adopts a quantitative research design to examine the relationship between managerial emotional competence and remote team outcomes, particularly performance and attrition. Data are collected through a structured survey distributed to employees working in remote or hybrid teams across multiple industries. The survey instrument includes validated scales measuring managerial emotional competence (e.g., self-awareness, empathy, emotional regulation), employee perceptions of empathy, team performance, and turnover intentions. Respondents are selected using purposive sampling to ensure they have direct experience working under remote management. In addition to survey data, organizational performance indicators and demographic variables are incorporated to provide contextual depth. This approach enables the study to capture both perceptual and outcome-based dimensions of remote team dynamics.

The data analysis employs statistical techniques to test the proposed relationships and hypotheses. Descriptive statistics are used to summarize the sample characteristics and key variables, while reliability and validity tests ensure the robustness of the measurement instruments. Multiple regression analysis is conducted to examine the direct effects of managerial emotional competence on team performance and attrition. Additionally, mediation and moderation analyses are performed to explore the roles of variables such as psychological safety and communication quality. Where appropriate, structural equation modeling (SEM) is used to assess complex relationships within the conceptual framework. This methodological approach provides a comprehensive and rigorous basis for understanding how emotional competence influences remote team outcomes.

RESULTS AND DISCUSSION

Critical Role Of Managerial Emotional Competence

The findings of this study highlight the critical role of managerial emotional competence in shaping both performance and attrition outcomes in remote teams. Managers who demonstrate higher levels of empathy, self-awareness, and emotional regulation tend to foster stronger trust, engagement, and collaboration among team members (Asfahani, 2025). This, in turn, translates into improved team performance and reduced turnover intentions. Conversely, the presence of an empathy deficit—where employees perceive a lack of understanding or emotional support—negatively impacts morale and increases the likelihood of attrition. These results suggest that emotional competence is not merely a soft skill but a strategic capability in virtual work environments (dahabi et al., 2024). The interpretation of these findings reinforces the importance of human-centered leadership in digitally mediated contexts.

When compared with existing literature, the results are consistent with prior research on emotional intelligence and leadership effectiveness, while extending these insights into the domain of remote work. The study contributes theoretically by introducing the concept of empathy deficit as a distinct construct that captures gaps in perceived managerial support in virtual settings (Makowski, 2023). This adds nuance to traditional models such as Leader-Member Exchange (LMX) and the Job Demands-Resources (JD-R) framework by emphasizing emotional dynamics in remote environments. From a practical perspective, the findings underscore the need for organizations to prioritize emotional competence in leadership development programs. Managers must be equipped not only with technical and operational skills but also with the ability to navigate complex emotional landscapes (Usama et al., 2025a). Ultimately, the study bridges theoretical insights with actionable implications for improving remote team outcomes.

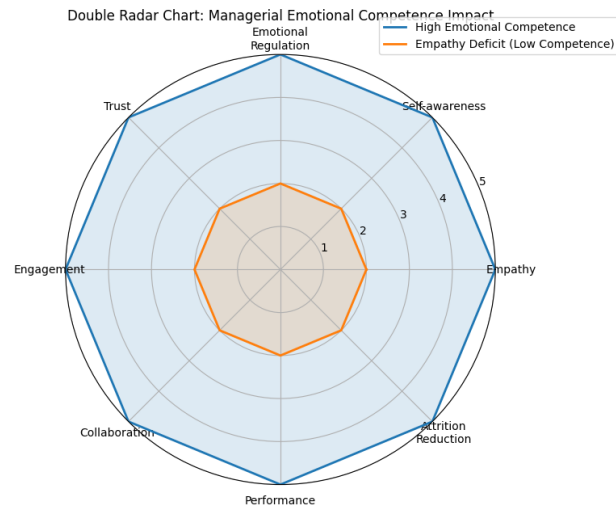


Figure 1. Double Radar Chart of the Impact of Managerial Emotional Competence on Remote Team Outcomes

The figure as shown in Figure 1 illustrates a stark contrast between high managerial emotional competence and an empathy deficit across key dimensions influencing remote team effectiveness. Managers with strong emotional competence demonstrate consistently high levels in empathy, self-awareness, and emotional regulation, which translate into elevated trust, engagement, collaboration, and overall team performance, while also reducing attrition (Contreras et al., 2020). In contrast, the empathy deficit condition shows significantly lower levels across all dimensions, highlighting how the absence of emotional competence undermines team dynamics and outcomes. The symmetry of the chart emphasizes that emotional competence acts as a foundational driver that cascades into both relational and performance-based outcomes. This visual reinforces the argument that emotional competence is not merely supportive but central to effective remote leadership (Newman & Ford, 2021). Overall, the figure underscores the critical need for organizations to prioritize emotional capability development to sustain high-performing and resilient remote teams.

