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The Business Case for Inclusion in 2026

📉 Decrease Voluntary Turnover

by **50%** with structured inclusion programs

📈 Increase Promotion Rates

by **3x** for everyone symetrically

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Why This Research Matters Now

For years, inclusion initiatives were championed primarily as "the right thing to do." In today's environment — marked by budget scrutiny, regulatory shifts, and leadership accountability — sentiment alone is no longer sufficient to justify program investment. Executives need hard data.

Our Dataset

- **150 companies** across 8 industries
- **5-year longitudinal** dataset
- **5 structured** inclusion initiatives measured

Methodology Notes

The following slides combine results across all companies and industries. Individual industries show varying baseline VTO and promotion levels, but the **ratios and directional findings are consistent** across sectors — underscoring the universality of these results.

Five Structured Inclusion Initiatives

Fair360 measured five distinct, operationalized inclusion programs. Each initiative has a documented impact on workforce outcomes — and their combined effect is transformational. Detailed how-to and best practices articles at the 100, 200, 300, and 400 levels are available for each initiative on **Fair360.com**.

Employee Resource Groups

ERGs and BRGs build belonging, cross-functional networks, and leadership visibility for underrepresented talent.

Mentoring

Structured mentoring programs accelerate career development by connecting emerging talent with experienced guides.

Sponsorship

Sponsors actively advocate for high-potential employees, directly influencing promotion decisions and visibility.

