

When Women Leaders Leave, the Losses Multiply

The pandemic's negative impact on women in the workforce will not be reversed for a very long time.

54MM

women left the global
workforce in the first year
of the pandemic
(Washington Post)

53%

of women are not participating
in the global labor force
(ILO)

57%

of women plan to leave their
jobs within two years, due to
a lack of work/life balance
(Deloitte)



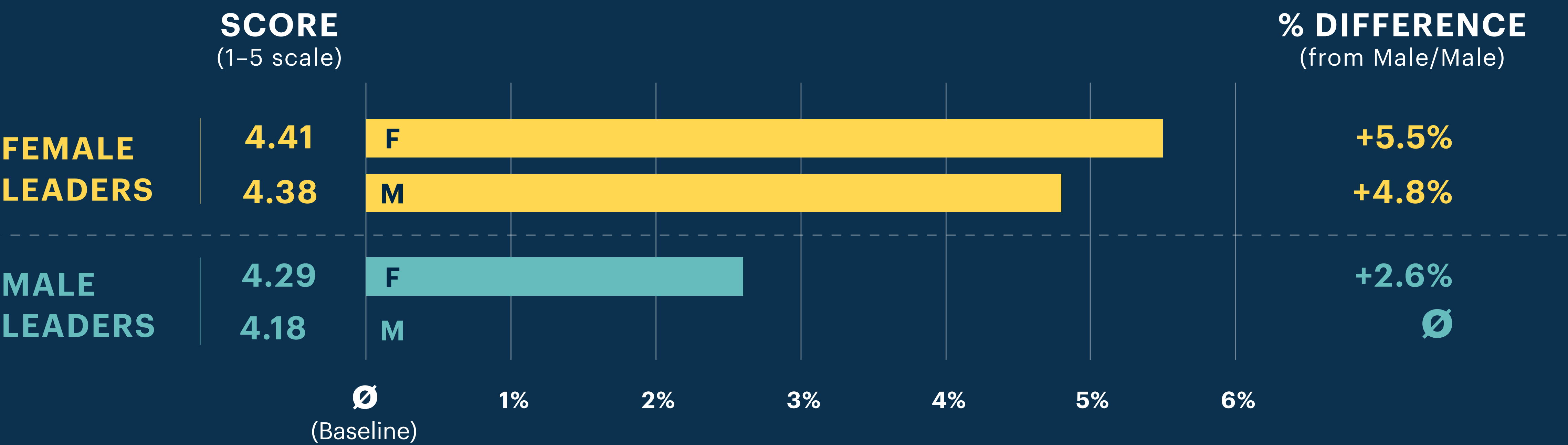
At the same time, women leaders deliver the highest
positive impact on the organization and its employees.

Many of us enjoy our jobs more and perform better when we work for a woman.

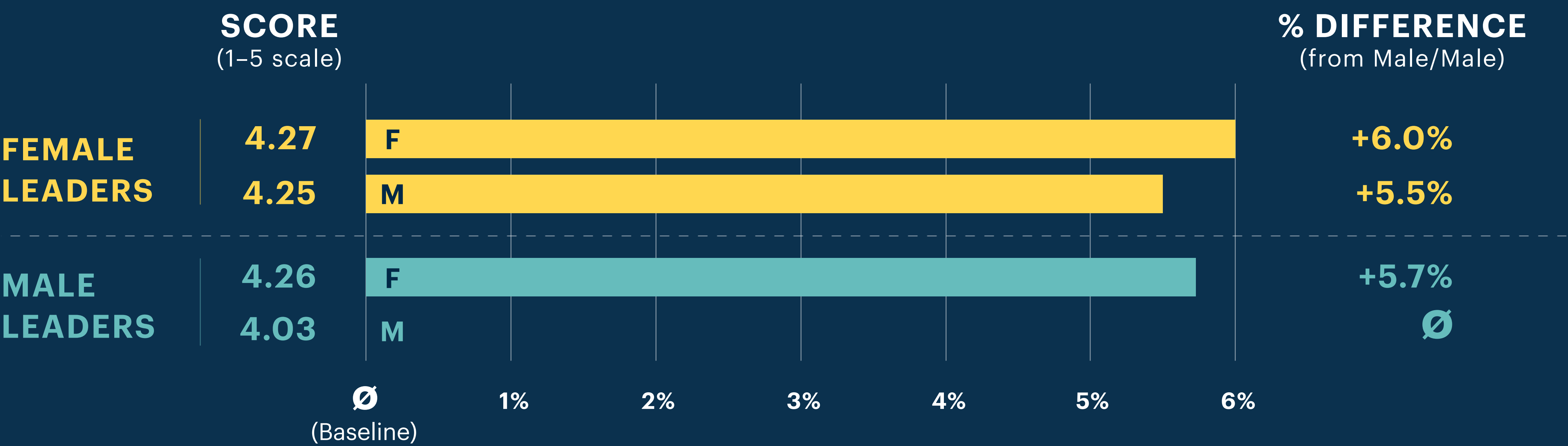


Across numerous metrics, including job engagement and job performance, the best outcomes occur when a woman leads either a woman or man.

