



## Workday Inc (WDAY)

### Vote Yes: Item #6 – Disclosure of Employee Retention Rates by Demographic Category

Annual Meeting: June 16, 2026

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#### THE RESOLUTION

Shareholders request that Workday disclose, at reasonable cost and excluding proprietary information, its employee retention rates by all categories the Company is required to track under applicable laws, such as veteran status, age, gender, race, and disability status.

#### RATIONALE FOR A YES VOTE

Workday states that “employees are our number one core value” and “a critical component of our success has been our corporate culture.” It also states that its ability to execute its growth strategy depends largely on attracting, developing, and retaining talent.<sup>1</sup> The Company’s products are designed to help clients measure and manage workforce outcomes, including retention, as a core driver of performance. Paradoxically, however, Workday does not disclose comparable retention data for its own workforce, wasting an opportunity to illustrate the effective use of its product and limiting investors’ ability to evaluate whether or how the Company is managing its own workforce.

This proposal requests limited, decision-useful transparency into the Company’s workforce outcomes using data it already tracks internally. The proposal does not request operational changes and is focused solely on disclosures that would allow shareholders to better assess performance, risk, and long-term value creation.

#### DISCUSSION

##### Strategic Rationale for Retention Rate Disclosure

Retention rates provide a direct and decision-useful measure of how effectively management is operating one of the Company’s most important assets: its workforce. As Workday emphasizes, employees are central to a company’s success and long-term strategy, making workforce outcomes a critical area of investor focus.<sup>2</sup> Because human capital is fundamental to the Company’s business model, transparency into retention outcomes is essential for evaluating the quality of execution and the sustainability of measures designed to retain employees.

<sup>1</sup><https://app.quotemedia.com/data/downloadFiling?webmasterId=101533&ref=318999448&type=HTML&symbol=WDAY&cdn=e97899deca2c055abdc0974b28d33c21&companyName=Workday+Inc.&formType=10-K&dateFiled=2025-03-11>

<sup>2</sup> <https://www.forbes.com/sites/jimpurcell/2021/12/07/workdays-intentional-culture-achieves-business-returns/>



Retention is one of the most actionable workforce metrics; it reflects leadership effectiveness, internal mobility, employee engagement, and organizational stability.<sup>3</sup> Strong retention signals that employees see long-term opportunity within the organization and that management is aligning talent development with business needs. For example, a McKinsey study of 1,500 companies found that effective management practices, including promoting internal mobility, were associated with an 18% increase in EBITDA, demonstrating the link between workforce stability and financial performance.<sup>4</sup>

Retention also has clear cost and risk implications. As employees leave, they take institutional knowledge, customer relationships, and specialized expertise with them, while increasing recruiting and training costs.<sup>5</sup> Gallup estimates that replacing employees in technical roles can cost up to 80% of annual salary.<sup>6</sup> In a competitive technology labor market, disparities in retention across demographic groups could indicate talent pipeline challenges or inefficiencies in workforce management that may not otherwise be visible to investors.

While retention is not the sole measure of organizational health, it is a clear, observable indicator of execution, continuity, and long-term value creation. Without disclosure of retention rates, particularly across demographic groups, investors lack visibility into a material driver of performance and human capital risk.

### **Workday Sells What It Does Not Disclose**

Workday promotes the importance of workforce analytics and retention measurement to its clients, positioning these capabilities as essential to effective human capital management. The Company advertises its “Workday People Analytics” tool as a way for clients to track workforce trends to improve recruitment and hiring processes. As Workday notes, its product uses demographic data such as gender identity, race, and age, to enable companies “to make better people decisions...to shape business outcomes” and emerge “stronger from crisis because they’re better positioned to take informed action to effectively manage talent.”<sup>7</sup>

Its own 2024 global diversity, equity, and inclusion (DEI) survey of 2,600 HR professionals and business leaders across 19 countries, Workday found that 85% of organizations maintained a DEI budget and 66% cited internally motivated demand as the primary driver.<sup>8</sup> If these metrics are decision-useful for customers, they are equally relevant for shareholders evaluating Workday’s own performance.

