



Why is everybody leaving?

8 equitable steps to retain talent

While the increasing economic headwinds may dampen hiring demand, organizations should not make the mistake of assuming economic challenges will not deepen existing retention problems, or worsen the impact on underrepresented groups.

Employee turnover continues to be a growing concern. 64% of global executives say that employee turnover in their organizations has increased over the past 12 months, according to a recent survey of executives conducted by Russell Reynolds Associates (RRA)¹. The same survey found that the leadership ranks are not immune to this trend.

56% of executives said they would be willing to change employers for the right opportunity today- particularly next-generation leaders, posing a threat to the succession pipeline¹ This becomes more troubling when we take into consideration the risk of departure of underrepresented groups, who make up an already smaller proportion of the workforce, and have even slimmer representation in leadership. Without the necessary action to course-correct, the engagement and retention of underrepresented executives, inclusion and culture efforts could be at significant risk.

We seek to understand why underrepresented employees are leaving. Where do executive leaders fit into the picture? And what role can equitable talent practices, enabled by inclusive leadership, play in curbing this trend?

Using our analysis of equitable talent management practices, we share the eight critical practices that shape retention, with inclusive leadership sitting at the core.



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What is shaping talent departure?

The pandemic fuelled massive talent attrition, and was particularly detrimental for women.

Covid is said to have compounded the care burden for women, leading to 54 million women leaving the workforce globally.² While care responsibilities persisted, the pandemic blurred the line between work life and home life —burnout became an inevitable by-product for many. Additionally, when focusing on executive leaders' experiences, RRA data found that:



Among women executives, 7% cite burnout as a top reason for their job departure

in 2021 which is more than twice as many as among male executives.¹



Nearly one in three executive-level women of color who left a job,

over the past year did so because they needed the flexibility to **"work from anywhere."** This is noteworthy, as **only 6% of White executives** (men and women) in the US and UK, and **only 3% of White male executives** made the same choice.¹

This data points to the undeniable need for flexibility to balance work and family life, especially for underrepresented executives. If left unaddressed, organizations risk reversing the investments they have already made towards gender balance efforts in the workplace, with implications for leadership and the succession pipeline.

