

The Costly Domino Effect of Toxic & Misaligned Leaders



With:
Prof. J. Bryan Bennett & Dr. Ravi Rajaratnam



Agenda

- Introductions
- Leadership Truths
- Empirical Data on Leadership
- Leadership Resources Management (LRM)
- Informed Decision-Making and Assessment Tools
- Righting the Dominos
- On Ramps
- For More Information
- Questions

Seminar Leader Professor J. Bryan Bennett



Experience:

- ❖ 15 years leadership training & leadership development
- ❖ 20 years university teaching
 - ❖ Graduate, Undergraduate & Certificate
 - ❖ Leadership, Analytics & Marketing
 - ❖ 5 years in Top 20 Organizational Leadership graduate program
- ❖ 30 years analytics implementation and management
- ❖ International speaker

Achievements:

- ❖ Creator of Leadership Resources Management
- ❖ Authored new leader training program for U.S. military
- ❖ Author of books (3), whitepaper, magazine articles & blogs
- ❖ Certified Lean Six Sigma Green Belt
- ❖ Architect of Microsoft's first global analytics department
- ❖ CRM implementation vision recognized by Gartner
- ❖ Performed analytics research that led to Rogaine for Women introduction

Seminar Leader Ravi Rajaratnam, PhD.



Experience:

- ❖ 30 years of corporate experience
 - ❖ Former Executive Partner & Strategic Advisor
 - ❖ Former Chief Information Officer
- ❖ Over 10 years of Executive Coaching, Leadership Development & Resilience Training
- ❖ Business Planning & Strategy Development
- ❖ Blue Ocean Strategic Planning
- ❖ Small Business Coaching
- ❖ Leadership & Team Excellence Facilitator
- ❖ International Speaker

Achievements:

- ❖ PhD, I/O Psychology-Specialization: *Organizational Development & Leadership*
- ❖ Hogan Personality Assessment Certified
- ❖ Six Sigma Green Belt Certified
- ❖ Certified Capability Maturity Model Lead Assessor
- ❖ Gartner CIO Academy
- ❖ Positive Intelligence (PQ) Coach
- ❖ Mental Health First Aid Certified
- ❖ Author: *Hardwiring vs. Rewiring*

Leadership Truths

What is Leadership?

Leadership is all about people. It is not about organizations. It is not about plans. It is not about strategies. It is all about people-motivating people to get the job done. You have to be people-centered.

- General Colin Powell

Leadership is a process by which an individual or organization directs and inspires a team or organization to reach a goal or follow a vision.

- Professor J. Bryan Bennett

Leadership is the practice of influencing, mobilizing, and enabling people to move together toward meaningful impact and sustained success, especially amid complexity and uncertainty.

- Ravi Rajaratnam, PhD.

Nature vs Nurture

Are leaders born or made?

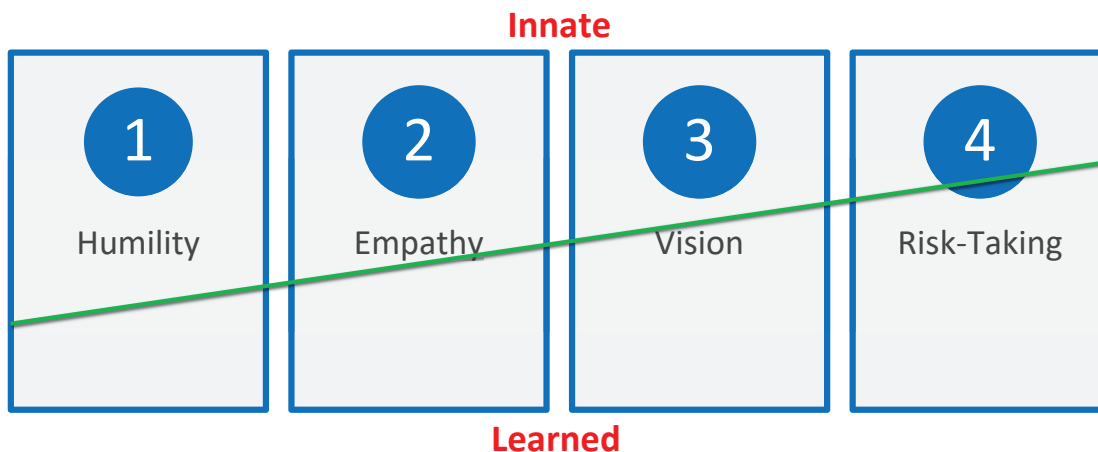
◦ **YES!**

Some people have certain innate qualities that gives them a higher potential for leadership (**born**)