JOB ENGAGEMENT



JOB PERFORMANCE



F = FEMALE FOLLOWER
M = MALE FOLLOWER

Source: Potential Project

The impact of women leaders can be measured financially as well.



WOMEN LEADERS
SAVE ORGANIZATIONS
AT LEAST
\$1.4 MM (annually per 1,000 employees)

THE AVOIDED COST
OF **LOST**
PRODUCTIVITY

By driving more engaged employees, women leaders save their organizations **\$1.4MM** for every 1,000 employees (assuming average salary of \$60,000).

THE AVOIDED COST
OF **EMPLOYEE**
REPLACEMENT

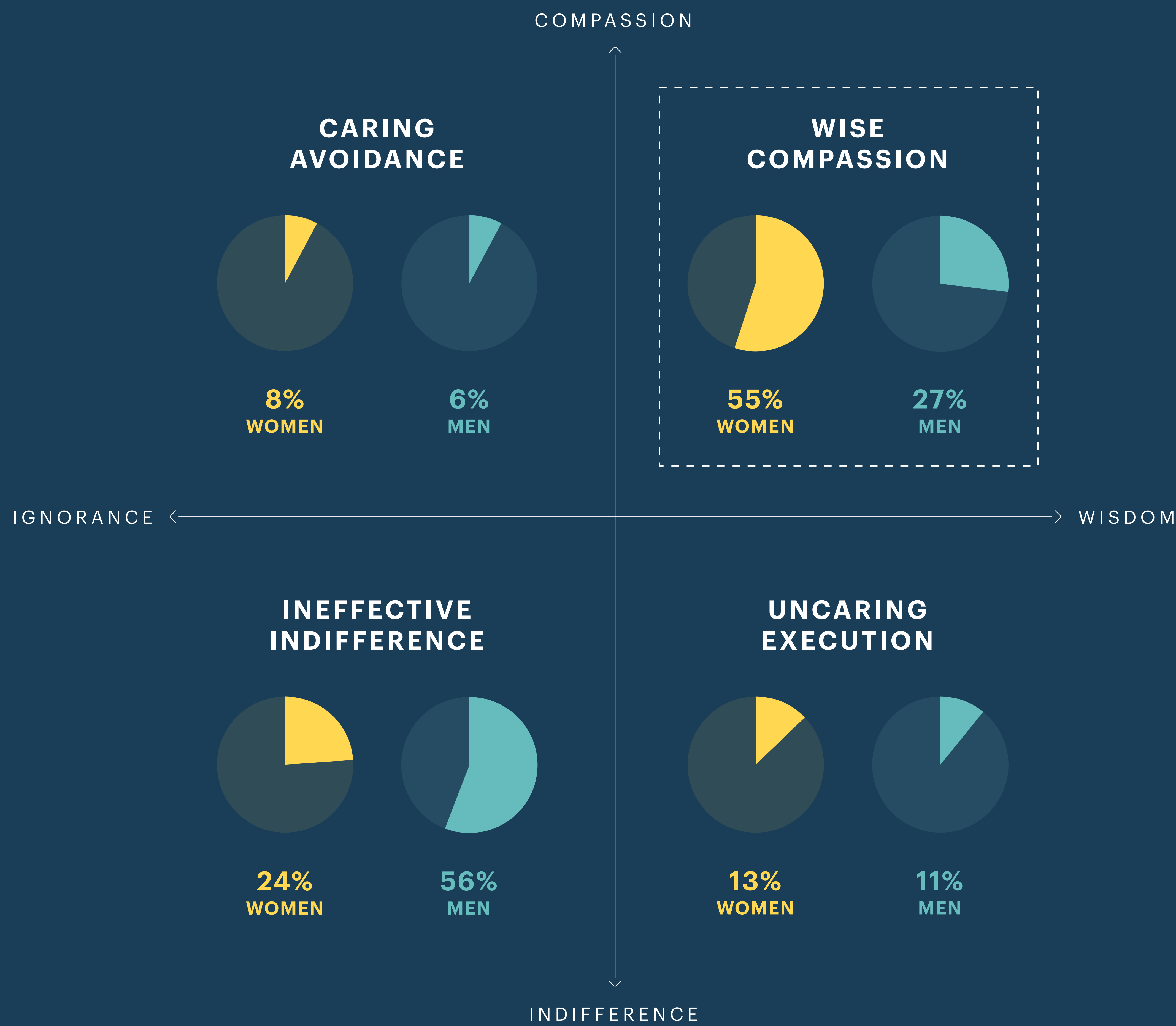
Replacing workers requires one-half to two times the employee's annual salary. So, it costs **\$9,000** a year to keep each disengaged worker and between **\$30,000 and \$120,000** to replace them.