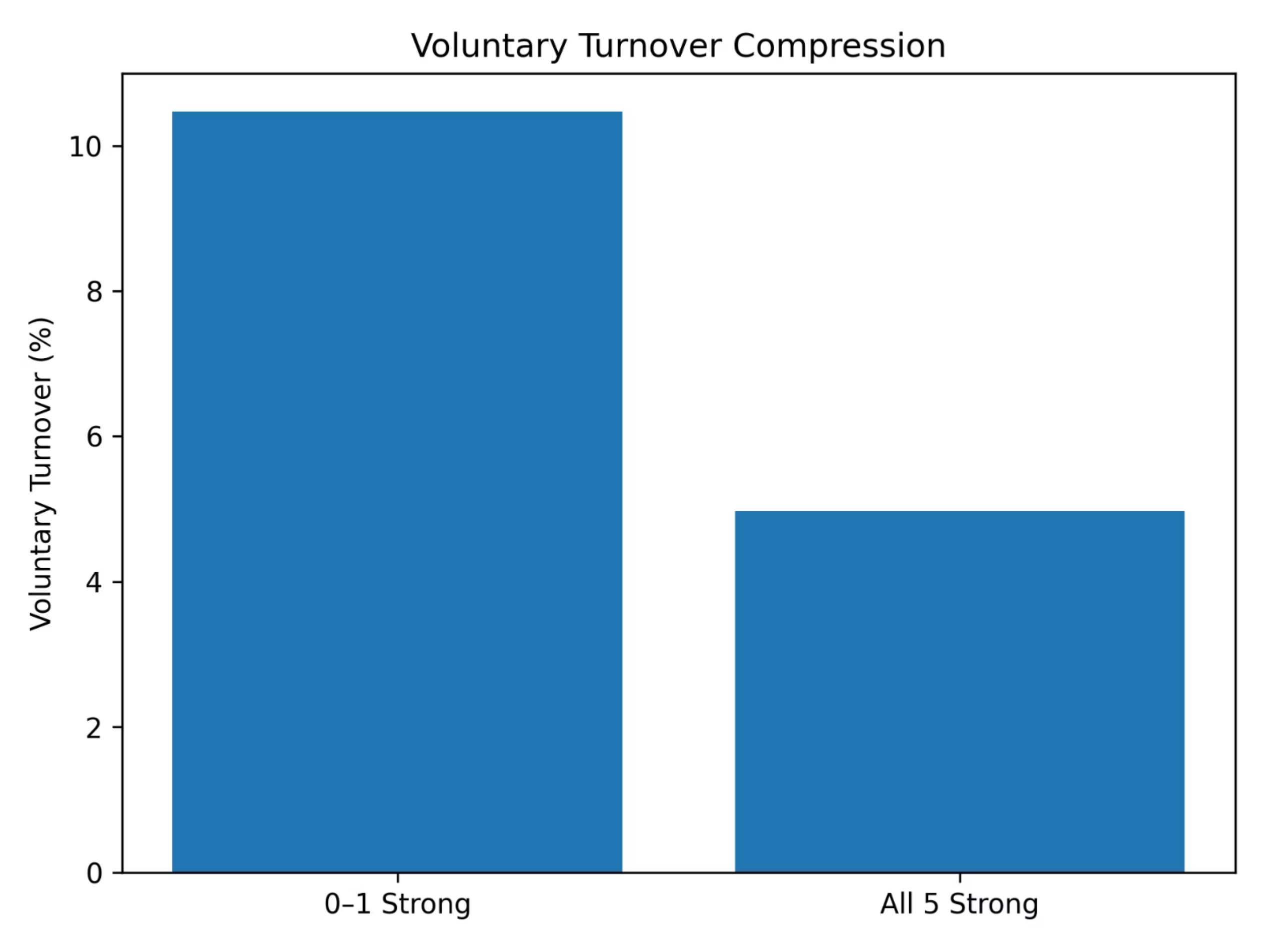
High Potential Programs

Formal HiPo identification and development tracks accelerate advancement for the organization's future leaders.

Executive Engagement

Direct involvement of senior leaders in inclusion programs signals organizational commitment and drives cultural change.

Voluntary Turnover: The Data



The chart illustrates voluntary turnover rates across companies measured in our dataset, segmented by participation in inclusion programs.

Employees not enrolled in inclusion initiatives show significantly higher VTO rates than those who are — a consistent, measurable pattern across all 150 companies and 8 industries studied over five years.

