



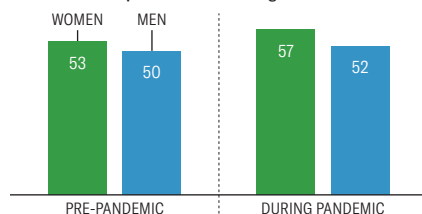
## IdeaWatch

### LEADERSHIP

## Women Are Better Leaders—Especially in a Crisis

Female heads of state have been widely praised for their handling of Covid-19; for example, most countries led by women have had lower death rates than countries led by men. Two global analyses of 360-degree reviews of leaders—one in 2012 and one in 2020—found that women in business are also seen as more effective, and the gap was larger during the pandemic.

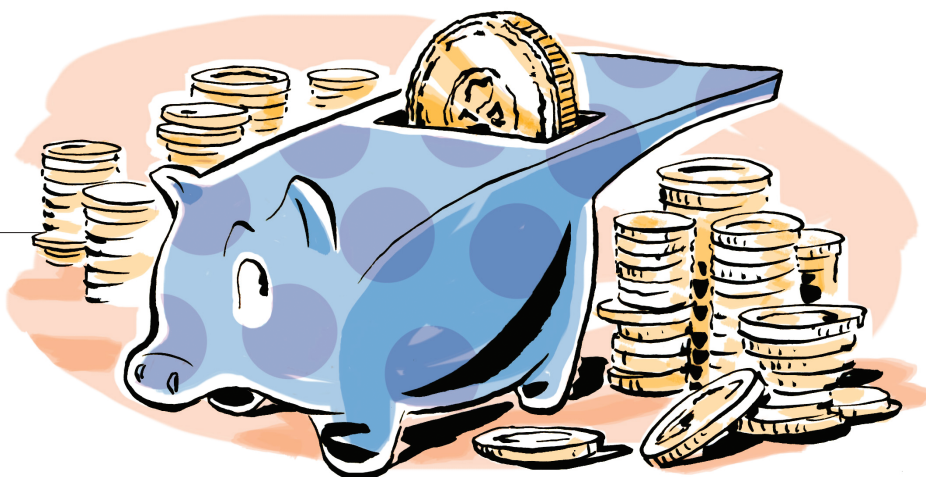
Overall leadership effectiveness ratings



According to reviews submitted during the pandemic, women outscored men on a majority of leadership competencies.

| Competencies                             | Ratings |     |
|--|---------|-----|
|  | WOMEN   | MEN |
| Takes initiative                         | 60      | 50  |
| Demonstrates learning agility            | 59      | 50  |
| Inspires and motivates others            | 59      | 52  |
| Develops others                          | 58      | 49  |
| Builds relationships                     | 58      | 51  |
| Displays high integrity and honesty      | 57      | 49  |
| Communicates powerfully and prolifically | 57      | 52  |
| Works collaboratively; fosters teamwork  | 56      | 50  |
| Champions change                         | 56      | 51  |
| Makes decisions                          | 56      | 49  |
| Innovates                                | 56      | 53  |
| Solves problems and analyzes issues      | 56      | 53  |
| Applies customer and external focus      | 56      | 54  |
| Drives for results                       | 55      | 48  |
| Values diversity                         | 55      | 45  |
| Establishes stretch goals                | 55      | 50  |
| Develops strategic perspective           | 55      | 54  |
| Shows technical expertise                | 53      | 55  |
| Takes risks                              | 52      | 51  |

Source: Zenger Folkman



### CORPORATE MISCONDUCT

## Should Whistleblowers Be Paid a Bounty?

Cash-for-information programs have gained traction as a regulatory enforcement tool; in 2019, for example, the U.S. Securities and Exchange Commission paid some \$60 million to eight people whose reports helped bring violators to heel. Critics say the programs encourage baseless allegations and deter informants from giving firms a chance to investigate complaints themselves. A new study examines those beliefs.

The researchers analyzed thousands of lawsuits filed from 1994 to 2012 under the False Claims Act—a law intended to protect the U.S. government from procurement fraud. They studied what happened after three U.S. courts of appeals issued rulings that increased the financial incentives for whistleblowing, comparing suits subsequently filed in those districts with suits filed elsewhere. Although the number of filings in those districts increased, the proportion submitted without first informing the company was unaffected. And regulators spent more time, on average, investigating those cases; the Department of Justice joined more of the suits; and the share of suits that resulted in a settlement increased.

“These findings support the view that cash-for-information programs help to expose misconduct,” the researchers write. “[They] are inconsistent with the critics’ view that greater financial incentives for whistleblowers trigger meritless lawsuits.”

What of whistleblowers themselves? Nearly half the time, they filed suit without first taking the issue to the company, often citing fear of retaliation—and indeed, among informants who did file internal reports, nearly 80% said they were fired, harassed, threatened, or demoted as a result. To track the effects of such retaliation, the researchers analyzed information from the lawsuits, a professional networking site, and public background checks. This showed that informants who were forced to leave their jobs incurred no social costs (such as an increased incidence of divorce), but many saw modest drops in income. However, with bounties averaging \$140,000, the financial repercussions were largely or fully offset for rank-and-file and middle-management whistleblowers, the researchers conclude. ☺

**ABOUT THE RESEARCH** “Cash-for-Information Whistleblower Programs: Effects on Whistleblowing and Consequences for Whistleblowers,” by Ayesha Dey, Jonas Heese, and Gerardo Pérez-Cavazos (working paper)