

A man with dark hair, wearing a brown blazer over a light-colored shirt, is shown in profile, looking down at a notebook. The background is a solid blue color with some yellow vertical lines on the left side.

**20** STATE OF  
**WORKPLACE**  
**25** EMPATHY

DEIB SPECIAL REPORT

# Return on Investment or Risky Business? CEOs are on the Fence

 **business**solver<sup>®</sup>

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# A Note from Our Chief Strategy Officer

No matter how you label it—or worse, how you dismantle it—Diversity, Equity, Inclusion, and Belonging (DEIB) programs remain intrinsic to business performance. Our 2025 State of Workplace Empathy report, alongside data from the likes of McKinsey and Deloitte, is proof of the rewards a strong DEIB program can deliver—as well as the risks of rolling back DEIB.

We know our employees, or Solvers as we call ourselves, are the differentiating factor in our company's ability to grow by double digits, even in the face of some of the most challenging market cycles in history. If our employees are delighted, our customers will be too.

**We call this our “Delight” principle, and I firmly believe there are two types of companies:**

1. Those that believe their employees are assets
2. And those that view their employees as expenses

The former will invest in benefits, policies, and programs that delight their people, making them feel seen, heard, and valued—balancing costs with care. The latter, however, will reduce DEIB to a compliance line item, missing the bigger picture. A modern business approach recognizes DEIB's strategic value to every aspect of the business—driving wellbeing, engagement, innovation, creativity, growth, and more.

**DEIB simply cannot be separated from the business. It is the business:**

- Diversity drives innovation and growth
- Equity breaks down barriers and fuels morale
- Inclusion fuels retention and acquisition
- Belonging powers engagement and productivity

DEIB is deeply intertwined with business outcomes. We've seen it first-hand at Businessolver ([read our case study here](#)). As we see signs of CEO retreat, I hope this report reignites conviction—no matter what name DEIB takes next.



A handwritten signature in black ink that reads "Rae Shanahan".

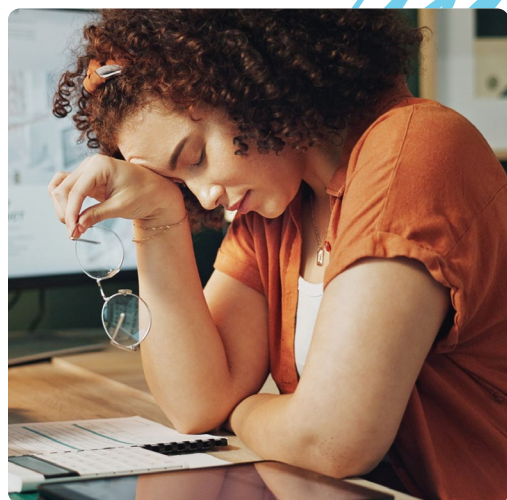
Rae Shanahan,  
Businessolver Chief Strategy Officer

# The State of DEIB: CEOs Show Signs of Caving to Political Pressure—Despite Putting Value on DEIB

DEIB initiatives are on fragile footing in American workplaces as leaders weigh the impact of championing DEIB against their bottom lines and competing political, financial, and stakeholder pressures.

Findings from our [2025 State of Workplace Empathy report](#), which surveyed over 3,200 U.S. employees, HR professionals, and CEOs across 6 key industries, reveal a concerning shift. Political pressures may be influencing CEOs' decisions around DEIB, potentially contributing to further declines in program implementation.

**Only 57% of CEOs report having active DEIB programs—a 17-point decline from 2024.** Additionally, CEOs are also less likely to view DEIB training as a demonstration of empathy, with an **8-point decline** from 2024. These trends signal not just retreat, but a reframing of DEIB as optional rather than essential.



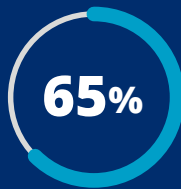
## 🔍 My Company Has DEIB Initiatives



## Percentage of Total Respondents Who Say Their Organization Has DEIB Initiatives Segmented by Industry



Healthcare



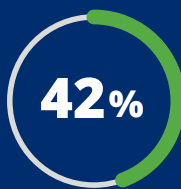
Financial Services



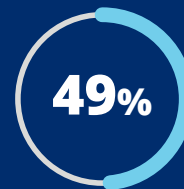
Manufacturing



Technology



Government



Hospitality

Yet desire for DEIB initiatives remains high across all audiences. Employees (71%), HR (85%), and CEOs (85%) agree/strongly agree that DEIB efforts are important to them personally, and the majority of employees (74%), HR (81%), and CEOs (85%) likewise believe DEIB initiatives are important to their organizations.