Employees **not in inclusion programs** exhibit materially higher voluntary turnover than program participants — a gap that widens as program strength increases across all five initiative categories.

The Financial Impact of Turnover Reduction

The cost of voluntary turnover is frequently underestimated by finance and HR teams alike. SHRM research quantifies the true burden — and our data reveals the scale of potential savings available through structured inclusion investment.

50–60%

Direct Salary Cost

SHRM's floor estimate for the direct cost of replacing a single employee, including recruiting and onboarding.

200%

Total Replacement Cost

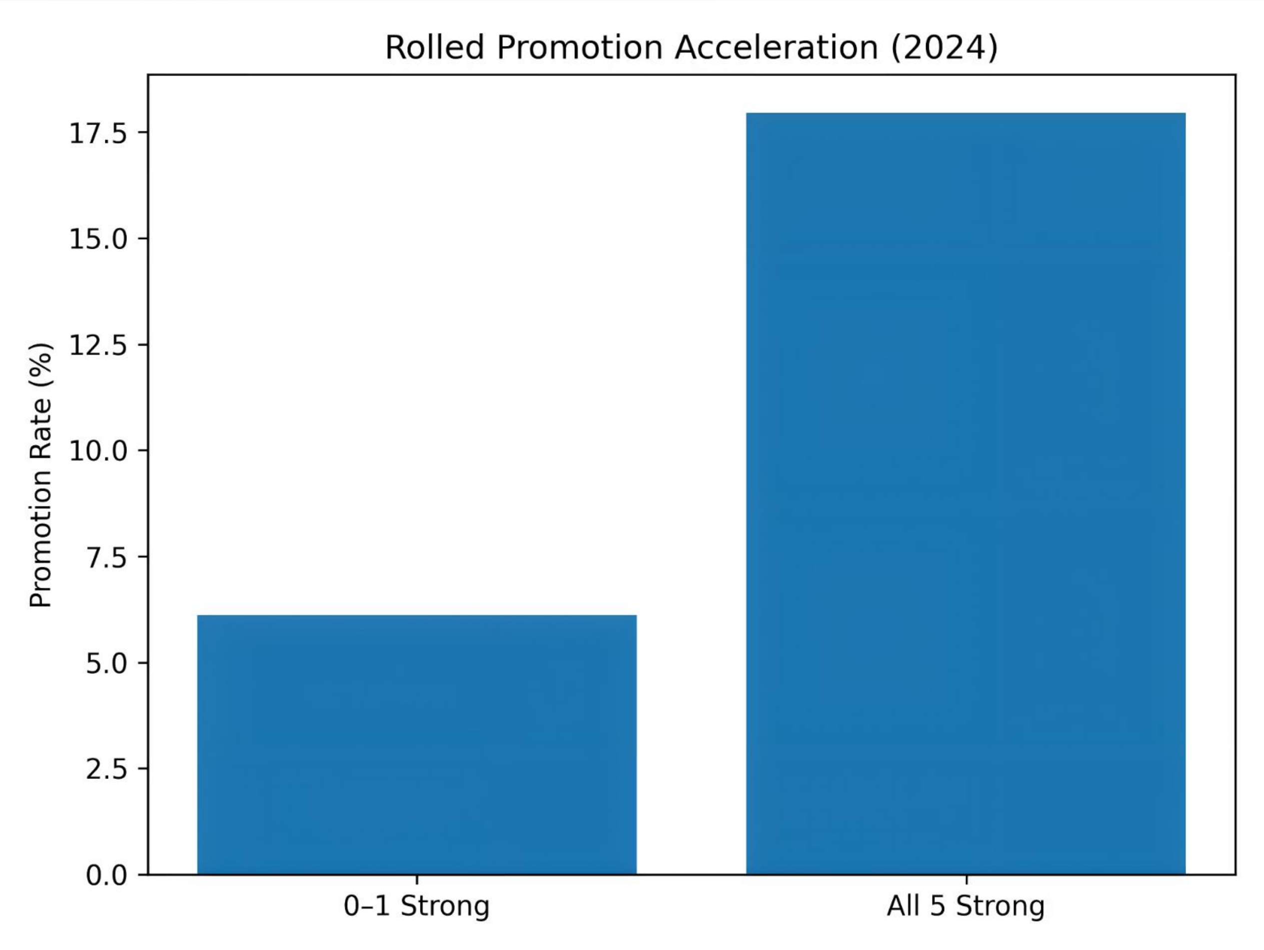
SHRM's ceiling estimate when accounting for lost productivity, training time, and cultural disruption.