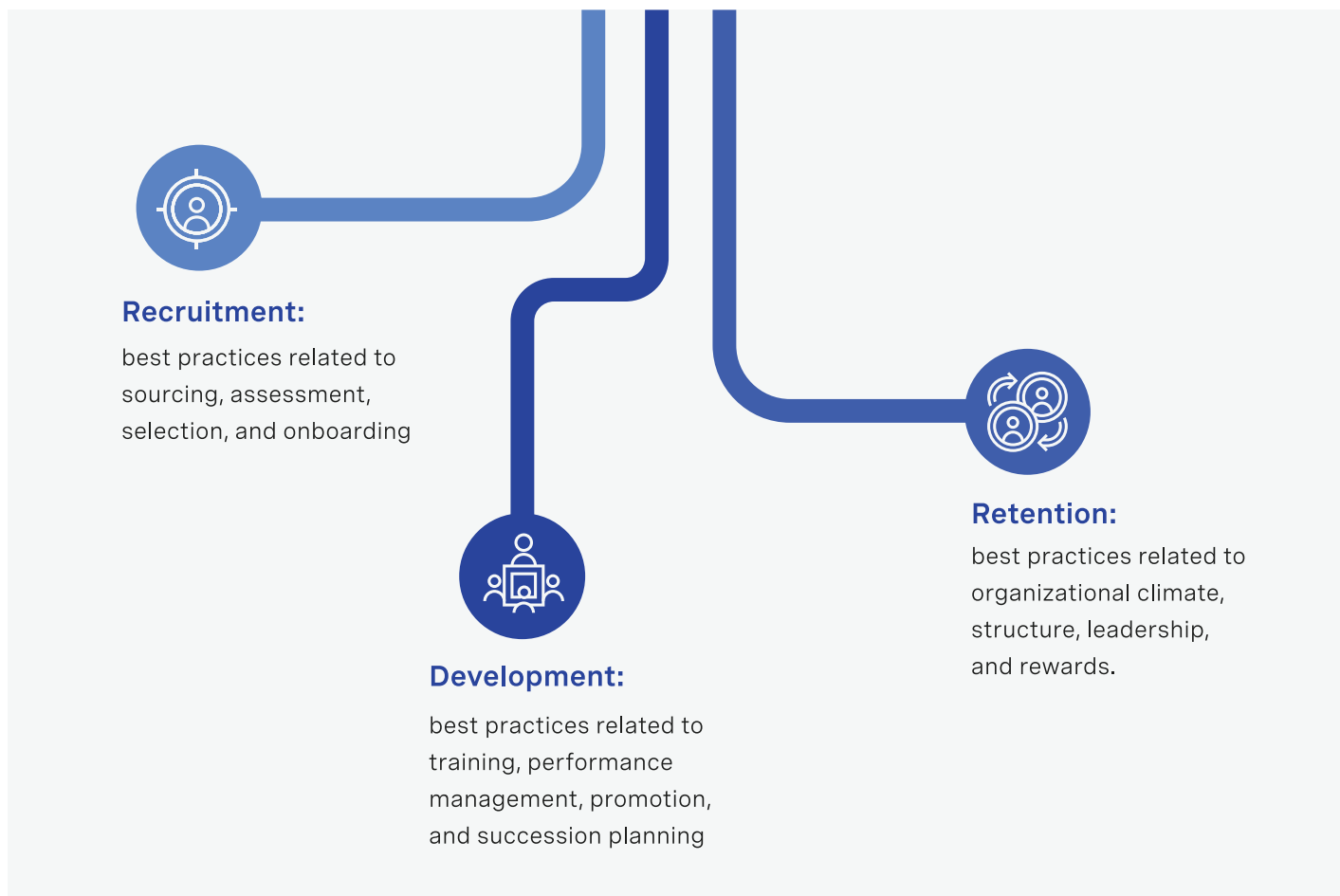
While the pandemic and resulting burnout help explain some of the higher than average employee turnover, organizational culture and leadership also merit attention. RRA found that the top reasons underrepresented executives (those who self-identify as races and/or ethnicities other than White in the US and UK) left their jobs in 2021 were seeking better pay, career advancement, and different company culture.¹ Doubling down on the leadership, talent management, and cultural components, women executives reported the need for a different 'kind' of leadership and seeking to be better valued by an organization as their top two reasons for leaving, while men cited leaving to seek better pay and career advancement as their top drivers.¹



Could an equitable approach to talent management be the answer?

Using our Talent Management Equity (TME) framework, which identifies bias and inconsistency in talent practices, RRA has uncovered where organizations are getting it right and wrong in talent practices and the impact this is having on employee retention.