**But, are C-suite leaders retreating without pausing to reflect on the bottom-line impact of DEIB?**



## ? DEIB Initiatives Are Important to My Company

Agree/strongly agree



Total Respondents



Employees

↑ (+3 points YOY)



HR Professionals

↓ (-3 points YOY)



CEOs

↓ (-3 points YOY)

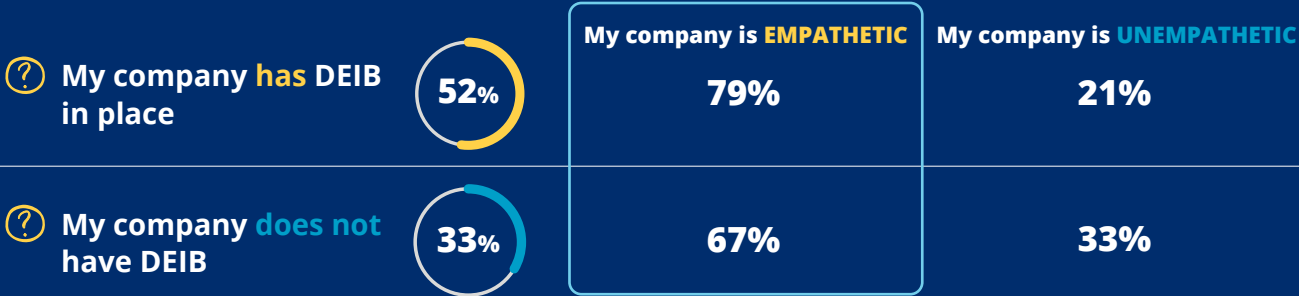


# DEIB Drives Retention: Without It, Employees Are 35% More Likely to Leave

In total, 79% of employees say DEIB efforts are a demonstration of employer empathy, yet only 52% say their company has DEIB initiatives in place.

## Employees Who Say Their Company Has DEIB Are Nearly 20% More Likely to Also Say Their Company Is Empathetic

Organizations with DEIB initiatives are more likely to be perceived as empathetic, thereby mitigating risk of attrition.



## Employees Who Say Their Company Does Not Have DEIB Are 35% More Likely to Leave

Employees whose companies are not investing in DEIB programming are more likely to consider their company unempathetic, signaling significant risk of attrition.

	My company <b>has</b> DEIB in place	My company <b>does not</b> have DEIB in place
Likely to change jobs	37%	50% (35% more likely to leave)
Not likely to change jobs	62%	48%

## Unempathetic Organizations Risk \$180 Billion

By undervaluing empathy's role in the workplace, employers are missing out on a high-ROI lever for long-term growth: maximizing employee retention.

Likely to change jobs in the next 6 months



Employees at **EMPATHETIC** companies



Employees at **UNEMPATHETIC** companies

+ 18 points

**18%**  
× **\$1 Trillion\***  
**\$180 Billion**

Potentially saved by building an empathetic workplace

\*Source: The Work Institute: Employee Retention Truths in Today's Workplace

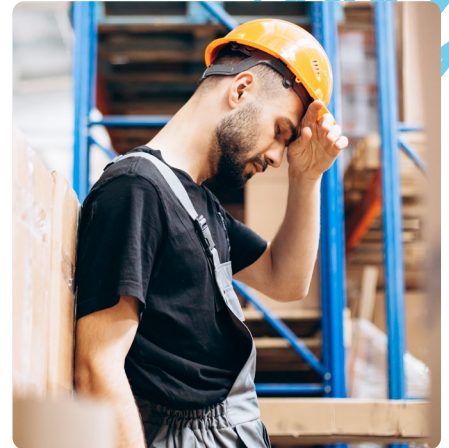


# The Future of DEIB: A New Era of Risk Versus Reward

An NPR analysis found that over a dozen of the largest U.S. companies have deleted some or all references to “DEI” in their annual investor reports over the past year, and in some cases, no longer mention “diversity” at all.