$25M

Avoided Cost Potential

A 5-point VTO reduction yields approximately **$20–25M in avoided costs** per 10,000 employees annually.

Promotion Rate Acceleration: All Initiatives



Across all five inclusion initiatives, employees enrolled in structured programs are promoted at dramatically higher rates than non-participants.

This chart tracks the promotion rate differential — a direct measure of talent pipeline velocity and internal mobility health — aggregated across all companies and industries in our dataset.

Employees in inclusion programs advance at significantly higher rates — validating inclusion as a talent acceleration engine, not merely a retention tool.

What the Research Says About Promotion Rate Impact

Fair360's findings are validated by the most rigorous bodies of organizational research available. The academic and consulting consensus is clear: structured advancement pathways drive engagement, reduce attrition, and strengthen succession pipelines.

McKinsey — Great Attrition

The top drivers of voluntary resignation are **lack of career development and advancement clarity** — making promotion transparency a direct lever for retention.

Gallup Meta-Analysis

Employees who see real development opportunity are significantly **more engaged**. Engagement is the strongest single predictor of lower turnover and higher performance outcomes.

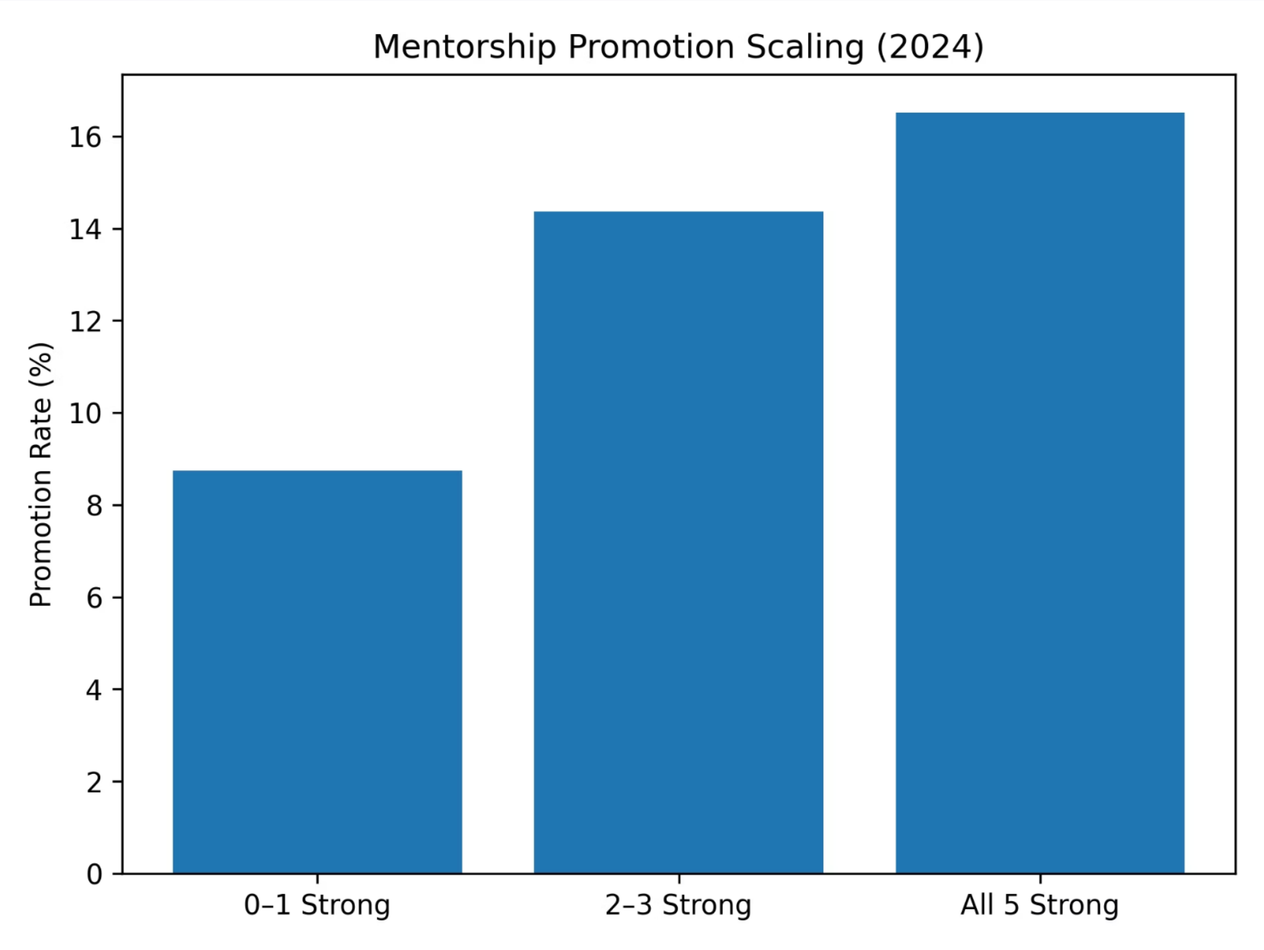
Academy of Management Journal

Colquitt et al. demonstrate that **procedural fairness predicts organizational commitment**. Transparent advancement systems measurably reduce withdrawal behaviors across all employee segments.

BCG & Deloitte Human Capital Trends

Strong internal mobility systems correlate with deeper leadership pipelines. **Promotion acceleration directly strengthens succession continuity** and organizational resilience.