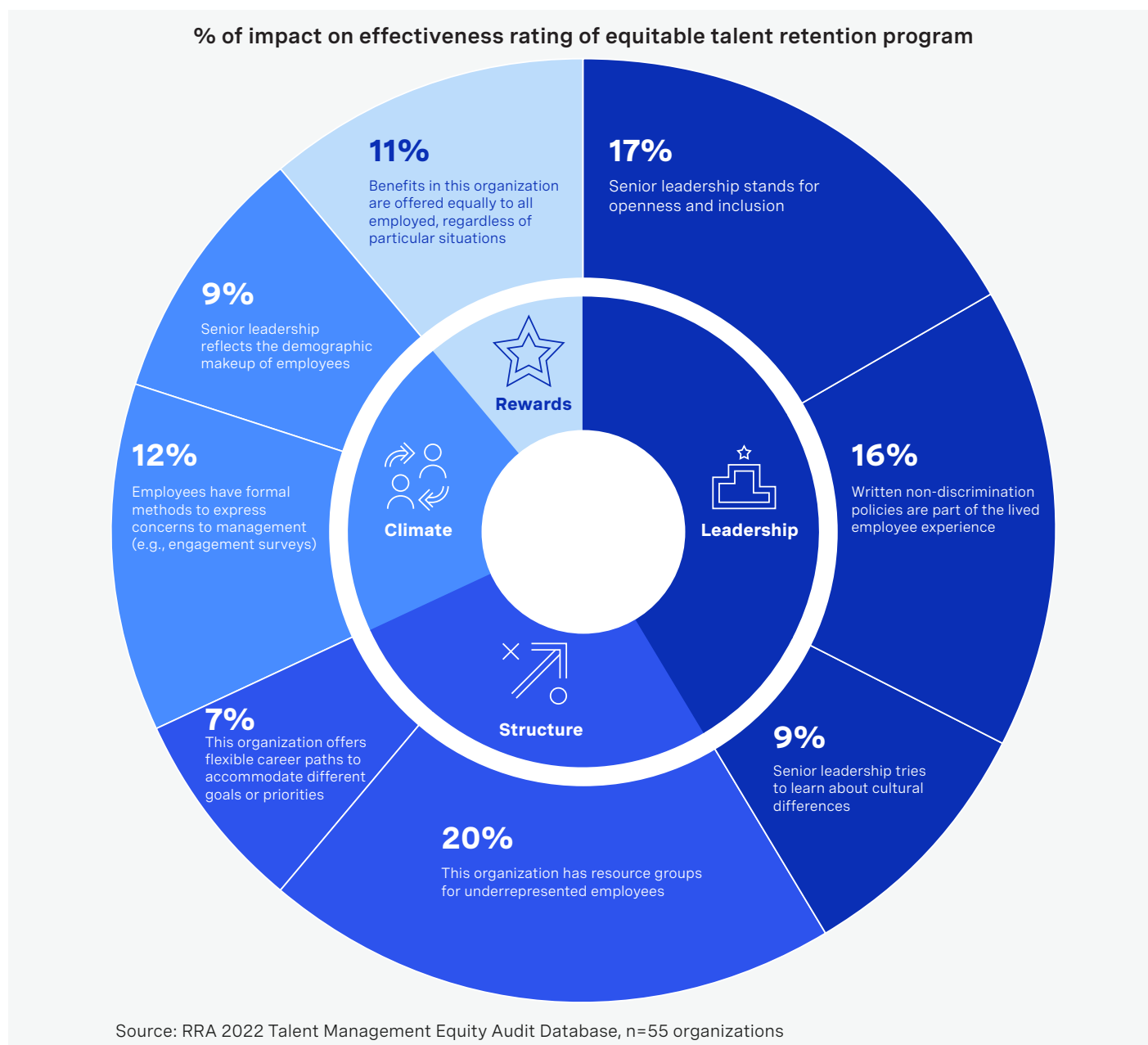
RRA's TME framework is made up of three core elements that mirror the talent lifecycle: **recruitment, development, and retention.**



Inclusion sits at the heart of retention. In fact, the sub-categories of climate, structure and leadership also underpin RRA's Inclusion Index survey—designed to quantify employees' attitudes and perceptions of inclusion within their organization. Merging inclusion with retention is both intentional and necessary. We know that employees must first feel that their organizations value them as individuals before they are able to fully engage with the benefits their organization has to offer.³

To determine which equitable talent management practices support and uphold retention for both individual contributors and leaders, we analyzed the 55 organizations, across industries, that responded to our TME survey in 2021. The survey responses were provided by senior talent or Human Resource (HR) leaders at each organization. We studied which individual survey factors have the strongest influence on an organization's overall equitable retention program (Figure 1).

Figure 1: Relative Importance of Equitable Talent Management Actions on Strength of Retention Program



To validate these best-in-class retention practices, we also looked at our database of TME and Inclusion Index responses within the same organizations. We found a linear relationship between employee inclusion and equitable talent management practices.

In other words, an organization's ability to successfully retain employees (according to RRA's TME factors) is reflective of the level of inclusion cited by its employees. This includes employees of color, women, and LGBTQ+ identifying individuals.

What we found

Eight practices that drive a strong equitable retention program

Below, we share our findings and provide a set of recommendations for leaders and organizations that are serious about retaining their talent and protecting pipeline diversity.