The decline we see in CEOs who say their company has DEIB initiatives could be reflective of their current strategic purview into what’s at stake, including client, partner, and stakeholder disruption. Many companies and government agencies are on their tip toes—one wrong move in either direction could jeopardize contracts and subsequent revenue.

The origins of DEIB are rooted in compliance and in legislation like the Equal Employment Opportunity Commission (EEOC) and the Americans with Disabilities Act (ADA), largely enacted through an obligatory legal lens.



Today, we find ourselves back in a time of compliance where companies have the freedom to execute DEIB at the lowest common denominator. Or choose to embed it—no matter how it’s labeled—into their business strategy.

- Allison Wallace, Businessolver Chief Legal Officer

## Ultimately, how companies perceive and execute their DEIB strategy (or lack thereof) is a risk-versus-reward mindset

Even as some organizations rebrand DEIB to navigate political pressures, many high-performing organizations are staying the course because they recognize the return on investing in people.

On the flip side, there are still DEIB skeptics—companies that perceive it as voluntary or performative, and therefore expendable. Certainly, doing away with DEIB brings a level of autonomy to the upper echelons of company governance: No commitments to numerical goals related to race, ethnicity, sex, or gender. No need for DEIB objectives in compensation plans and no need for dedicated DEIB personnel. These organizations view DEIB as a barrier to the bottom line.

Pre-pandemic research from Deloitte found inclusive companies are 2X as likely to meet or exceed financial targets, 3X as likely to be high-performing, and 6X more likely to be innovative and agile.



A modern approach to DEIB is holistic and integrated, it's not siloed into a single committee or function within people operations. It treats DEIB as both essential to culture and foundational to performance management, learning and development, communications, mentorship, and leadership.

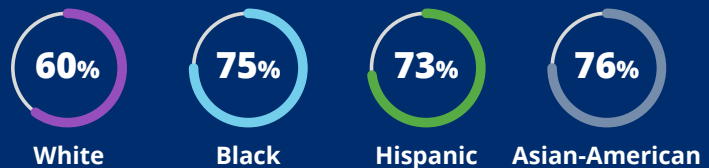
- Lisa Alvarado, Managing Director at Holistic, a DEI and People Experience consultancy firm

## Younger, Racially Diverse Employees Expect Meaningful DEIB Action

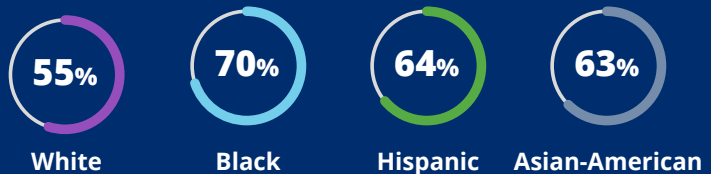
Public stances and perceived authenticity matter, and companies that downplay DEIB risk disengagement or attrition among the very groups shaping the future of work. Notably, support for DEIB rose sharply among Boomers, showing the shift is broadening across generations.

● Gen Z ● Millennial ● Gen X ● Boomer+

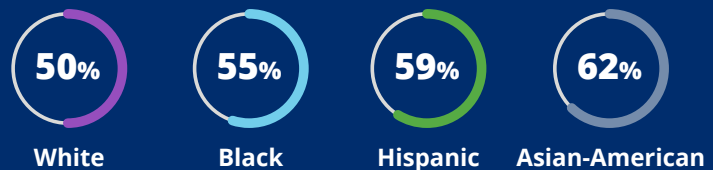
① My company should do more to foster a diverse and inclusive environment



② I wish my company would take a public stance about topics related to social-political unrest



③ My company spends more time talking about DEIB than implementing DEIB





# The Business Case for DEIB: Why Rolling Back Is Risky Business

Despite recent political headwinds and shifts in corporate posture, the evidence is clear: Diversity, Equity, Inclusion, and Belonging—no matter how the pillars are labeled—remain critical drivers of business performance, innovation, and talent sustainability. While some organizations may be rebranding, scaling back, or pausing their DEIB strategies, data shows that companies investing in DEIB are reaping measurable returns both financially and culturally.

**?!!** **85%** of CEOs believe DEIB initiatives help retain top talent, yet only 57% (-17 points YOY) say their company has DEIB.

