



PART 1

STATE OF
WORKPLACE
EMPATHY
— 2026 —

C-SUITE SPECIAL REPORT

Inside America's C-suite: Conflicting AI agendas and growth fueled by fear

Inside the report

Businesssolver's 2026 State of Workplace Empathy study was fielded by Edelman DXI, which surveyed 300 C-suite executives and 1,000 employees, including managers.

Throughout the report:

- ✓ Empathy is defined as “the ability to understand and/or experience the feelings or perspectives of another”
- ✓ “CXO” is the abbreviation for “C-suite executives,” which includes 4 C-suite roles: CEOs, CFOs, CHROs/CPOs, and CIOs/CTOs
- ✓ “High growth” refers to CXOs who reported “significant financial growth” during the past 12 months (n=131)
- ✓ “Lower growth” refers to CXOs who reported financial decline, stability, or slight growth during the past 12 months (n=169)

The story

The C-suite is aligned on AI's importance, but not its purpose. Data shows competing AI investment priorities that could result in fragmented strategies and confusing signals for employees. Most notably, leaders who prioritize AI for cost savings via headcount reduction are half as likely to invest in AI upskilling—potentially undermining the very productivity gains they seek.



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High growth, high fear, and conflicting visions for AI

Executives who prioritize AI-driven headcount reduction could be undermining the very workforce efficiencies they seek. Meanwhile, high-growth CXOs report 2X more intimidation and fear of leading with empathy.

We don't know what we don't know.

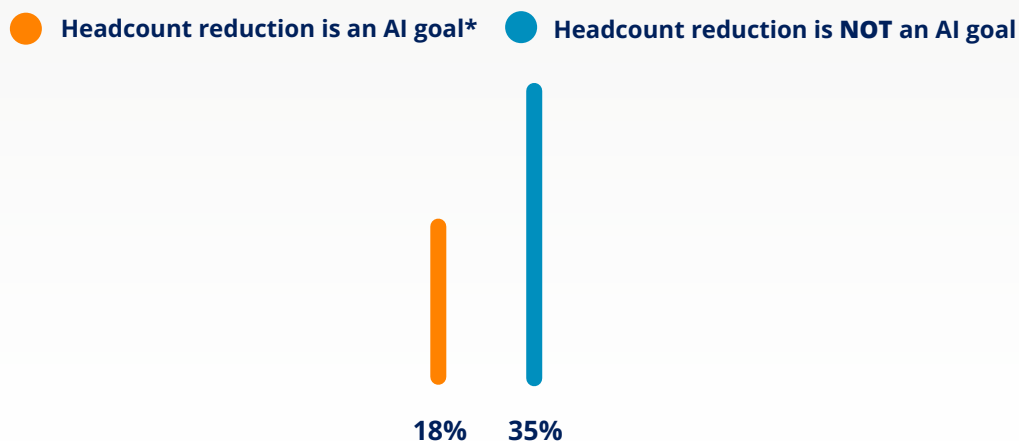
That phrase sums up the level of uncertainty C-suite executives (CXOs) are operating in, from economic instability to how AI will ultimately play out in the markets. But it's the job of the C-suite to see around corners—to place bets on the future, as many are doing with AI investments, workforce transformation, and even entire business models.

Data shows those bets are taking a psychological toll. To drive growth, many CXOs are walking a fine line between doing what's needed for short-term performance and doing what's right for their people.

While CXOs are largely aligned on AI's importance, they're conflicted on its purpose. Some are using AI to build workforce capability, while others are focused on reducing workforce costs. **Among leaders who prioritize AI for cost savings via headcount reduction, only 18% also prioritize AI upskilling—raising questions around how organizations can achieve efficiency goals without workforce readiness.**



CXOs focused on AI-driven headcount reduction are half as likely to prioritize AI investment for workforce upskilling



Upskilling through personalized learning is an AI investment priority

**Headcount-focused CXOs cite cost savings through reduced headcount as a primary AI investment goal.*

High-Growth CXOs are 2X more likely to prioritize AI-driven headcount reduction

Among high-growth CXOs, the cost-reduction agenda is most pronounced. More than 1 in 3 CXOs who report significant financial growth prioritize AI-driven headcount reduction—2X more than their lower-growth peers.