Source: Potential Project / Disengagement costs courtesy of Gallup

Women leaders drive these outcomes because they are seen by followers as wise and compassionate.

HOW LEADERS SCORE ON WISDOM AND COMPASSION

We asked employees to anonymously rate their leaders on wisdom and compassion. When leaders marry compassion with the courage to be transparent and do hard things – what we call wisdom – the best organizational outcomes occur.



55% of women in our study are able to do hard things in a human way as compared to **27% of the men**.

Source: Potential Project

There are four key attributes to master on the journey towards wise, compassionate leadership.

Our research shows that there are four attributes needed for a leader to operate compassionately when doing hard things: Presence, Courage, Candor, and Transparency.

MALE LEADERS

Men score slightly higher on Presence – the ability to put aside distractions to be fully present in the moment with other people.

PRESENCE



FEMALE LEADERS

Women score higher on the three other skills, most notably Transparency – the ability to get ideas and issues out into the open, to make the invisible visible.



COURAGE



CANDOR



TRANSPARENCY



Source: Potential Project

These attributes can be learned. Here's how to start.

FOR MORE PRESENCE:

Practice giving the people you are with your full attention and being present with what is happening right now versus what may have just happened or what's ahead. Really tune in to what the people around you are expressing but may or may not be saying.

FOR MORE COURAGE:

Practice ways to embrace discomfort in difficult interactions and to still engage with others, mindful of the difficult feelings we and they may be having. Deal with things right away and don't leave people in suspense. Nothing is as toxic as unacknowledged conflicts.

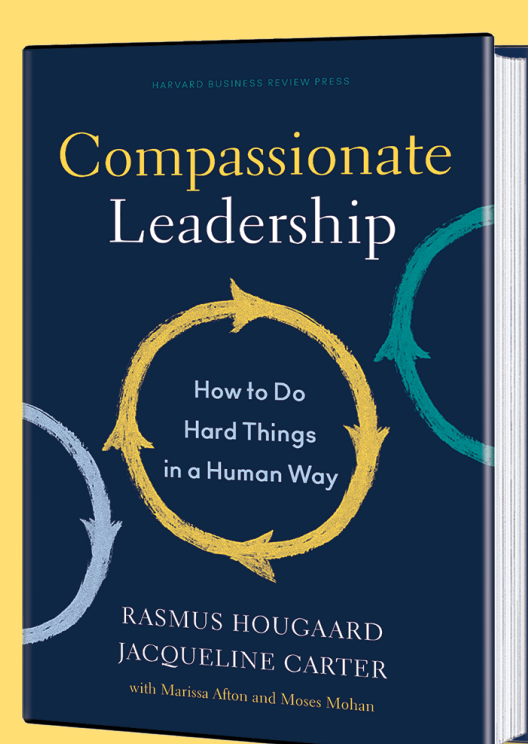
FOR MORE CANDOR:

When delivering difficult messages, be direct and decisive while also remaining authentically open to other people's perspectives. Start with the conclusion—that is, the key message that needs to be shared—and then provide the context, versus the other way around.

FOR MORE TRANSPARENCY:

Get ideas and thoughts out in the open—make the invisible visible. Be open and honest about what is on your mind and in your heart and create mechanisms to ensure what you share is clearly understood. Then, lower the barrier and allow people to see you as a human being—not as a boss or a leader, but as someone who cares.

Source: Potential Project / People illustrations by Storyset



Compassionate Leadership:
How to Do Hard Things in a Human Way
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Study Note: The data presented in this report is from respondents who self-identify as a woman or a man. The amount of data collected for those identifying as non-binary was too small a sample size to include in the analyses.

The Human Leader is Potential Project's bi-annual study of the critical attributes that constitute a new model of leadership. Based on data from 5,000 companies across 100 countries, The Human Leader provides ground-breaking insights into how leaders can unlearn management and relearn how to be human. The research was done in partnership with academic experts at Harvard Business School, Columbia Business School, Haas School of Business, Rotman School of Management at the University of Toronto, and the University of Amsterdam School of Business.



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