## 1. Diversity drives innovation and growth

Research by McKinsey & Company found that companies in the top quartile for gender diversity on executive teams were 39% more likely to outperform their peers financially. Furthermore, Boston Consulting Group reports that companies with more diverse management teams generated 19% higher revenue from innovation compared to their less-diverse counterparts.

Glassdoor likewise reports that 76% of job seekers consider workforce diversity a key factor when evaluating job offers, and 32% have declined opportunities due to a lack of it.



**Real-world example:** Cisco's Proximity Initiative has strengthened empathy, allyship, and innovation—earning it the top spot on *Financial Times*' list of European Diversity Leaders.

**Takeaway:** Diversity isn't a checkbox—it's a competitive asset. Representation at a decision-making level fuels business growth, innovation, and market relevance.

You cannot argue with the fact that a diverse workforce is better. There's too much business value. It's being discussed like it's a single-issue discussion, and you either believe it or you don't. And in reality, it's made up of 150 different things, and maybe seven of them got a little out of hand. I think those six or seven things are going to get solved and then you're going to be left with common sense. But the core reasons that you have a diverse workforce are still there from a business perspective.

- Chuck Robbins, CEO of Cisco

## CEOs Who Say Their Company Has DEIB Are 34% More Likely To Have Invested in Employee Benefits and Wellness Programs, and Significantly Less Likely To Have Implemented Layoffs/RIFs in the Past Year

? Which of the following, if any, have you or your colleagues experienced in the past 12 months?

● % CEOs who say their company **has** DEIB    ● % CEOs who say their company **does not have** DEIB



## 2. Equity breaks down barriers and fuels morale

Real DEIB work involves dismantling systemic barriers that have historically hindered marginalized groups—such as biases in recruitment, performance reviews, and leadership pipelines, including equitable access to mentorship and leadership development programs. All of this fuels employee morale, underpinning a strong company culture.



**Real-world example:** At Businessolver, technology plays a role in equitable access to employee benefits. For example, its Benefitsolver platform now aligns with WCAG 2.2 AA accessibility standards, making digital benefits tools usable by employees of all abilities—while also supporting preferred names and pronouns across all communications (ensuring identity affirmation for every user).

Likewise, Businessolver’s personalized decision support technology promotes more inclusive and equitable benefits enrollment by enabling all individuals to optimize their benefits selections to their needs and budgets—helping their dollars go further and work harder. For 2025 enrollment, employees using decision support were **2-3X more likely to enroll in best-match plans**, from cost-savings to voluntary benefits.

**Takeaway:** Equity turns intent into impact. Companies that build fairness into compensation, development, and technology set the foundation for lasting cultural and financial success.

Empathy gaps are equity gaps. The groups that most need empathy—including but not limited to women, people of color, in-office staff—are often the least likely to experience it.

- Amy J. Wilson, Culture Shift Studio Founder and Author of *Empathy for Change*



### 3. Inclusion drives employee retention and top talent acquisition

McKinsey found that nearly **40% of employees—and over 50% of women and people of color—would leave their current employer for one with a more inclusive culture.** Likewise, Deloitte further found that organizations with inclusive cultures experience **22% lower turnover and are twice as likely to meet or exceed financial targets.**



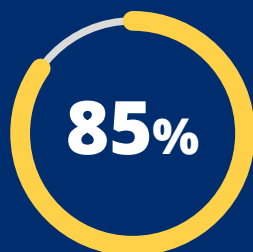
**Real-world example:** PwC turned inclusion into a retention strategy. When the company discovered that underrepresented employees were leaving at 2–3X the rate of their peers, it launched a Connectivity Partner Pilot—pairing junior employees with senior mentors to strengthen relationships and a sense of belonging. The results were immediate: participants reported improved engagement and connection, and attrition rates among women and ethnically diverse staff dropped significantly.

**Takeaway:** Companies that prioritize DEIB are far better positioned to attract and retain top talent—while those that fall short risk losing high performers. Inclusion efforts, like employee resource groups (ERGs), can directly reduce turnover and reinforce a resilient, high-performing workforce.