These leaders also report nearly 2X more coworker intimidation and 3X more workplace toxicity, suggesting the strongest financial results are emerging from the C-suite environments under the greatest pressure.

In the end, AI can undoubtedly make organizations better and more competitive. But technology alone doesn't create advantage—people do. Whether leaders apply AI for workforce enablement, cost efficiency, or an optimal balance of both, could determine if AI delivers long-term growth or fuels risk.



AI does not create value in isolation; its utility is given by human ingenuity. The future we're building is one where people use AI to do meaningful, high-impact work.

- Sony SungChu, Chief AI Officer, Businessolver

[Learn more about Sony's vision for AI](#)

The C-suite AI divide

Executives show near universal optimism and agreement about how AI can help employees. Yet they stand divided on its purpose, revealing fragmented AI agendas.

Over a quarter of the C-suite surveyed (27%) name cost savings via headcount reduction as a primary goal of AI investment, which is a fundamentally different agenda from peers focused on productivity, agility, and data insights. Meanwhile, 31% of CXOs say AI upskilling and personalized learning is a primary objective of AI investment—a nearly equal share to those who selected headcount reduction.

Underscoring opposing views, **40% of the C-suite reject the notion that AI adoption creates a greater need for leaders to demonstrate empathy, while 60% believe it does.** At the same time, **9 in 10 leaders say AI will reinforce their commitment to empathy** by enabling them to better understand and support their people.

Ultimately, some organizations are pursuing workforce efficiencies while simultaneously expecting leaders to foster the empathy employees need to navigate monumental workplace change.

Top 3 overall goals for AI investment

- 45%** Improve time savings, speed, and productivity
- 41%** Create competitive advantage through agility
- 38%** Enhance insights via data analysis and predictive analytics

As organizations become more dependent on AI, C-suite stands divided on if empathy matters

60%

believe there is a much greater need for leaders to demonstrate empathy

40%

believe their organization's adoption of AI **does not** impact leaders' need to display empathy

The employee reality

9 in 10 CXOs believe their employees see the advantages and are “excited for AI.” Yet 39% of employees say AI makes them concerned about their future, 31% worry they’re falling behind, and 49% say they’ve been left to figure out AI on their own. Learn more in [Businessolver's AI Special Report](#).

How AI objectives diverge by C-suite role

AI investment priorities vary across the C-suite, but the data also highlights contradictions and competing priorities within each role. Across an organization, that misalignment could create confusion and gaps in workforce readiness that make AI transformation harder to execute.

CEO

The Growth-First Balancer

Driving transformation while overlooking empathy as a retention lever

Leads the C-suite in AI investment for competitive agility (48%) and is among the most focused on headcount reduction (28%).

Only 27% connect empathy with lower turnover, even as 73% say employees are entitled to it. They also report the highest coworker intimidation (44%), underscoring the pressure surrounding growth and transformation.

CFO

The Workforce Pragmatist

Practical workforce investment with cautionary empathy

Leads AI investment in upskilling (35%) and customer support (39%).

Despite prioritizing readiness, CFOs consistently report the lowest concern across most technology, labor, privacy/regulation, and employee wellbeing risks. **They're also most likely to view empathy as a "perk" (53%), suggesting a more transactional approach to workforce investment.**

CIO/CTO

The Risk-Aware Innovator

Bullish on transformation while carrying heavy mental strain

Leads AI investment for innovation (48%) and reports the greatest concern across every future business risk measured. **Still, only 29%**

prioritize AI upskilling despite 88% worrying technology will outpace internal systems or workforce skills. They also report the highest mental health incidence (39%), possibly reflecting the pressure of rapid transformation.