Mentorship: Promotion Rate Impact

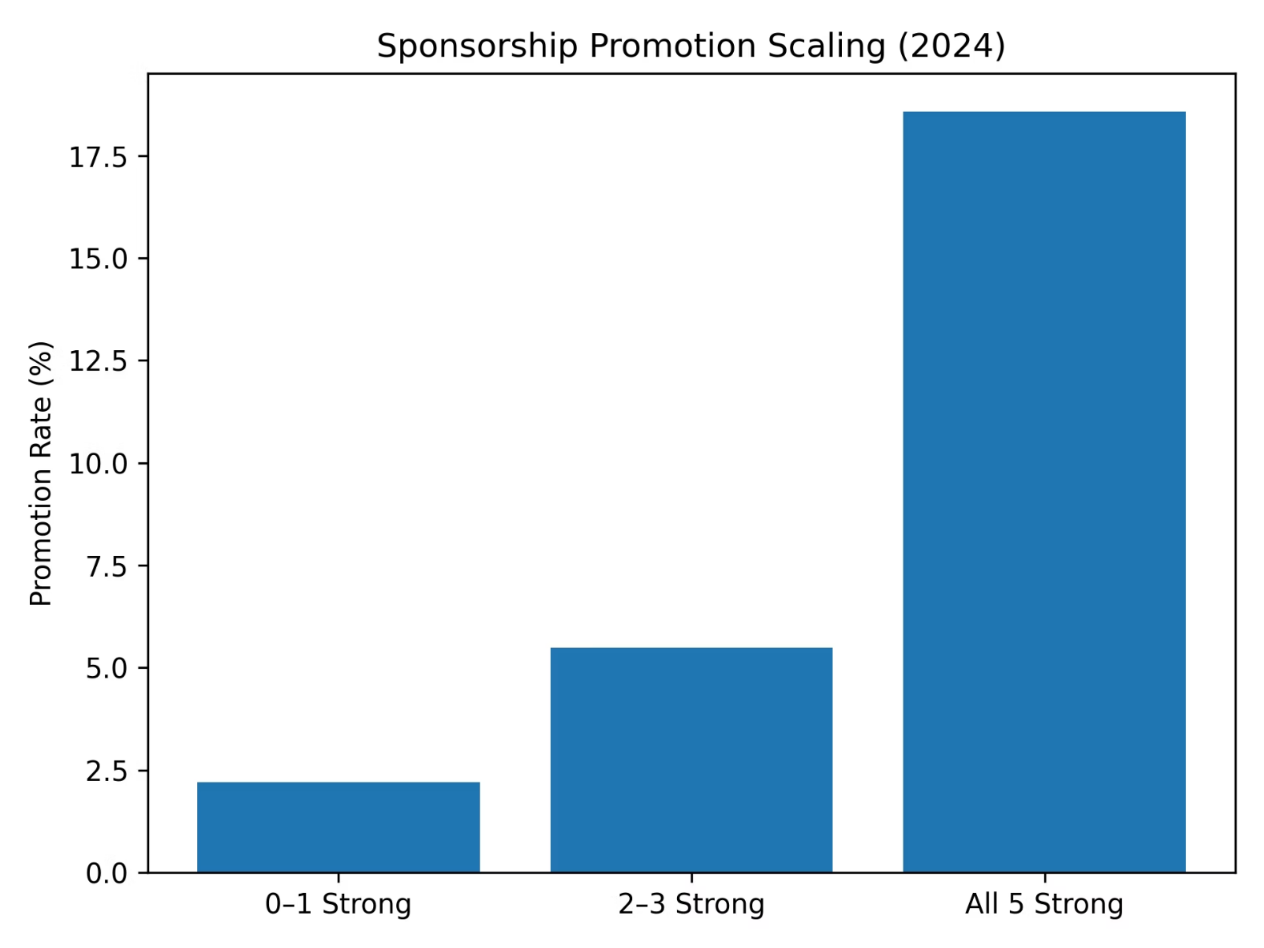


Formal mentoring programs generate some of the most consistent promotion rate differentials in our dataset.

Employees enrolled in structured mentorship advance faster — not because they are inherently higher performers, but because mentoring creates the visibility, guidance, and advocacy that traditional pathways often fail to provide equitably.

Mentorship participants are promoted at materially higher rates than non-participants — demonstrating that structured guidance translates directly into career velocity.

Sponsorship: Promotion Rate Impact



Sponsorship outperforms mentoring in raw promotion rate impact. Where mentors advise, sponsors act — actively advocating for employees in rooms where promotion decisions are made. Our data confirms that sponsorship is among the highest-ROI inclusion investments an organization can make.

Sponsorship participants show the steepest promotion rate differential of all individual initiatives — confirming active advocacy as the most direct path to advancement acceleration.

