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**Workplace Unfairness Costs U.S. Employers an Estimated
\$64 Billion Annually in Employee Turnover**

SAN FRANCISCO, August 28, 2007 -- A new study reveals that workplace unfairness costs U.S. employers an estimated \$64 billion per year in turnover of managers and professionals, in addition to costs from decreased sales of products and services and damaged employer reputation.

"The Corporate Leavers Survey," conducted by the Level Playing Field Institute and sponsored by Korn/Ferry International, finds that each year more than two million professionals and managers leave their corporate employers due **solely** to workplace unfairness. According to the survey, people of color are three times more likely and gays and lesbians are twice as likely as heterosexual Caucasian males to have left their jobs due solely to workplace unfairness.

"The study highlights that unfairness in the form of everyday inappropriate behaviors is a very real, prevalent and damaging part of today's work environment," said Freada Kapor Klein, Ph.D., founder and board chair of the Level Playing Field Institute. "The cumulative impact of stereotyping, subtle slights and being excluded is extraordinarily costly for individuals, employers and the society as a whole. It is sadly ironic that so much money is spent on recruiting and so little attention is devoted to creating a fair and welcoming work environment. Many companies become revolving doors for people of color, gays and lesbians and women."

Among the specific types of unfairness inquired about, the behaviors which were most likely to prompt someone to quit were: "being asked to attend more recruiting or community events" based on their race, gender, religion or sexual orientation (16 percent), "being passed over for a promotion" (15 percent) and "being compared to a terrorist" (19 percent). Although the actual incidence rate of being compared to a terrorist was small (2 percent), when it did occur, it had a profound effect and was one of the behaviors most frequently associated with an employee's decision to leave solely due to unfairness.

Additionally, 27 percent who experienced unfairness said their experience "strongly" discouraged them from recommending their employer to other potential employees. Similarly, 13 percent said their experience "strongly" discouraged them from recommending their employer's products or services to others.

"A perception of workplace unfairness can have a substantial negative impact on an organization's employment brand," said Eunice Azzani, senior client partner for Korn/Ferry.

Respondents to the survey also expressed differing opinions on which actions their employers could have taken to convince them to stay. Fair compensation was the most important factor for heterosexual Caucasian men and women, while almost half (43 percent) of gays and lesbians would have been "much more likely" to stay if they were offered better benefits. More than one-third of people of color (34 percent) indicated they would have likely stayed if their employer had better management who recognized their abilities.

The Corporate Leaver Survey also includes qualitative anecdotes and interviews from over 1,000 professionals. Notable comments include:

- *"One of my coworkers was buying a new house so we went to Google maps to look it up. It's a satellite image so you can zoom in and see an image of the actual house. Another co-worker walked by and said, "What, are you selecting a target?" - An Arab male finance professional*
- *"I worked with a particular senior attorney for years and one morning I went into his office to talk to him. In the middle of the conversation, he looks up at me and says, 'Wait a minute, you're not [the name of the other black associate].'" - An African-American female attorney*
- *"I was top in my class...then the ceiling hit fast...when word spread that I was vocal about hot topics like education reform and immigrant issues, I was marginalized at work functions." - A Latino banking executive*
- *"We found out that our company offered pet health insurance, including unusual pets like pigs, rats and snakes but they didn't offer same sex domestic partner benefits." - A lesbian retail professional*
- *"My manager told me I was too "ethnic" looking to be taken seriously. - A Latina information technology professional*
- *"When I had errors on my work, even it was really minor, the partner would say, "There is an English problem here," instead of just calling it a typo." - An Asian female attorney*

An executive summary of the Survey findings and information on how to purchase the Report can be found at: <http://www.lpfi.org/workplace/corporateleavers.shtml>

Methodology

The Level Playing Field Institute estimated the cost of unfairness in the workplace at \$64 billion by multiplying the number of survey respondents who left the workplace solely due to unfairness by the most conservative average cost of replacing one professional or manager. The Corporate Leavers Survey is based on an initial screener survey of over 19,000 individuals, representative of the U.S. workforce, which yielded 1,700 professionals and managers who had quit or volunteered to be laid off within the past five years.

About the Level Playing Field Institute

Level Playing Field Institute promotes innovative approaches to fairness in higher education and the workplace by identifying and removing barriers that prevent individuals from reaching their full potential. Its vision is that all students, regardless of socio-economic status, will have opportunities to apply to and graduate from top colleges and

universities, resulting in communities and workplaces that benefit from competitive leaders representing broad perspectives of society. Visit www.lpfi.org for more information.

About Korn/Ferry International

Korn/Ferry International, with more than 70 offices in 40 countries, is a premier global provider of talent management solutions. The firm delivers an array of solutions that help clients to identify, deploy, develop, retain and reward their talent. For more information, visit www.kornferry.com.

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