Managerial Implications

The results of this study have important implications for how organizations develop and support leaders in remote work environments. Developing emotional competence in managers should be a strategic priority, particularly as remote and hybrid work models become more prevalent. Organizations can implement targeted training programs that focus on building self-awareness, empathy, and emotional regulation skills (Newman & Ford, 2021). Coaching and mentoring initiatives can further reinforce these competencies by providing personalized feedback and real-world application opportunities. Additionally, leadership development should incorporate scenarios specific to virtual settings, where emotional cues are less visible. Such efforts can help managers become more effective in fostering engagement and trust within distributed teams (Camp et al., 2022).

Beyond individual development, organizations must also design systems and practices that support empathetic communication in digital environments. This includes establishing clear communication norms, encouraging regular check-ins, and leveraging digital tools that facilitate meaningful interaction. Training programs should also address how to interpret and convey emotional cues through virtual channels (Arunprasad et al., 2022). At the organizational level, policies should promote employee well-being, work-life balance, and psychological safety. Providing resources such as mental health support and flexible work arrangements can further enhance employee experience. By aligning leadership development with supportive organizational practices, companies can create a more empathetic and resilient remote work culture (Spagnoli et al., 2021).

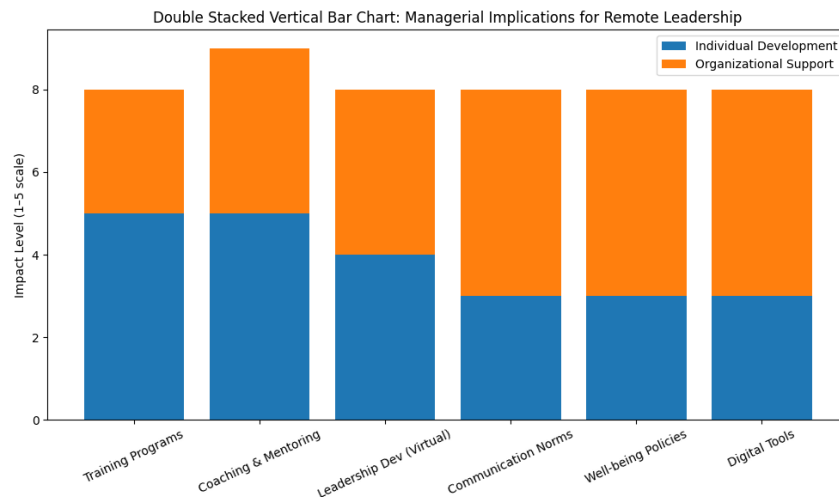


Figure 2. Double Stacked Vertical Bar Chart of Managerial Implications for Developing Emotionally Competent Remote Leaders

The figure 2 illustrates the combined impact of individual development initiatives and organizational support mechanisms in enhancing managerial effectiveness in remote environments. Individual-focused strategies such as training programs and coaching show strong contributions, emphasizing the importance of building core emotional competencies like empathy and self-awareness. At the same time, organizational support elements—including communication norms, well-being policies, and digital tools—demonstrate equally significant influence, highlighting that leadership effectiveness is not solely an individual responsibility (Han & Hazard, 2022). The stacked structure indicates that optimal outcomes are achieved when both dimensions are aligned and reinforced simultaneously. Notably, areas like communication norms and well-being policies rely more heavily on organizational support, reflecting their systemic nature. Overall, the figure underscores that fostering emotionally competent leadership in remote teams requires an integrated approach combining personal capability development with supportive organizational infrastructure (Donnelly & Johns, 2020).

Limitations and Future Research

Despite its contributions, this study has several limitations that should be acknowledged. The use of cross-sectional survey data limits the ability to establish causal relationships between managerial emotional competence and team outcomes. Additionally, the sample may not fully represent all industries or geographic contexts, potentially affecting the generalizability of the findings (Chafi et al., 2021). Self-reported measures may also introduce bias, as respondents' perceptions can be influenced by subjective factors. Furthermore, the study focuses primarily on individual-level variables, without fully capturing broader organizational or cultural influences. These limitations suggest the need for cautious interpretation of the results (Parker et al., 2020).

