

Retaining Top Talent Through Mentorship and Sponsorship Programs

By Danielle Hess, Managing Editor, Fair360



Summary:

This report highlights the importance of formal mentorship and sponsorship in the career development of all employees, including those who have been historically underrepresented in leadership positions. Using Fair360 data, the report explains how these programs help support underrepresented groups, while also improving retention and reducing turnover among all employees.

The journey to the top in any industry is a long one. After graduating from a college or university, receiving certifications or specializing in a skill, it sometimes takes years to move up the career ladder.

While the corporate climb takes time, it's critical for employees to put their best foot forward and for employers to help develop this talent to foster innovation, growth and inclusion within their companies. That's where formal mentorship and sponsorship programs come in, as they can help create pathways to leadership.

Mentorship vs. Sponsorship

Mentorship is centered on building skills and providing guidance through career challenges, often offering advice and networking opportunities. Mentors are advisors, offering insights but not necessarily advocating for career advancement.

On the other hand, sponsorship refers to a senior leader (the sponsor) actively advocating for the career advancement of a junior employee (the sponsee). It differs from mentorship as sponsors use their influence and network to create opportunities for sponsees.

Top Companies Remain Committed to Mentorship and Sponsorship Programs

Fair360's Top 50 survey underscores that best-in-class organizations are not abandoning formal mentorship and sponsorship programs but are doubling down, particularly in the wake of challenges such as anti-DEI measures. According to Shane Nelson, Chief Operating Officer at Fair360, the data also shows that companies with formal sponsorship programs saw an increase in representation of underrepresented groups from 2021 to 2024.

Fair360 data revealed that in 2021, 125 companies reported having formal mentorship programs. By 2024, 85 of the 125 companies continued participating in the survey. Of those 85 companies, for those that landed

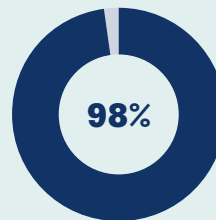
in the 2024 Top 50 and Hall of Fame, 56 retained their program in 2024 and one did not (98%). For those that didn't land in the 2024 Top 50 and Hall of Fame, 23 retained their program in 2024 and five didn't (82%).

The Fair360 [Hall of Fame \(HOF\)](#) recognizes former No. 1 companies on the Top 50 list. Once a company reaches HOF status, it is not included in the Top 50 list in subsequent years. HOF companies must continue to submit a [Top 50 survey](#) and remain competitive with the Top 10.

Also in 2021, 75 of participating companies reported having a formal sponsorship program. Fifty-nine of these companies continued their participation in 2024. Among these companies, 81% retained their sponsorship programs.

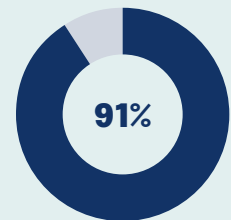
Program Retention Rates

Mentorship

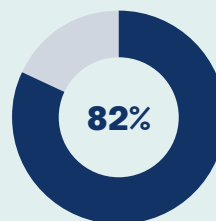


of Top 50 and Hall of Fame companies retained programs from 2021 to 2024.

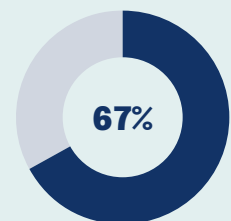
Sponsorship



of Top 50 companies retained programs from 2021 to 2024.



of companies that took the survey but didn't make the Top 50 list retained programs from 2021 to 2024.



Source: Fair360

For companies that ranked on the 2024 Top 50 list, 91% retained their sponsorship programs. Sixty-seven percent of companies that did not make the 2024 Top 50 retained their sponsorship programs. Among Hall of Fame companies, 89% retained their programs.

Mentorship and Sponsorship Programs Improve Employee Retention

Top 50 data also shows that companies with sponsorship and mentorship programs had less voluntary turnover rates in management levels 1-4.

Management Levels Explained

Level 1 (L1): CEOs and their direct reports

Level 2 (L2): Direct reports of level 1

Level 3 (L3): Direct reports of level 2

Level 4 (L4): Direct reports of level 3

Visit [Fair360's Top 50 survey Glossary of Terms](#) for more information.