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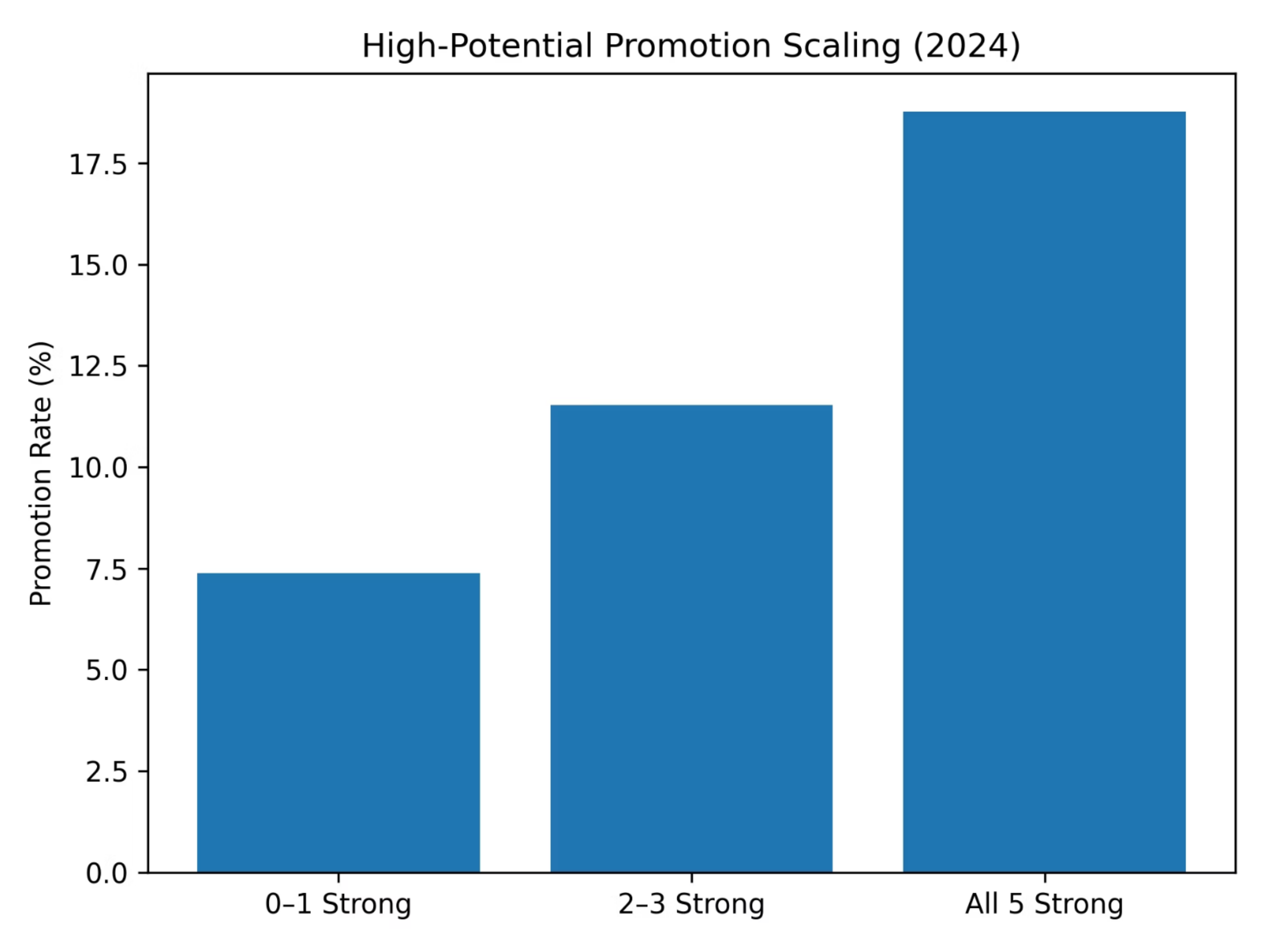
High-Potential Programs: Promotion Rate Impact



Formal High-Potential identification and development tracks produce dramatic promotion rate acceleration.

HiPo programs create structured, transparent pathways for advancement — reducing the ambiguity and perceived unfairness that drive disengagement and voluntary departure among an organization's most capable talent.

HiPo program participants advance at significantly higher rates — and critically, the program's transparency reduces turnover among high performers who would otherwise exit due to unclear advancement prospects.

Enterprise Implications for CHROs and CEOs

The data converges on a clear strategic conclusion: structured inclusion programs are not a cost center — they are a human capital asset with measurable returns across four dimensions that directly affect shareholder value and organizational performance.

Reduce Voluntary Turnover

Faster advancement directly lowers the disengagement and departure rates that drive costly attrition.

Lower Recruiting Costs

Internal mobility fueled by inclusion programs reduces reliance on expensive external hiring pipelines.