CHRO/CPO

The Constrained Workforce Advocate

Pursuing productivity while deprioritizing readiness

Leads AI investment for speed and productivity (49%) but ranks lowest in AI upskilling (27%) and competitive agility (33%). **They also report the least concern about talent shortages (71%), exposing a gap between**

productivity goals and workforce readiness. Compounding that challenge, 37% report toxic cultures.

See page 16 of the Appendix for full AI investment goals by C-suite role.

The AI efficiency contradiction

Are leaders undermining their own efficiency goals?

CXOs focused on AI-driven headcount reduction are less likely to prioritize several of the investments that help workforces become more capable and productive, including AI upskilling, data insights, time savings, and administrative support.

Businessolver’s AI Special Report found that AI training is a performance multiplier. Employees who received adequate employer-sponsored training are 1.5X more likely to report career acceleration and higher-value work. This raises a critical question: **Can organizations realize AI’s full efficiency gains without also enabling their people to work differently?**



of CXOs say they’re “extremely concerned” about talent shortages, rising to 59% for CIOs/CTOs

Only 18% of headcount-focused leaders invest in AI upskilling

Among CXOs who cite cost reduction through reduced headcount as a primary AI goal, only 18% also selected AI upskilling—about half the amount of CXOs whose primary AI objective is not headcount reduction.

AI investment goal*	Headcount reduction is an AI goal**	Headcount reduction is NOT an AI goal	Gap
Upskilling through personalized learning	18%	35%	17 points (~ 2X)
Data analysis and predictive insights	21%	44%	23 points (2X)
Time savings, speed, and productivity	34%	49%	15 points
Reducing employees’ administrative work	24%	38%	14 points

*CXOs were allowed to pick 3 primary AI investment goals.
**Headcount-focused CXOs cite cost savings through reduced headcount as a primary AI investment goal.

Empathy “gets in the way” for headcount-focused leaders

The leaders least likely to invest in AI upskilling are also 1.6X as likely to view empathy as an obstacle to their goals.

Nearly 1 in 3 headcount-focused executives say being an empathetic organization gets in the way of their personal business goals, compared with 19% of CXOs who do not cite headcount reduction as a primary AI investment goal.

The risk? When empathy is viewed as an obstacle rather than a workforce enabler, leaders could overlook the support employees need to translate AI investment into performance outcomes.



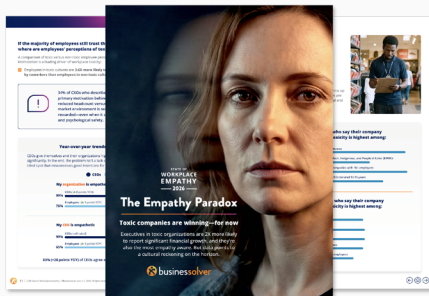
Headcount-reduction CXOs are 1.6X more likely to view empathy as an obstacle

● Headcount reduction is **NOT** an AI goal ● Headcount reduction is an AI goal*



Being an empathetic organization gets in the way of my personal business goals

**Headcount-focused CXOs cite cost savings through reduced headcount as a primary AI investment goal.*



The employee experience fallout

Employees feel the transformation pressure: 40% of employees report workplace toxicity, 33% intimidation, and 55% mental health issues.

Learn more in [Businessolver's 2026 State of Workplace Empathy Report](#).

Future workforce risks

CIOs/CTOs are 25 points more concerned than CFOs that technology will outpace workforce readiness

The technology leaders closest to AI implementation are sounding the loudest alarms across every business risk measured, while the broader C-suite could be underestimating empathy's role in retaining the workforce needed to navigate historic transformation. Nearly 8 in 10 CXOs are concerned about talent shortages and healthcare costs, and 75% worry technology will outpace organizational readiness.