On average, organizations with VTO rates below the median scored eight percentile points higher for each cultural initiative than organizations with VTO rates above the median. The five key cultural initiatives are:

1. Executive Diversity Councils
2. High Potentials
3. Mentorship
4. Employee Resource Groups (ERGs)
5. Sponsorship

Looking at mentorship and sponsorship, companies with lower voluntary turnover (VTO) score significantly better, on average, than companies with high VTO rates.

Best Practices for Formal Mentorship and Sponsorship Programs

There are several best practices to consider when establishing formal mentorship and sponsorship programs. It is essential to first define clear objectives for the program. Whether the goal is skills development, leadership training or fostering inclusion, well-defined goals need to be set from the start.

According to Nelson, regular check-ins and feedback sessions are essential to monitor progress and address any issues promptly. These sessions help maintain the momentum of the program and ensure that both mentors and mentees or sponsors and sponsees are on the right path.

Finally, measuring the success of the program is crucial to understand its impact on both individual development and organizational goals. Using metrics to evaluate the program's effectiveness helps in making necessary adjustments and improvements.

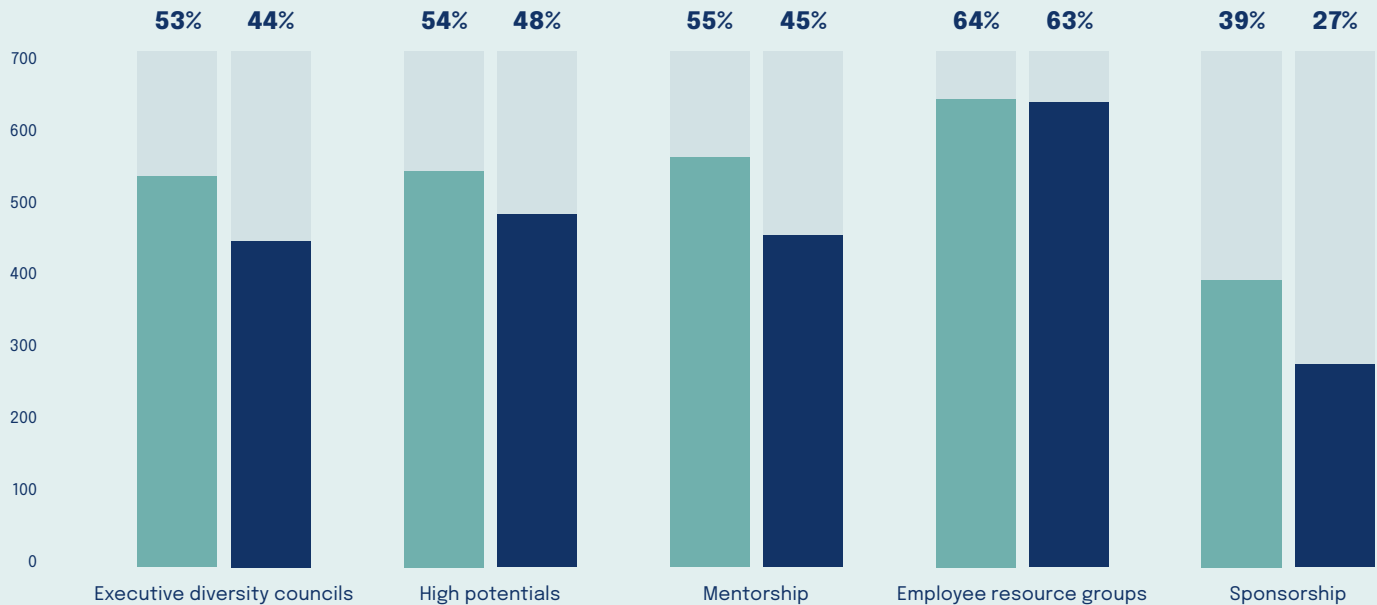
Nelson also highlighted the importance of guiding employees to participate in mentorship programs. He noted that while many organizations have moved to self-guided mentorship programs integrated into their human resources information systems (HRIS), it is crucial to actively encourage participation.

"You have to guide people. You must constantly tell people, 'Hey, you need to go and sign up for mentoring,'" he said. Companies that do this well often reach out to employees regularly, showcasing the benefits of mentorship programs through various methods, including videos of successful mentoring relationships.

Additionally, ensuring that new hires are aware of and encouraged to join mentorship programs during onboarding is vital. This proactive approach helps identify and nurture high-potential employees from the start.

