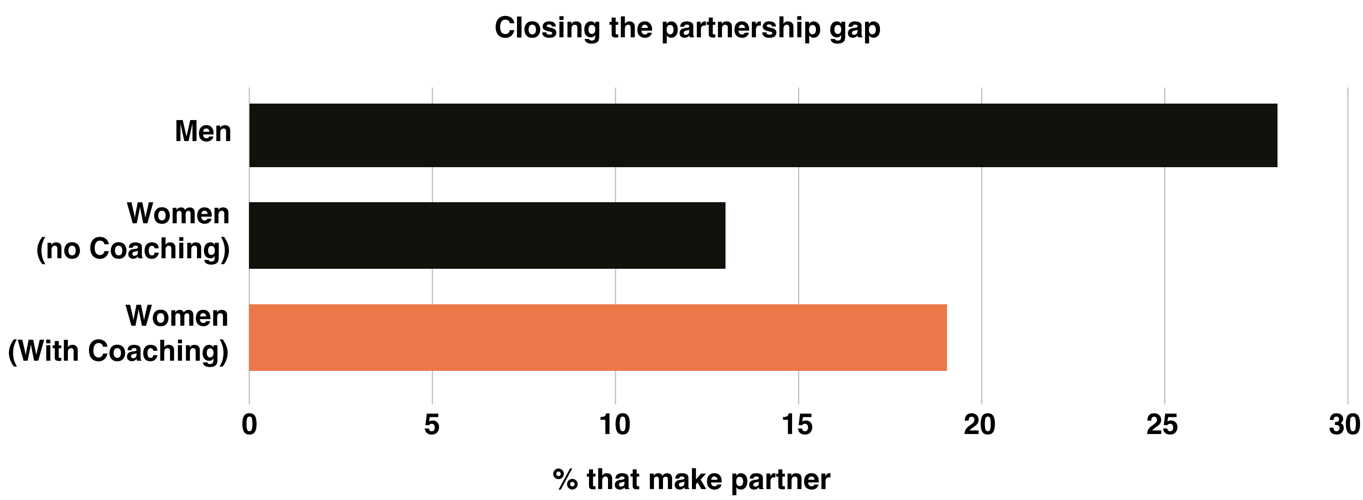
The Cost of Losing the People You Spent a Decade Building

The Executive Coaching Consultancy | 2026

Why parental transition is a commercial issue, not a wellbeing one

Professional services firms invest significantly in their people. These investments build up what we call **Franchise Capital***: the commercial value that resides in experienced professionals. Franchise Capital includes judgement, trusted client relationships, institutional knowledge, leadership capability and all of the hard-to-define abilities to operate effectively. A significant portion of the talent that professional services firms rely on will experience a predictable career interruption: parental leave. Whilst firms will routinely measure the cost of the leave period itself, they typically don't measure what happens to that employee's trajectory over the following several years, or the cost of that to the firm. Why does this matter? Because by this point, firms have already invested significantly in that talent, and the real business concern is not the immediate expense of parental leave but whether the firm retains or bleeds value from the investment they've already made.*



Source : UK Law Society, The Executive Coaching Consultancy

Reframing the productivity question

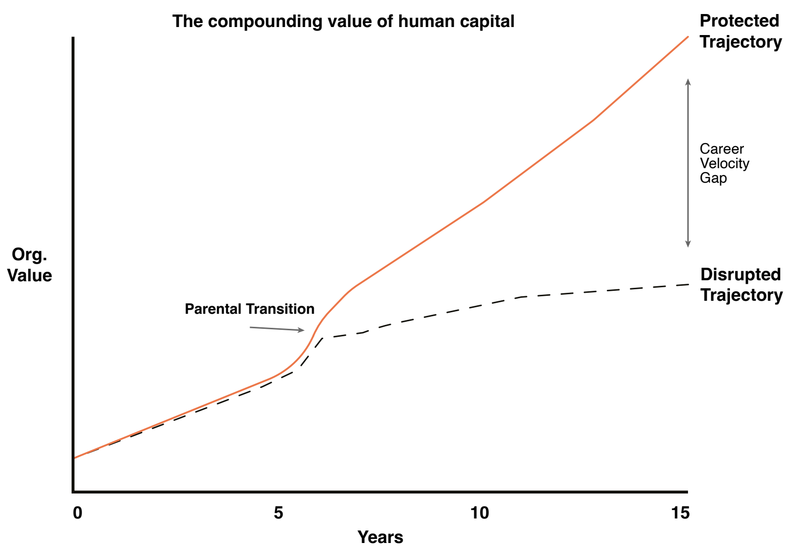
When a senior person takes leave, the question a commercially minded leader wants answered is very specific. How quickly will they return to productivity? And is the return faster with investment than without? This is a sensible question to ask. It is also one that most firms cannot answer about their own people with hard data. Time-to-productivity for returning employees isn't standardly tracked. Where firms do track it, it's rarely done in a way that can withstand scrutiny: the comparison group is unavailable, the measurement period is too short, and there are too many moving parts to account for the variables.