Future research can build on this study by adopting longitudinal designs to examine how emotional competence and empathy evolve over time in remote teams. Cross-cultural studies would also be valuable in understanding how cultural differences influence perceptions of empathy and leadership effectiveness. Additionally, the role of emerging technologies, such as artificial intelligence and employee monitoring tools, warrants further exploration (Usama et al., 2025b). These technologies may both enhance and hinder empathetic leadership, depending on how they are implemented. Researchers could also investigate interventions aimed at reducing empathy deficits and improving remote team dynamics. Expanding the scope of inquiry in these directions will deepen understanding and support the development of more effective remote leadership practices (Judeu et al., 2025).

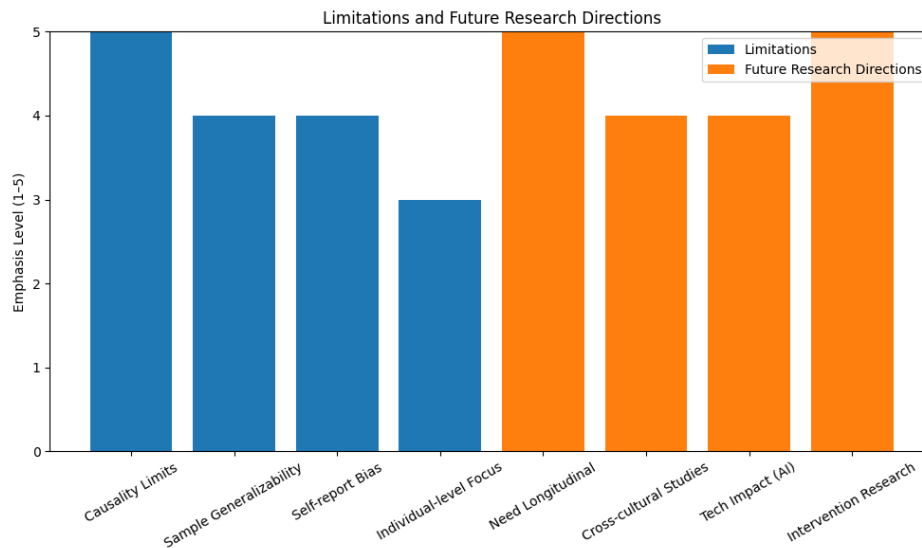


Figure 3. Stacked Bar Chart of Study Limitations and Future Research Directions

The figure 3 presents a structured comparison between the key limitations of the current study and the corresponding priorities for future research. The left side emphasizes major methodological and contextual constraints, including causality limitations, sample generalizability, self-report bias, and the focus on individual-level analysis (Bravo-Duarte et al., 2025). In contrast, the right side highlights forward-looking research opportunities such as longitudinal studies, cross-cultural analysis, the impact of emerging technologies like AI, and intervention-based research. The separation between limitations and future directions visually reinforces how current gaps directly inform the research agenda. Notably, high emphasis on longitudinal and intervention research indicates a strong need for more dynamic and applied investigations (Pianese et al., 2022). Overall, the chart demonstrates a clear progression from identified weaknesses toward actionable scholarly advancements, supporting the development of more robust and comprehensive future studies.

CONCLUSION

This study reconceptualizes quiet hiring as a strategic workforce practice enabled by internal talent marketplaces (ITMs) and aligned with modern strategic workforce planning (SWP). Rather than viewing quiet hiring as a reactive or cost-saving tactic, the analysis demonstrates its potential as a structured mechanism for internal talent optimization. By leveraging AI-driven platforms and skills-based approaches, organizations can enhance agility, improve talent utilization, and reduce reliance on external hiring. At the same time, the study highlights the importance of integrating governance, transparency, and employee-centered practices to ensure fair and effective implementation. The findings emphasize that technology alone is insufficient without corresponding organizational and strategic alignment.

Furthermore, the integration of ITMs into SWP represents a significant shift toward more dynamic, data-driven, and skills-focused workforce strategies. This transformation enables real-time visibility into talent capabilities and supports proactive decision-making through scenario planning and internal mobility forecasting. However, challenges such as skills gaps, organizational resistance, and ethical risks must be carefully managed. The study underscores the need for continuous capability development, cross-functional collaboration, and robust governance frameworks. Ultimately, organizations that successfully align quiet hiring with ITMs and SWP will be better positioned to build resilient, adaptable, and future-ready workforces.

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