But while 94% of CXOs link empathy to employee wellbeing, they fail to see it as a retention strategy—with employees twice as likely to connect empathy with retention (44% vs. 21%). In fact, only 27% of CEOs believe lower turnover is a benefit of being an empathetic organization, down 11 points year over year (YOY) and 30 points since 2019.

CIOs and CTOs are most worried about AI and future workforce risks

Thinking about the next 2 years, how concerned are you with each of the following negatively impacting your business?

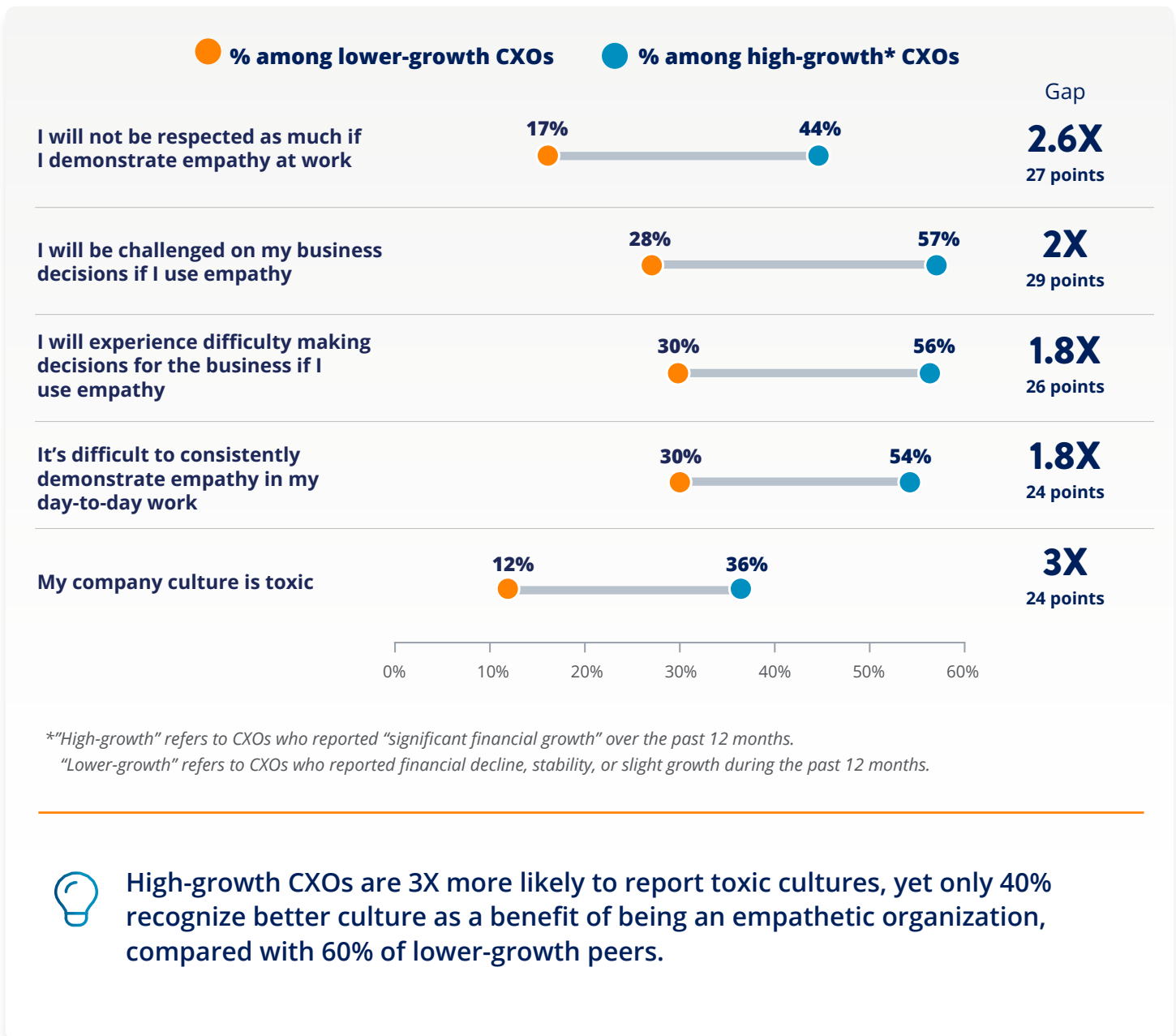
Future risk	Total CXOs concerned	CIOs and CTOs concerned	Lowest concern by C-suite role	Highest to lowest gap
Technology outpacing internal systems or workforce skills	75%	88%	63% CFO	25 points
Rising labor costs or unionization	78%	92%	69% CFO	23 points
Talent shortages	79%	93%	71% CHRO/CPO	22 points
New data privacy, cybersecurity, or AI government regulations	74%	85%	65% CFO	20 points
Cybersecurity threats	77%	84%	68% CFO	16 points
Increased healthcare costs	79%	88%	73% CFO	15 points
Employees struggling with issues outside of work	68%	75%	61% CFO	14 points
Tariffs	73%	80%	71% CEO, CFO, and CHRO/CPO	9 points
AI government regulations	69%	72%	63% CFO	9 points