Average 2024 Percentile Score by Cultural Initiative and VTO Rate

● Below median VTO rate ● Above median VTO rate



Source: Fair360

KPMG's (No. 5 on the 2024 Top 50 Companies list) Business Resource Group (BRG) Mentoring Circles pair small groups of mentees with Circle Leaders (mentors) to expand networks, empower self-advocacy, provide trusted advisors, offer career insights and improve support. They create a safe space for candor around vulnerabilities and key moments in the employee experience. Through Mentoring Circles, mentees will gain exposure to leaders, creating better visibility to top talent.

Successfully Pairing Sponsors and Sponsees

When it comes to starting a formal sponsorship program, an organization usually identifies a group of people who need to be sponsored, Nelson said.

"Typically, that group of people is pulled from the high-potential pool," he said. "High potentials are people an

organization has designated to be developed and to grow their career so that they can hopefully lead the organization in the future."

Once sponsees have been identified, it's important for organizations to figure out who will be the sponsors. Companies that do well with formal sponsorship programs tend to tap senior leadership to serve as sponsors as they can kick off these programs and model what's expected of other senior leaders chosen for this role.

As one example, KPMG pairs senior leaders with high-potential employees. As Aaran Lane-Drayton, Director on the Talent & Culture/DEI team who focuses on sponsorship at KPMG explained, sponsorship programs are for those who "demonstrate special talent, ambition and leadership promise."

KPMG looks at sponsorship as a way to cultivate the next generation of leaders. These high performers are identified and paired with a senior leader, forming the sponsor-protégé (or sponsee) relationship.

The company will also provide sponsors with the tools needed for a successful sponsor- protégé relationship.

“We’ll give them the right tools to ensure their meetings are focused and productive, and encourage them to meet on a frequent basis,” Lane-Drayton said. “This will align with our performance management system, and participants will receive opportunities to share best practices with their sponsorship cohort.”

The next important thing is to pair sponsors with sponsees. A sponsor has to advocate for their sponsee, so it’s crucial to pair people with similar interests. The biggest difference between mentoring and sponsoring is you can tell anyone within your organization that you want them to mentor someone. With sponsorship, it’s more complicated.

“There’s a lot more on the line,” Nelson said. “A sponsor should create opportunities for their sponsee. They have to advocate for this person. No one wants to advocate for someone they don’t necessarily believe in or they don’t know”

Marcee Harris Schwartz, Director of Talent & Culture/DEI who focuses on gender strategy at KPMG, said matching sponsors with protégés is an important aspect of the firm’s sponsorship efforts.

“Research shows the most successful sponsorship relationships are organic ones, however, not everyone has equal access to those relationships,” Harris Schwartz said. “In lieu of letting people form their own relationships based on organic interactions, the matching is intended to provide that equity and access.”

An Inclusive Approach to Sponsorship

Sponsorship programs aren’t only for people from underrepresented groups. There are ways to make them available to everyone.

Nelson gave an example of a company that was ahead of its time and created a very inclusive sponsorship program several years ago that targeted women and people of color. Twenty-five percent of individuals sponsored were white, 25% were Black, 25% were Latino and 25% were Asian, totaling 75% people of color. Additionally, 50% of those being sponsored were women.

Given the current political landscape and attacks on diversity, equity and inclusion (DEI), Nelson said this approach to sponsorship programs provides a fair way for companies to adapt these programs or create new ones.

Additional Best Practices and Considerations

Drawing from Fair360 data and leading examples, companies should consider the following when creating or refining sponsorship programs:

Clarify sponsorship vs. mentorship:

Sponsors advocate for career advancement, while mentors focus on skill-building. Both are critical, but each serves a distinct purpose.

Be transparent:

Organizations should be transparent about sponsorship programs, ensuring all employees know they are available.

Be fair and inclusive:

Companies can create inclusive programs that support fairness, such as ensuring 75% of participants in sponsorship programs are people of color and 50% are women.

Respond to legal considerations:

In the wake of the SCOTUS decision, companies must adapt their programs to be legally compliant while continuing to focus on inclusive talent.

Monitor program effectiveness:

Regularly analyze the impact of sponsorship programs, especially in terms of promotion rates and representation, to ensure they are meeting organizational goals.