Strengthen Succession Depth

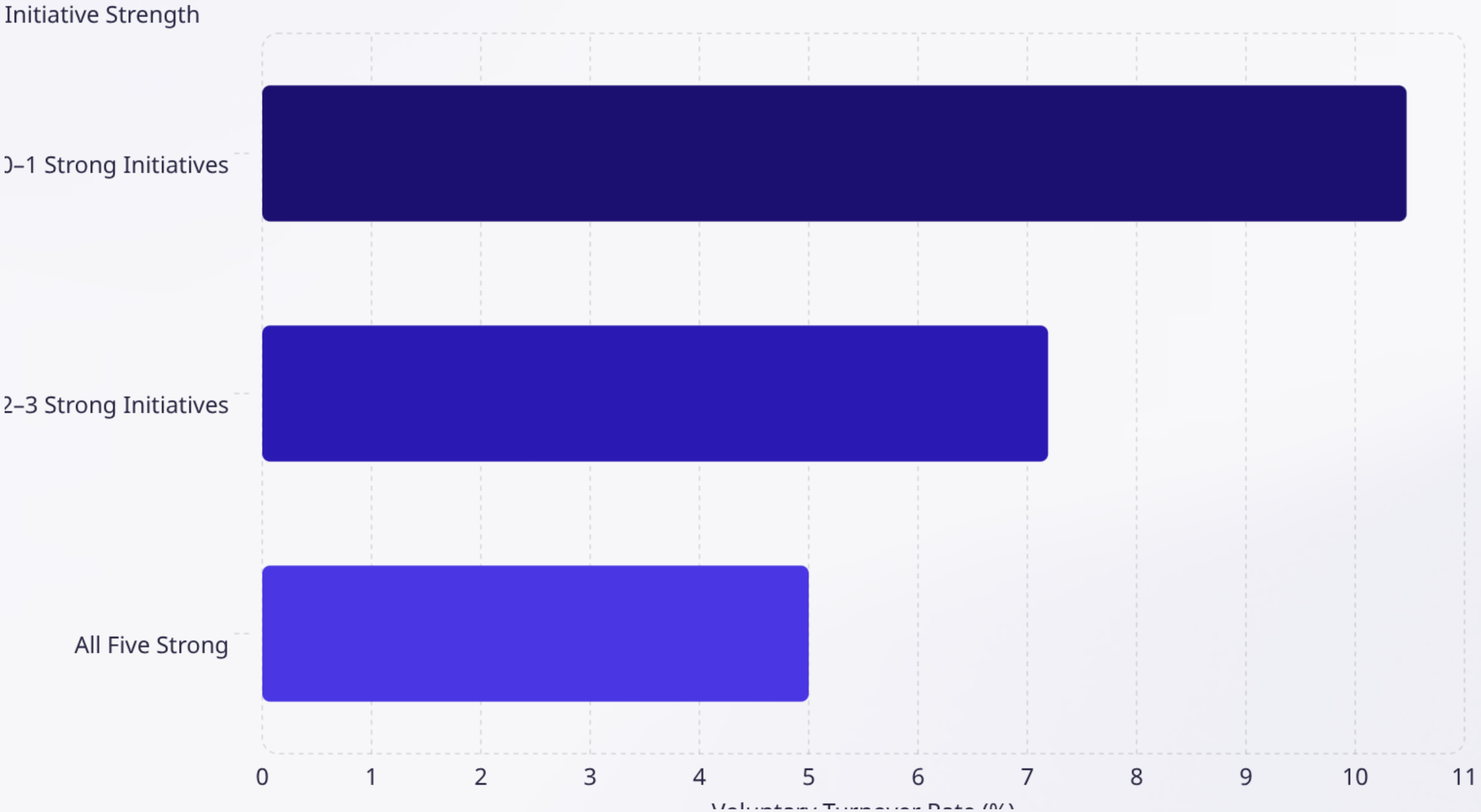
Promotion acceleration builds a denser, more diverse leadership pipeline — reducing key-person risk at every level.

Enhance Shareholder Return

Human capital governance tied to measurable inclusion outcomes increasingly drives institutional investor confidence and ESG ratings.

Synergy Effect: Five Initiatives & Voluntary Turnover

The most powerful finding in our dataset is the **compounding effect** of initiative strength. Companies that invest seriously in all five programs don't just add marginal benefit — they achieve an **exponential reduction** in voluntary turnover. Impact accumulates across leadership engagement, mentorship, sponsorship, high-potential programs, and ERGs simultaneously.