Shown: Extremely concerned and somewhat concerned on a 4-point scale.

See page 17 of the Appendix for full business risks by C-suite role.

Leading with empathy is high stakes for high-growth CXOs

The data points to fear as a hidden driver behind high-growth CXOs. Those who report “significant financial growth” are 3X more likely to say their company culture is toxic and 2.6X more likely to believe they will lose respect if they demonstrate empathy.



High financial growth coincides with greater intimidation and headcount pressure

CXOs reporting significant financial growth are 2X more likely to cite cost savings via headcount reduction as a primary motivator for AI investment, and they're nearly 2X more likely to cite coworker intimidation—suggesting these CXOs are under intense pressure to grow the business through aggressive cost management.

But while intimidation and toxicity are higher, fewer in this cohort report mental health issues (27% high growth vs. 38% lower growth).



High-growth → 2X higher intimidation → 2X higher headcount reduction



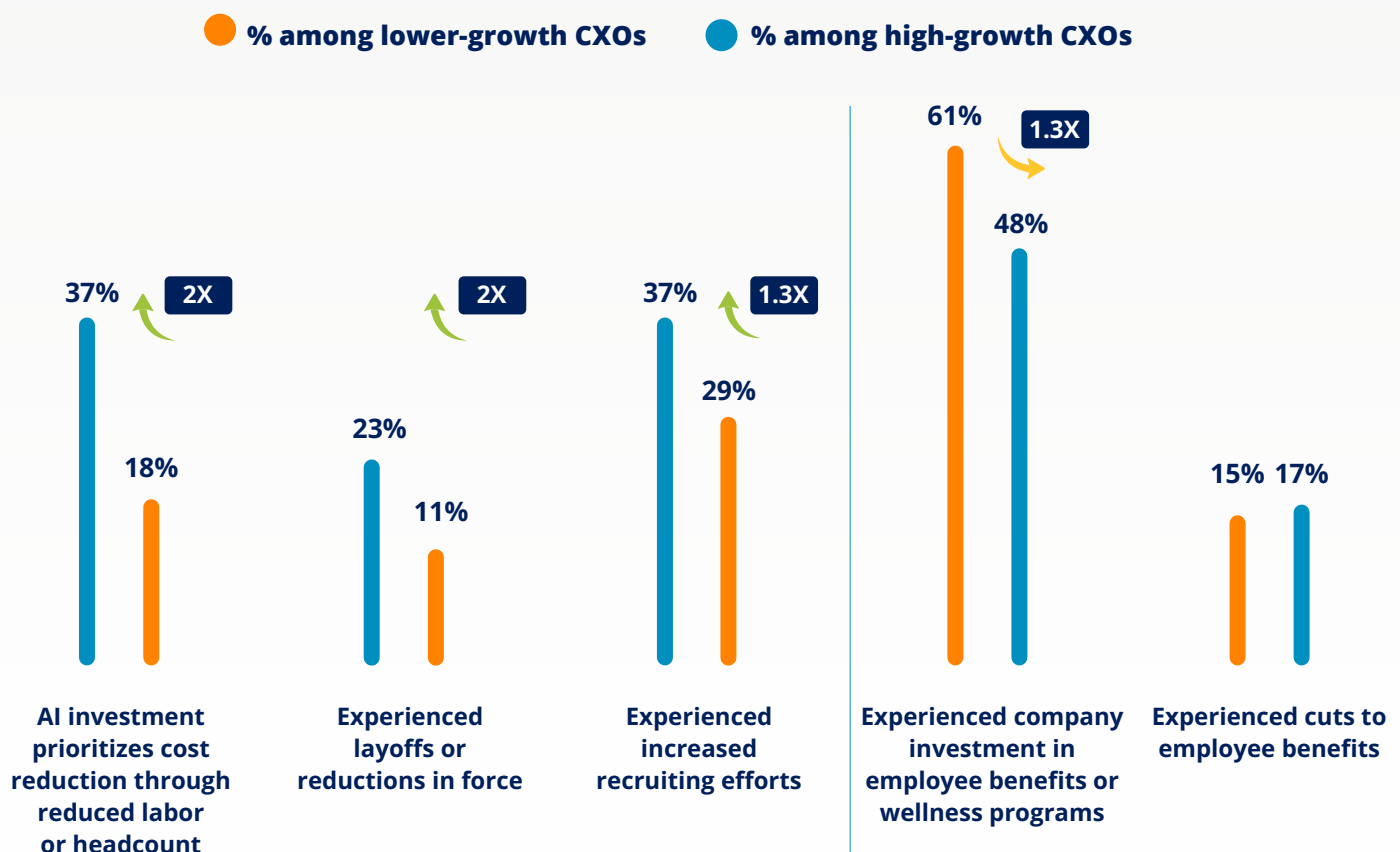
Competing AI strategies

High-growth CXOs report 2X the layoffs alongside higher recruiting

Executives at high-growth organizations expect AI to both shrink their workforce costs and forecast workforce risks: 89% of high-growth CXOs say AI will help identify gaps in benefits usage connected to factors outside work, such as social determinants of health (SDOH)—19 points higher than lower-growth CXOs. They're also 1.5X more likely to strongly agree that AI can support employees experiencing stress or burnout (46% vs. 31%). Yet investment in employee benefits and wellbeing lags by 13 points.

High-growth CXOs are cutting and hiring at the same time

High-growth CXOs report 2X more emphasis on AI-driven headcount reduction and twice the incidence of layoffs in the past 12 months, but also higher recruiting alongside lower benefits investment—potentially pointing to targeted workforce redesign versus sweeping cuts.



Despite lower investment, 50% of high-growth CXOs strongly agree that addressing total wellbeing can reduce long-term healthcare and benefits costs compared with 33% of lower-growth peers.