#### ? DEIB Initiatives Are Important to Me Personally and in Evaluating Employers

##### Agree/strongly agree

85% of CEOs and HR Professionals say DEIB initiatives are important to them when evaluating employers, alongside 71% of employees with Gen Z (82%) and Millennials (76%) leading the charge.



CEOs and HR Professionals



Employees

Gen Z

82%

Millennials

76%

## 4. Belonging powers productivity and engagement

Belonging is the emotional outcome of DEIB done right. It's how employees experience the workplace and decide whether to stay and grow—driving engagement, productivity, and retention.

A study from Harvard Business Review shows that teams with high psychological safety are 27% more likely to report excellent performance, and Google's Project Aristotle reinforced that psychological safety was the number one factor in high-performing teams.

If ever there were a critical time for the business case for diversity and inclusion in the workplace, it is now. When I think about Microsoft's uniquely inclusive mission, the word “every” stands out: Empower every person and every organization on the planet to achieve more.

- Lindsay-Rae McIntyre, Microsoft Chief Diversity Officer and Corporate Vice President, Talent and Learning



**86%** of employees are confused about their benefits, but technology helps employees optimize choices and creates equitable and inclusive access.

### DEIB Boosts Employee Sentiment by Up to 10 Points

Employees who report that their company has DEIB initiatives feel more connected, included, and authentic at work than those whose companies do not, with gaps ranging from 7 to 10 percentage points—demonstrating a measurable emotional and cultural impact tied to DEIB visibility and investment.

	% Employees: My Company <b>has</b> DEIB initiatives	% Employees: My Company <b>does not have</b> DEIB	Gap
I feel connected to peers	91%	83%	8 points
I feel connected to leaders	82%	71%	11 points
I feel like I belong	90%	80%	10 points
I feel like I can be my authentic self	88%	77%	11 points



**Real-world example:** Microsoft has tied inclusion to its company values and leadership principles, contributing to a culture where 83.5% of employees agreed/strongly agreed they observed coworkers taking intentional action to demonstrate allyship in the workplace according to its [2024 annual diversity and inclusion report](#).

**Takeaway:** Belonging doesn't happen by accident. It must be an intentional practice. Employers can foster belonging by building psychologically safe environments, encouraging authenticity, and embedding inclusive behaviors into daily leadership.

## Walking the Empathy Talk: Businessolver's Culture Transformation Driven by DEIB

How an intentional DEIB strategy helped Businessolver scale purposefully, boost engagement, and set a new industry benchmark from 2019 to 2025.



Businessolver's consistent double-digit growth hasn't been by chance. It's the outcome of an intentional, people-first strategy.

Between 2019 and 2025, Businessolver underwent a sweeping cultural transformation—anchored in empathy, inclusive leadership, and sustainable innovation. What began as a necessary shift during the COVID-19 pandemic quickly became a permanent fixture and strategic advantage. By combining DEIB with the company's mission, Businessolver has dramatically improved employee engagement, retention, culture sentiment, and operational resilience—culminating in an impressive 92% improvement in employee net-promoter scores (eNPS).

My perspective is, and always will be, that the most successful organizations require a diversity of people who are engaged and feel like they're part of something great—and to think that DEIB doesn't matter is not only shortsighted, it's bad business. Our perspective at Businessolver is never going to change: we need the most diverse set of talent, skills, and people.

- Jon Shanahan, Businessolver President and CEO

### From compliance to competitive edge: How Businessolver's DEIB investments drive growth and retention

Businessolver's commitment to DEIB is embedded within its People Strategic Objective which seeks to cultivate inclusive, high-performing teams and a culture of accountability in delivering customer "Delight." As such, Businessolver partners with [Holistic](#), an organization designed to assist companies in building diverse, inclusive, vibrant workforces by using data and analytics to attract, retain, and motivate top talent. Holistic has supported Businessolver in developing annual and multi-year goals aimed at broadening its diversity efforts and building meaningful progress and programming internally.

Businessolver's DEIB commitment and culture transformation are rooted in living its values out loud. Too often, people and culture goals surface as engagement strategies that don't get much traction. Businessolver is different, it is committed to 'walking the walk' by embedding its values into organizational strategy and bringing Solvers along every step of the way.