Begin with Leadership

Leaders are considered role models and drivers of workplace culture. When it comes to supporting retention, the areas where leaders had the biggest impact were centered on inclusion:

Equitable Retention Practices	Findings & Implications	Actions
Senior leadership tries to learn about cultural differences	This was the most significant practice that had the greatest predictive impact on overall retention scores. A characteristic of inclusive leadership is demonstrating humility and curiosity, acknowledging one's own limitations and blind spots, and keeping an open mind to learn and understand cultural differences. When leaders take the time to learn about their people, they show that they value what each person brings, which in turn can ignite acceptance, belonging, and a sense of personal purpose. Belonging in particular, as indicated in a BetterUp study, has been shown to increase performance by 56% and reduce turnover by 50%. ⁴	<ul style="list-style-type: none">▪ Be transparent in your quest for knowledge by conducting listening tours within your organization. Aim to understand how employees' unique backgrounds and identities, shape their experiences at work.▪ Provide senior leaders and board directors with a 'day in the life of' their frontline employees as an opportunity to connect, learn, and engage directly with a different point of view.
Senior leadership stands for openness and inclusion	Leaders need to walk the talk by using their voice to amplify their commitment and dedication to topics related to inclusion and culture—both internally and externally. By vocalizing their commitment and then taking concrete measures to act on that commitment, leaders signify a genuine stance on matters that have both personal and professional relevance to their employees. In fact, in a 2022 Harvard Business Review article, 70% of employees say they feel included when their company takes a stand they approve of. ⁵	<ul style="list-style-type: none">▪ Consistently acknowledge and respond to internal issues on workforce wellbeing and employee engagement.▪ Take a stand by activating initiatives that work to right-side the impact of external human-centered issues such as racial inequity, geopolitical conflicts, anti-equality measures, and women's reproductive health legislation. Focus on issues that may negatively impact your employees' health, safety, and wellbeing. Take time to plan a thoughtful response via statements, contributions to relief funds, lobbying, campaigning, or other notable advocacy efforts.

Equitable Retention	Findings & Implications	Actions
Written non-discrimination policies are part of the lived employee experience	RRA data shows that 67% of women executives from underrepresented ethnic groups say they have been passed over for a promotion due to their race/ethnicity. ¹ This data indicates that despite non-discrimination policies often being a formal part of any organization's code of conduct, the reality on the ground is not always as promised. In order to cultivate confidence in an organization's ability to conduct talent practices equitably, and to ensure employees do not have a lived experience of discrimination, leaders should consider and examine how their talent management programs, practices and processes, are helping or hindering equity goals.	<ul style="list-style-type: none">▪ Conduct talent management and audits bi-annually and share aggregate results with the organization, along with an action plan for areas that require intervention.▪ Take this work a step further by publicly recognizing and socializing the results of completed audits and the initiatives designed to course correct any concerns.



Examine the climate



As the increased reports of burnout show, workplace environment matters in shaping the overall employee experience and informs the desire to stay or go. In particular, the practices with the biggest impact on retention were:

Equitable Retention Practices	Findings & Implications	Actions
Senior leadership reflects the demographic makeup of employees	When employees fail to see a senior leadership team that resembles components of their identity, they question opportunities for development and progression. Both of which, have been considered important for retention. ⁶ This matters for everyone but has particular relevance to underrepresented groups for whom missing representation has been a stark reminder of the barriers to advancement in the workplace. Supporting the importance of representation, RRA data shows that as the diversity of a team increased beyond 34%, so too did feelings of belonging. ⁷	<ul style="list-style-type: none"> ▪ Transparently share the composition of the workforce through the release of annual reports, aligned to the goals and objectives set to diversify all levels of talent.
Employees have formal methods to express concerns to management (e.g., engagement surveys)	Having a voice on the topics that matter most makes employees feel that their experience and perspectives matter, and that management is willing to take action. This becomes doubly important for underrepresented groups who feel their voices are undervalued by employers. ⁸ In the absence of such formal mechanisms, an employee can mask their challenges, and feel isolated in their concerns. This gives rise to disengagement and in turn, discontent with the workplace.	<ul style="list-style-type: none"> ▪ Run regular pulse surveys for employee feedback, and report back on ideas and themes using formal channels to show that concerns are being heard. Leaders can go one step further by articulating action steps to address concerns.