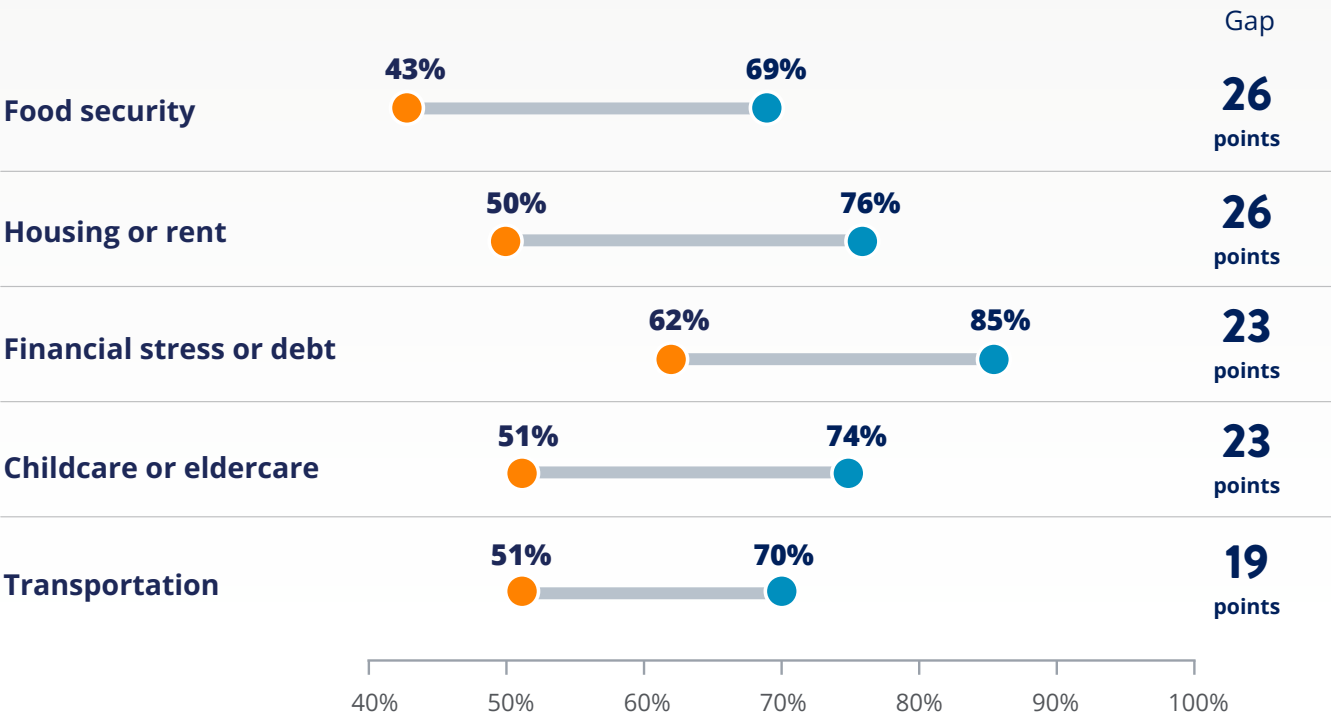
Employee needs are rising faster than workforce investment

High-growth CXOs report greater employee needs across every SDOH factor measured, which could indicate greater awareness, increased workforce strain, or both.



Have your employees expressed or indicated a greater or lesser need for any of the following in the past 12 months?

● % among lower-growth CXOs ● % among high-growth CXOs



AI will change jobs and economic pressure will force hard decisions. These are challenges but also opportunities to produce stronger, more resilient companies—not just more efficient ones.

- Jon Shanahan, Businessolver President and CEO

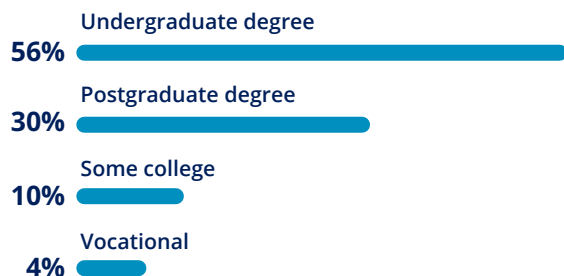
Get more insights in Businessolver’s [2026 State of Workplace Empathy Report](#) and [AI Special Report](#).