- Lisa Alvarado, Managing Director at Holistic, a DEI and People Experience consultancy firm



## Businesssolver's transformation by the numbers: +92% eNPS improvement and 1,000% growth in remote employees

Each year, Businesssolver conducts an employee net-promoter-score (eNPS) study to measure employee sentiments and identify areas for improvement. Since 2020, the company has seen business performance indicators and employee scores climb across the board—particularly in the areas of employee engagement, company culture, and DEIB efforts.

	2019/2020	Present Rating	
Employee Engagement	80%	84%	
Employee Retention	82%	91%	
Employee NPS (eNPS)	-7	83	+92% improvement from 2020
Company Culture	84%	88%	
DEIB Communications	81%	86%	91% of Solvers say their leader "always" or "often" displays empathy
Employee Count	261 fully remote	3,100 fully remote	
New Hire Diversity	Not measured	>60% women/non-binary	1,000% increase in fully remote employees
Leadership Diversity	Not measured	56% diverse	
Location Diversity	5 states	48 states + India and Philippines	5 of 9 C-Suite roles held by women or people of color
Client Retention	94%	96%	
Client NPS	Not measured	70	

## Inclusion and Belonging at Businesssolver

		% Solvers Agree	% Neutral Solvers
Authenticity	I think my manager has a genuine commitment to inclusion	87%	12%
Respect	People on my team respect organizational values	90%	10%
Organizational Inclusion	I think my organization has a genuine commitment to inclusion	89%	10%
Coworker Inclusion	My coworkers seek to include people different from themselves	86%	13%
Belonging	My coworkers intentionally create a sense of belonging for each other	87%	12%
Respectful & Inclusive	My colleagues create an environment that is respectful, civil, and inclusive	87%	12%



Neutral scores present an opportunity to build stronger connection and trust through intentional DEIB efforts. They're a signal that employees aren't dissatisfied, but they're also not actively engaged.

# DEIB Remains a Strategic Business Imperative

DEIB is much more than a people strategy. It's a strategic business imperative that delivers bottom-line results. The current climate may tempt some leaders to deprioritize DEIB. But as the data and examples show in this report, that approach is short-sighted. Companies that understand DEIB as both a people and a business strategy will be the ones that succeed—regardless of how the conversation evolves.

Before pulling back, leaders must ask questions like:

- What message does deprioritizing DEIB send to employees?
- If we evolve or relabel DEIB, how can we do it with transparency?
- What business outcomes and competitive advantages are we giving up?

**Because no matter how DEIB is labeled, the evidence is clear: Investing in people delivers results.**

**Investing in people continues to be the most important element of the corporate experience—no matter how we label that experience.**

- Lisa Alvarado, Managing Director at Holistic, a DEI and People Experience consultancy firm





# About the Data

## Celebrating 10 Years of Empathy Insights

Over the past 10 years, Businessolver has studied the evolution of empathy in the workplace, hearing from collectively nearly 26,000 employees, HR professionals, and CEOs about their views on a variety of workplace issues.

Our **annual State of Workplace Empathy report** examines the behaviors and benefits that make a workplace empathetic. In this study, empathy is defined as “the ability to understand and/or experience the feelings or perspectives of another.”

In March of 2025, Edelman Data DXI fielded an online survey of more than 3,200 participants across 6 key industries: financial services, government, healthcare, hospitality, manufacturing, and technology. To qualify for the survey, respondents needed to be 21 years or older, a U.S. resident, and be employed full-time or part-time within their respective organization with 100 or more employees. Our survey included subgroups for gender, ethnicity, parent/non-parent status, veteran status, managers, work location status (remote, hybrid, in-person), and generations. Small employers are defined as organizations that employ 100-999 employees. Large employers are defined as organizations that employ 1,000+ employees.

Unless otherwise noted, findings are cited throughout in “Top 2 Box” on 4- and 5-point scales (e.g., agree/strongly agree, important/extremely important).

## About Businessolver

Since 1998, Businessolver has delivered market-changing benefits technology that empowers empathetic service supported by an intrinsic responsiveness to client needs. The company creates client programs that maximize benefits program investment, minimize risk exposure, and engage employees with easy-to-use solutions and communication tools to assist them in making wise and cost-efficient benefits selections. Founded by HR professionals, Businessolver’s unwavering service-oriented culture and secure SaaS platform provide measurable success in its mission to provide complete client delight.



[businessolver.com](https://businessolver.com)