Transform structure & rewards

How are the formal written rules of the workplace—including policies, processes, and practices—supporting or undermining your talent?

Equitable Retention Practices	Findings & Implications	Actions
<p>The organization offers flexible career paths to accommodate different goals or priorities</p>	<p>Career paths that outline the vertical, lateral and cross-functional entry points and competencies needed for every scenario in the organization, are an essential aspect of talent management. Dual career paths build on the importance of flexibility and recognition of different skill sets, by demonstrating career paths with more than one route to the top.⁹ This empowers talent to map their career progression interests to the skills and competencies needed in the organization. Clarity and continued progression are especially important as we recover from the pandemic. In a 2021 poll of job candidates, Monster found that 86% felt that the pandemic stalled their career progression, while 80% questioned the potential for their current employer to offer growth opportunities.¹⁰</p>	<ul style="list-style-type: none"> ▪ Create clear job paths for every role/ function with multiple entry points and progression routes and make these paths visible to all employees as part of their onboarding and development conversations. ▪ Open internal job boards for all available roles within the organization, enabling easy application.
<p>Benefits in this organization are offered equally to all employees, regardless of particular situations</p>	<p>In its simplest sense, this is about making benefits more accessible to all groups, rather than placing unspoken parameters around 'who' qualifies. This includes offering flexible working benefits to all employees, not just working mothers, who have traditionally been the more socially accepted recipients. In fact, research shows that when working fathers are encouraged to take flexible work, the load on women is lifted.¹¹ The talent pipeline also stands to benefit from flexibility. Kantar's global study into the future of work found that 63% of Gen-Z employees are motivated to find a new role, in part because of the lack of remote-working policies at their current employer.¹²</p>	<ul style="list-style-type: none"> ▪ Evolve the branding for maternity leave into family leave and even paternity leave, in recognition of fathers who wish to take time off for care. ▪ Ensure equity by providing access to flexible working arrangements for all employees taking into account their potential caring responsibilities for family, pets, and loved ones, or personal mental health needs.