5.47-Point Reduction

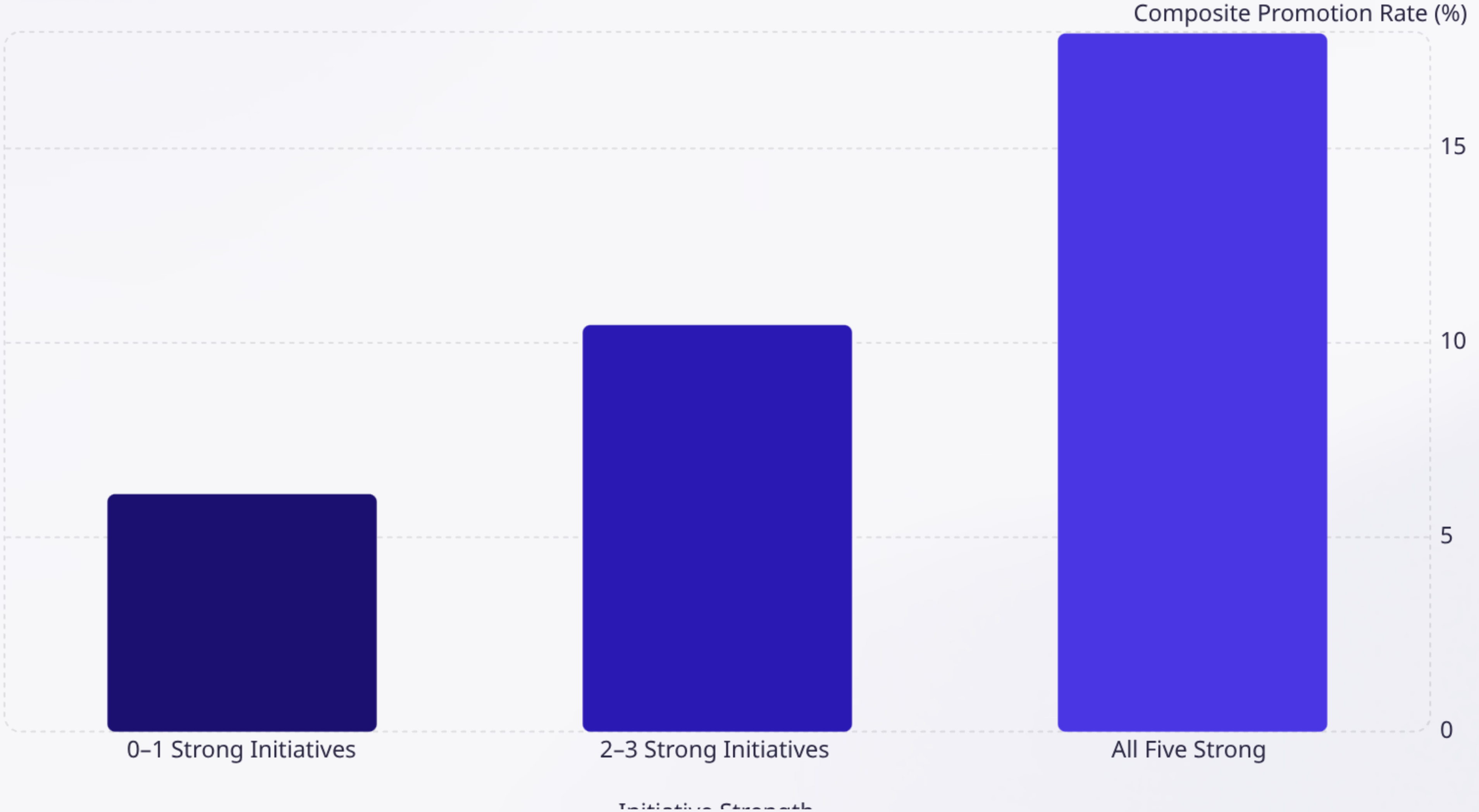
Moving from 0–1 to All Five Strong initiatives

52% Lower VTO

Relative reduction in voluntary turnover at full initiative strength

Synergy Effect: Composite Promotion Rate Acceleration

Promotion velocity follows the same compounding logic. The composite promotion rate — combining Mentorship, Sponsorship, and High-Potential program data — reveals a **nearly 3x acceleration** in advancement when all five initiatives are structurally strong. Critically, VTO reduction and promotion acceleration occur **simultaneously**, producing compounded organizational value.



Key insight: Moving from 0–1 strong initiatives to all five strong delivers nearly **3x higher promotion velocity** — while simultaneously driving a 52% reduction in voluntary turnover. These outcomes reinforce each other.

Your Next Step: Get Your Benchmark

Fair360 offers a **no-cost, completely private** competitive analysis and savings projection based on your organization's data. The process is straightforward, confidential, and meets all current federal guidelines. No demographics are excluded from eligibility.

01

Complete the 48-Question Survey

Takes approximately 20 minutes. Contact **snelson@fair360.com** to receive your personalized survey link and begin the benchmarking process.

02

Receive Your Competitive Analysis

Fair360 delivers a **no-cost savings projection** and competitive benchmark comparing your organization against our 150-company dataset across your specific industry.

03

Build Your ROI Business Case

Use your organization's own data — combined with Fair360's research — to construct a **board-ready financial justification** for inclusion program investment.

Questions? Contact Luke Visconti directly: lvisconti@fair360.com · **Fair360.com**