Nonetheless, firms want to focus on the immediate-return period. Is the individual back at their desk and productive? Are they picking up issues, covering their clients, running their own matters again? These measurements reside in the short term and the 'known', whilst many of the organisation's greater risks occur downstream in the lifecycle of the individual. A return to output at their pre-leave level perhaps shows a return to payroll productivity. Still, it does not show that the firm continues - post return - to build on the current and future value of that individual's capabilities.

To some degree, many firms continue to manage talent as if capability is a commodity that is easily interchangeable. In reality, experienced professionals are often more like appreciating assets. Attrition mid-career is a different kind of risk from first, second- or third-year attrition, and protecting that talent is about protecting a long-dated asset. Firms are not built on retention and attrition is structural. But not all attrition is economically neutral and losing someone on track for the top of the house is losing the revenue, the client relationships and the succession plan in the same departure.

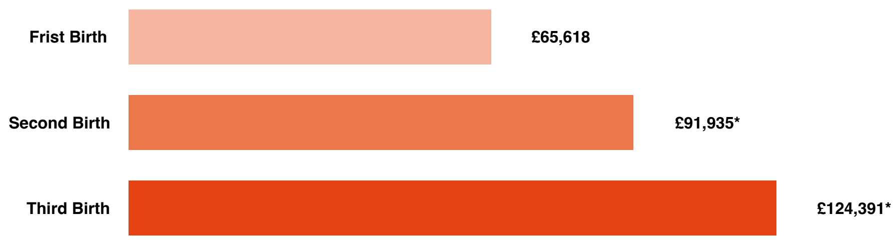
Judgement. Complex negotiation. Client trust. Relationship-building. Institutional knowledge - all of it is Franchise Capital. These are the capabilities firms heavily invest in and they're exactly the capabilities AI will not substitute for.

Acknowledge that your future partner or executive-track talent, that's currently in your mid-level layer, are where the future value of the professional services firm resides, and it follows that it is critical to mitigate the impact of the most predictable point at which that trajectory can change – the parental transition. When this transition is managed well, employees continue building momentum. When it is not, then organisations can unintentionally interrupt the compounding value they have spent years creating.



The Price of Getting It Wrong

In the past, firms were rightly attempting to manage attrition post-parental leave. Over time, retention has improved in UK professional services, but what has not been addressed is that lack of attrition doesn't equal *talent* retention; there is human capital decay from suppressed growth. Employees stay but no longer develop at the same rate either in pay or progression. The research is unequivocal, and this is far more common than most acknowledge. If a returner is retained at the firm but never given complex matters again, pigeon-holed with a lower potential rating than before leave, and no longer viewed as partnership or MD material, they're on payroll, but not on the partner or executive track - and that is Franchise Capital lost.



[Source: The impact of motherhood on monthly employee earnings and employment status, England: April 2014 to December 2022]

It happens for several reasons. For example, in many professional sectors, managers can over-support returners early and then fail to reset expectations. Overtime, it can affect performance ratings, work allocation, and sponsorship. In turn, the returner often reads and somewhat internalises the signals and begins to scale their ambition or expectations for themselves back, typically without seeing it. The system and the individual are then in a self-reinforcing loop.

Firms know what parental leave costs them outright in salary continuation, leave cover, redistribution of work, billable hour deficits. There is less clarity on how to quantify what happens later.