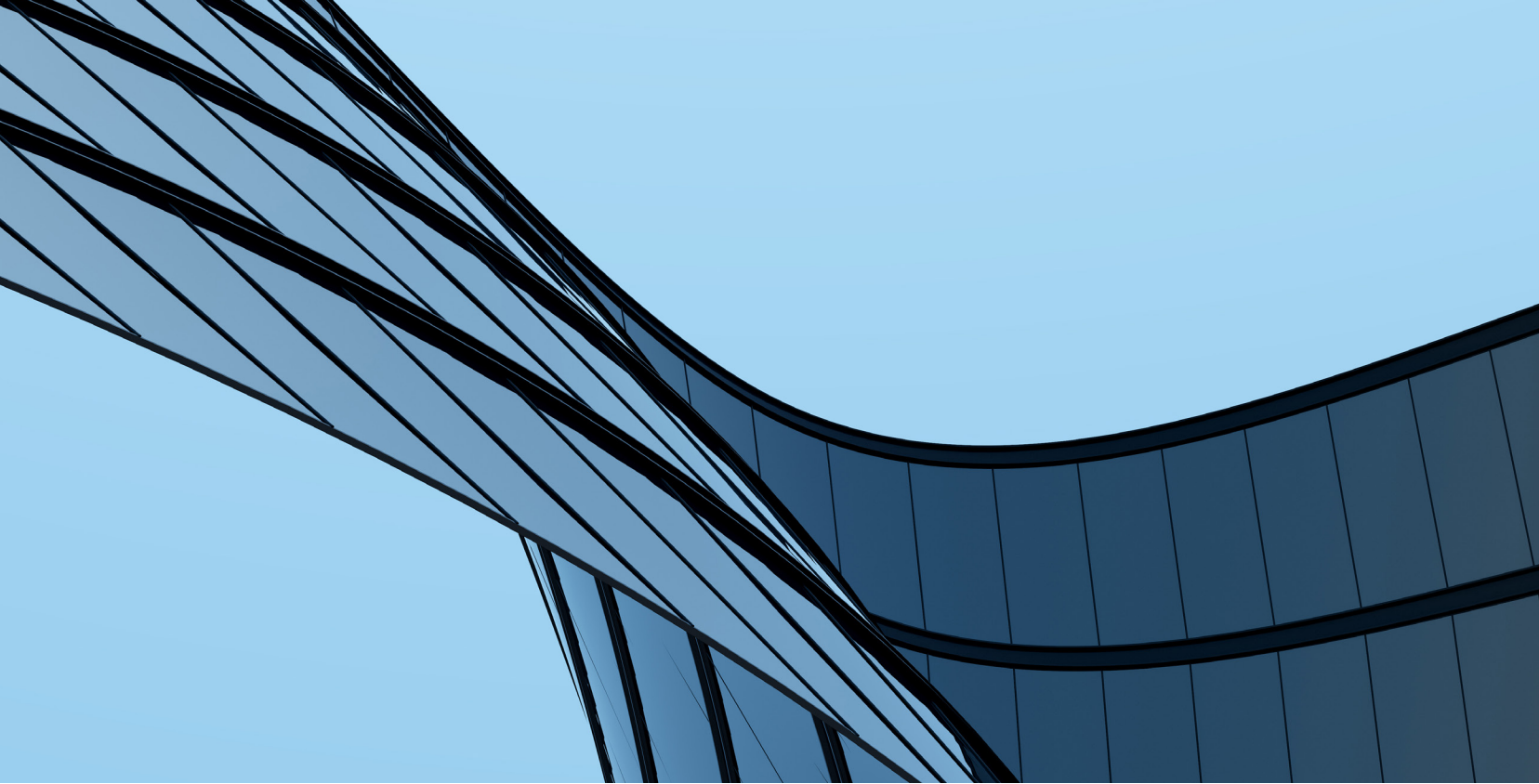
Equitable Retention	Findings & Implications	Actions
This organization has resource groups for underrepresented employees	<p>In the interest of equity, which recognizes that we all have different starting points, providing support becomes critical for employees that have historically been disadvantaged. For example, sponsorship has proven to be invaluable for enhancing the progression of all leaders, especially those from underrepresented racial backgrounds. In a recent Harvard Business Review article, Black managers who received sponsorship were said to be 60% less likely to quit their jobs within a year, and 65% more likely to get promoted.¹³</p>	<ul style="list-style-type: none">▪ Partner with resource groups that can play a more formal role in providing personal support to your employees.



Looking ahead

While the increase in employee turnover continues to present challenges for Boards and C-suite teams across organizations, there is an opportunity to mitigate the negative impact on underrepresented groups through leadership-driven employee retention practices. Using our proprietary TME database, RRA found that inclusive leadership practices demonstrated the strongest predictor of total workplace retention. Organizations should prioritize the development of inclusive leadership behaviors—all of which relate to understanding and including cultural differences while standing for openness, diversity, and inclusion—to strengthen retention. Consideration for talent structure and organizational climate, are also important retention drivers that warrant action. By taking an equitable approach to talent practices, organizations can slow down the drain on an already small pool of underrepresented talent, protect and grow their pipeline, and strengthen efforts to increase representation at the very top.





Methodologies

Talent Management Equity Audit

RRA's Talent Management Equity Audit is comprised of a survey and approach designed to help organizations uncover where bias and inequity are shaping disparity in talent practices.

We offer industry benchmarks and best practice comparisons to drive targeted actions.

[Learn more at: https://www.russellreynolds.com/en/capabilities/leadership-performance/diversity-equity-inclusion-advisory](https://www.russellreynolds.com/en/capabilities/leadership-performance/diversity-equity-inclusion-advisory)

Russell Reynolds Associates' Global Leadership Monitor

Every year, Russell Reynolds Associates administers The Global Leadership Monitor, an annual survey of executives and non-executive directors, which tracks key threats to organizational health and leadership preparedness to face them, as well as indicators of confidence in leadership, and leaders' engagement and career aspirations. The survey is Global. Only data relative to unrepresented minorities is US and UK-specific, but data on women, for instance, is global and very diverse by sector, region, company types, etc.