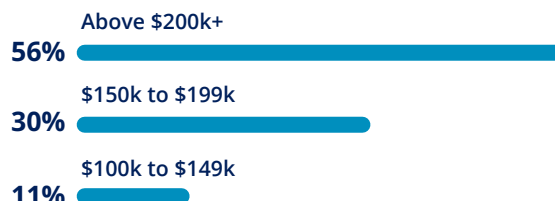
About us

C-suite respondent demographics

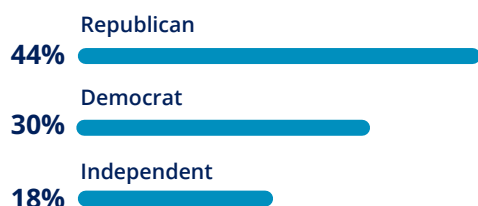
Education



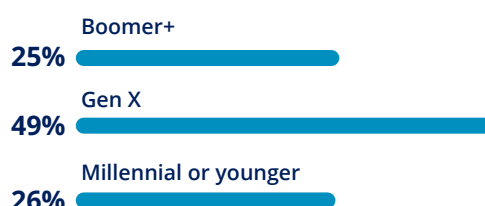
Income



Political party affiliation



Generation



Gender



Some categories may not total 100% due to "Other" category or insignificant responses.

About Businessolver's 11th annual State of Workplace Empathy study

In 2026, Edelman Data DXI fielded an online survey of more than 1,300 participants across 6 key industries: Financial services, government, healthcare, hospitality, manufacturing, and technology. To qualify, respondents needed to be 21 years or older, a U.S. resident, and employed full-time or part-time within their respective organization with 100 or more employees. Unless otherwise noted, agreement, concern, and importance findings are reported as Top 2 Box results. All investment goals, business experiences, and benefits of empathy reflect selected responses. References to "strongly agree" are Top Box findings.

About Businessolver

Businessolver is an independently owned benefits technology company advancing a more proactive, connected, and anticipatory benefits experience. Through a secure SaaS platform, governed intelligence, and an always-on service model designed to act early and stay aligned, Businessolver helps organizations reduce complexity, strengthen engagement, and deliver consistent outcomes across total wellbeing. With more than two decades of innovation, Businessolver unifies people, data, and operations so that insights turn into action — and benefits work better for employers, employees, and partners.



Appendix: Data by C-suite role

C-suite primary motivators for AI investment

When your organization invests in AI tools that directly affect employees (e.g., HR, benefits, performance, data analysis, scheduling), what are the primary goals?

AI investment goal	Total	CEO	CFO	CIO/CTO	CHRO/CPO
Time savings, speed, productivity	45%	43%	40%	47%	49%
Reduced labor / headcount	27%	28%	27%	29%	23%
Predictive analytics	38%	35%	37%	40%	39%
Customer service / support	34%	35%	39%	29%	33%
Upskilling	31%	32%	35%	29%	27%
Innovation and creativity	37%	31%	37%	48%	33%
Competitive agility	41%	48%	41%	40%	33%
Reduce administrative workload	34%	37%	35%	29%	35%

*CXOs were allowed to pick 3 primary AI investment goals.



Appendix: Data by C-suite role

C-suite perceived future business risks by role

Thinking about the next 2 years, how concerned are you with each of the following negatively impacting your business?

	Total CXOs	CEOs	CFOs	CIO / CTO	CHRO / CPO
New government regulations regarding data privacy, cybersecurity or AI usage	74%	73%	65%	85%	73%
AI government regulations	69%	68%	63%	72%	72%
Data privacy	76%	71%	64%	85%	84%
Tariffs	73%	71%	71%	80%	71%
Rising labor costs / unionization efforts	78%	75%	69%	92%	75%
Talent shortages	79%	72%	80%	93%	71%
Cybersecurity threats	77%	79%	68%	84%	77%
Technological change outpacing internal systems or workforce skills	75%	75%	63%	88%	73%
Increased healthcare costs	79%	79%	73%	88%	76%
Employees struggling with issues outside of the workplace (e.g., food insecurity, housing insecurity, caregiving, etc.)	68%	71%	61%	75%	65%