> **Direct replacement cost when the returner leaves.**
> When a senior person falls off the partnership or executive track and eventually leaves (typically several years later) the replacement cost in the P&L will be a discrete line item, entirely disconnected from the parental leave that set it in motion. For instance, [BigHand's 2025] resourcing data puts the fully loaded cost of losing a third-year law associate at over [$1 million]. Higher at senior associate. Higher again at counsel and partner. And the highest value attrition often is not the person who leaves first. Senior associates with existing client relationships, partner sponsorship, and a credible equity path are often the ones who leave with future revenue behind them.
>
> **The write-down of prior investment.**
> A professional several years into a career at a firm has cost years of salary, supervision and development. Of course, if they return from leave and stop progressing, that investment stops compounding.
>
> **Pipeline erosion.**
> The pipeline is difficult to refill from outside. For instance, in US firms, lateral hiring at non-equity partner level is reported to produce little or no incremental value.

All of this lands somewhere other than the parental transition cost base: on recruiting budgets, attrition lines, or most insidiously, succession gaps where no one is connecting the series of events that created the gap.

Parental transition coaching and what it results in

As the majority of our clients operate in either financial services or the legal sector, we wanted to look at the impact of our coaching in the sectors we work with most closely. We selected law as our case study because of its well-defined hierarchy of fee-earner roles, which enables career progression to be consistently measured over time. This progression model is also closely mirrored in financial services and so the broader findings are highly relevant for those firms.

How good is the data?
This is an observational dataset with correlation, not causation and because firm-level partnership progression data isn't publicly available, we used the industry-wide figure. The cohort data is compared against Law Society benchmarking data for women solicitors progressing to partnership. Regionally focused, high street and in-house firms generally have higher partnership rates than City and international firms. Using those firms as the comparison population, if anything, understates the difference.

For this study, we identified a sample of 279 women who took parental leave across 18 law firms and received parental transition coaching between 2017 and 2023. Included firms were predominantly large UK and US firms operating within highly competitive City and cross-border practice groups. We assessed career outcomes against promotion to partnership in April 2026 using publicly available LinkedIn data and exclusion criteria for ambiguous promotions.

Coaching correlated to increased progression at 1.5x the industry norm.

Partnership progression is the right outcome measure because it is binary, economically rooted, and committee decided.

The analysis indicated 19% of the total cohort had made partnership by the end of the observation period. This compared with an overall progression rate to partnership, according to Law Society data (2023), of 13% for women.

What matters about this moving forwards

Parental transition work gets done at many firms in the register of wellbeing or employee experience. Wellbeing programmes have mixed evidence behind them at best and can be among the first things cut when budgets get tight.

Parental transition should be defined as when your Franchise Capital passes through a predictable career disruption. Investment in that disruption determines whether the firm erodes existing human capital or protects it. There is another competitive consequence as well. Some of the women whose careers stall after parental leave don't just vanish. Some are showing up as partners or executives elsewhere.

We used only to see it in women's careers at scale because only women took long leave. Fathers are now taking longer leave too. As that begins to hit firms' parental leave demographics, we will see the same problem appear in men's careers.

None of this is unique to law. It's just where the evidence happens to be countable. Firms that have thought through parental transition for one group of employees will have a competitive advantage when the rest of the population needs that level of support.

What firms should be tracking

Five metrics

Promotion velocity: how long does it take to reach the next promotion benchmark compared with non-leave-taking peers at the same level and practice area?

Allocation of stretch work: are partners continuing to staff returners on the kinds of matters that build toward progression, as measured against their pre-leave baseline?

Retention: Measure this at three and five years out.

Movement in manager-assessed potential ratings at three intervals: pre-leave baseline, twelve months after returning, and twenty-four months. This is the single most informative metric available, and it will tell you whether the firm is rating the same employee more harshly post-leave without any probable actual change in performance.

Promotion rate at five and seven years out for your entire parental cohort, against a reliable comparator.

Senior judgement will most probably be the defensible human capital left in professional services. Being able to identify where that human capital is being systematically underinvested is a competitive advantage.

About the Executive coaching consultancy

For over 30 years, we've coached women, working parents and senior leaders through transitions that have defined careers - and shaped cultures. Our focus is on the kind of leadership that transforms not only individuals, but the systems built around them.

We help organisations to strengthen their leadership capabilities across all levels, embed inclusive behaviours into their culture and elevate their underrepresented talent.

The Human Capital Risk Firms Still Underestimate

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