[Learn more at: https://www.russellreynolds.com/en/insights/global-leadership-monitor](https://www.russellreynolds.com/en/insights/global-leadership-monitor)

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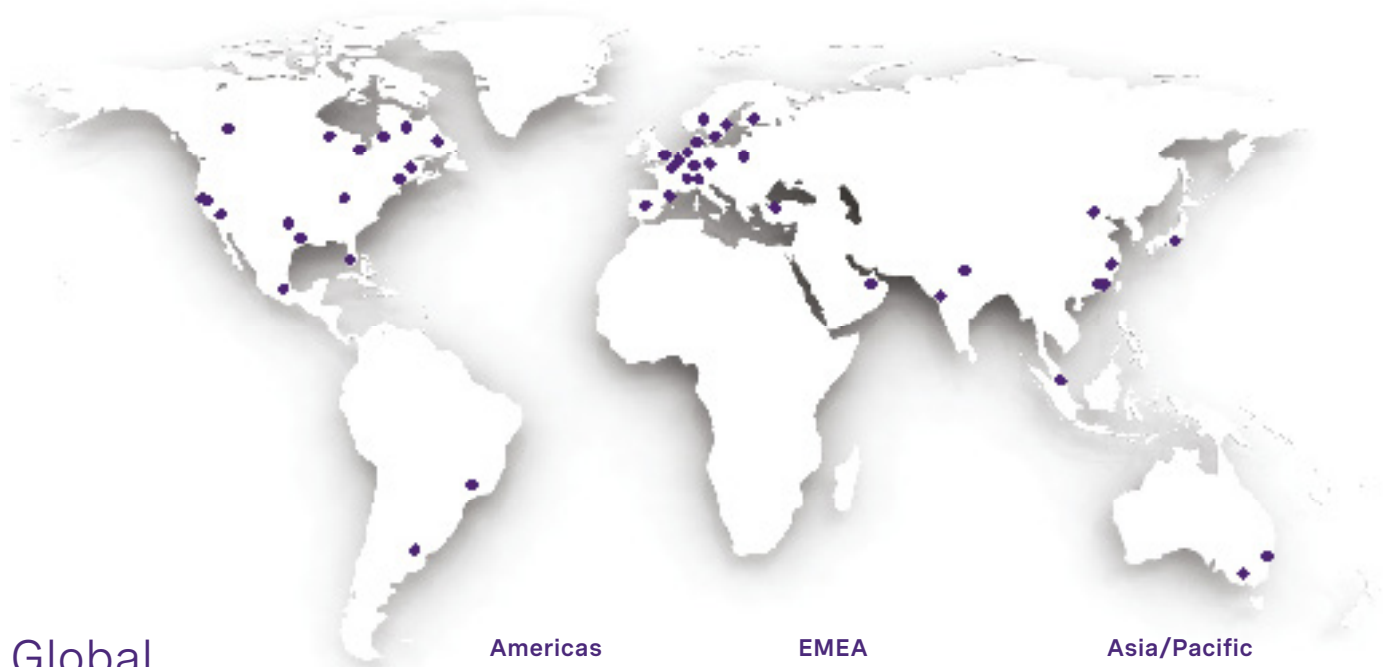
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About Russell Reynolds Associates

Russell Reynolds Associates is a global leadership advisory firm. Our 500+ consultants in 47 offices work with public, private, and non-profit organizations across all industries and regions. We help our clients build teams of transformational leaders who can meet today's challenges and anticipate the digital, economic, sustainability, and political trends that are reshaping the global business environment. From helping boards with their structure, culture, and effectiveness to identifying, assessing and defining the best leadership for organizations, our teams bring their decades of expertise to help clients address their most complex leadership issues. We exist to improve the way the world is led

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