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<sup>3</sup> <https://www.gallup.com/467702/indicator-employee-retention-attraction.aspx>

<sup>4</sup> <https://www.mckinsey.com/capabilities/people-and-organizational-performance/our-insights/organizational-health-is-still-the-key-to-long-term-performance>

<sup>5</sup> <https://www.workday.com/en-us/perspectives/hr/secret-employee-retention-engagement.html#the-key-business-benefits-of-employee-retention>

<sup>6</sup> <https://www.gallup.com/workplace/646538/employee-turnover-preventable-often-ignored.aspx>

<sup>7</sup> <https://newsroom.workday.com/2020-06-24-Workday-People-Analytics-Delivers-Automated-Insights-to-Help-Companies-Better-Optimize-Workforces-Amid-Changing-World>

<sup>8</sup> <https://forms.workday.com/content/dam/web/be/documents/reports/de-i-study-and-report-v1-en-BE.pdf>



Workday does not disclose whether it is successfully retaining its workforce across demographic groups. This lack of transparency limits investors' ability to assess a material driver of operational performance, workforce stability, and long-term value creation.

Workday's public commitments make the absence of this disclosure particularly notable. The Company states that "inclusion sparks innovation and belonging powers performance," and that VIBE (Value Inclusion & Belonging for Everyone) is "core to everything we do." Workday's Chief VIBE Officer describes the Company's aim as cultivating "a supportive environment of inclusion and belonging, where every perspective is respected and valued," linking this directly to innovation, customer experience, and lasting success.<sup>9</sup> Without demographic retention data, shareholders have no way to evaluate whether these stated policies and commitments are being effectively translated into measurable workforce outcomes.

### **Disclosure is Consistent with Market Practice**

Disclosure of workforce retention metrics is common among large companies and peers. More than 250 companies report retention rates by gender, and more than 70 disclose such data by race, including major corporations across industries.<sup>10</sup> These disclosures demonstrate that retention reporting is feasible and, as Workday suggests, can be supported by its own product offerings. Workday should be held to the same transparency standards as its clients and peer companies.

### **Workday's Opposition Statement Supports the Case for Disclosure**

Workday argues that retention data requires context, including distinctions between voluntary departures, involuntary separations, and other workforce transitions. These considerations are valid, but they support disclosure rather than withholding of it. Workday's products are designed to provide this level of analysis and due to its in-depth knowledge of the subject matter, Workday is well positioned to present retention data in a way that is appropriately contextualized and decision-useful.

Workday also states that its Board, through the Compensation Committee, regularly reviews workforce metrics and retention trends as part of its oversight of human capital management. This confirms that the requested information is already being generated and evaluated internally. Providing a summarized version of this data to shareholders would, therefore, be feasible and proportionate and would enhance transparency into an area the Board already considers strategically important.

### **The Requested Disclosure is Limited and Feasible**

The proposal does not require Workday to change its workforce strategy or disclose proprietary or competitively sensitive information. It requests only the disclosure of employee retention rates by categories the Company is already required to track under applicable law.

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<sup>9</sup> <https://www.workday.com/en-us/company/about-workday/value-inclusion-belonging-for-everyone.html>

<sup>10</sup> <https://www.asyousow.org/our-work/social-justice/workplace-equity/data-visualization>



Given that Workday already measures these metrics and provides them to senior management and the Board, the requested disclosure represents a reasonable and proportionate step toward improving transparency. Providing this information would not impose undue burden and would offer investors meaningful insight into workforce outcomes.

## CONCLUSION

Workday has built its business on the premise that workforce data enables better decision-making, stronger performance, and more effective human capital management. However, the Company does not provide investors with comparable visibility into its own workforce outcomes.

The requested disclosure would provide decision useful insight into a material driver of long-term value, allowing shareholders to evaluate whether Workday is applying the same standards internally that it promotes externally. Enhanced transparency of retention data would strengthen investor understanding of the Company's execution, workforce stability, and long-term competitiveness.

**Vote "Yes" on this Shareholder Proposal #6.**

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