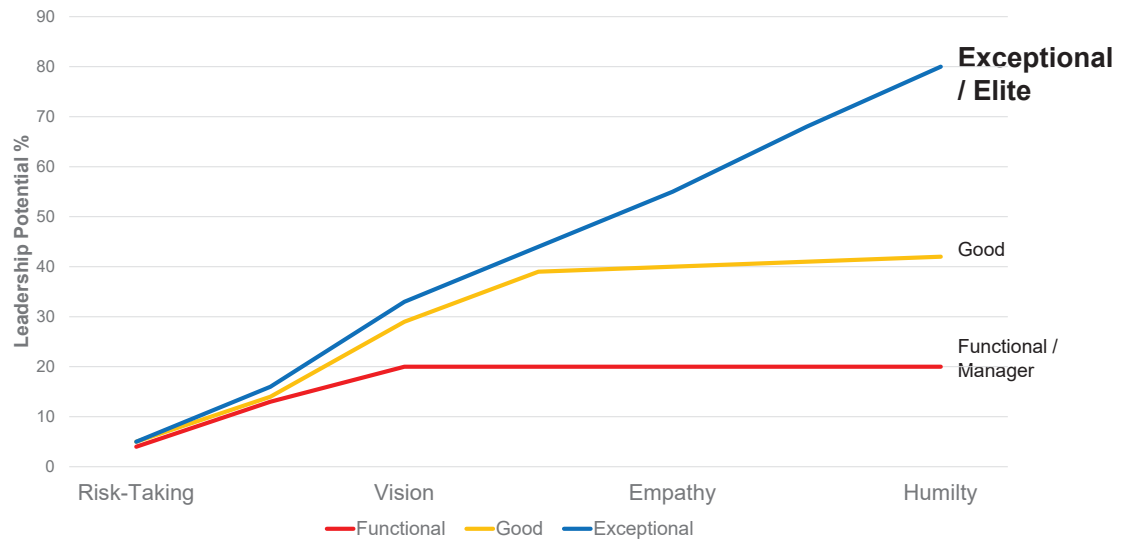
- Can still become better leaders through training
 - How many leadership classes did the world's best leaders take?

Others can become better leaders through training (**made**)

Innate Leadership Qualities



Determines the Potential for Leadership The Leadership Ceiling



Process Versus Skill

Everyone is born with certain skills and abilities

Requires a practice and improvement process to make them useful

- Without one, the skills may not fully develop

Trust the Process!

Demonstrates the Practice of Leadership



Empirical Data on Leadership

TOXIC LEADERS | REDUCING MISALIGNED LEADERS |
LOSING HIGH-VALUED LEADERS.

What The Research Says

Losses of up to \$550 billion in U.S. annually due to disengagement and productivity costs

Toxic Leaders

- Comprise 13 to 30% of each workforce (Conversation)
- Can cost 9 times their annual salary in productivity, turnover, health claims & legal complaints (Piercing Strategies)

Misaligned Leaders

- Comprise 62 to 82% of each workforce (HBR, Gallup)
- Can cost \$12,000 per misaligned leader annually (Vital Learning)

High-Valued Leader Turnover

- Comprise 15 to 21% of each workforce (Talent Strategy Group)
- Can cost 8 times their average productivity (Fortune)
- Often caused by working for toxic and misaligned leaders

Toxic Leadership: A Hidden P&L Drain

EBITDA Impact (CFO Lens)

- **Margin erosion** from turnover, lost productivity, and disruption.
- Legal and compliance costs create **earnings volatility**.

Governance Risk (Board Lens)

- Cultural breakdown increases misconduct and **reputational exposure**.
- Weak oversight signals **accountability and succession risk**.

Bottom Line: **Toxic leadership destroys enterprise value financially and institutionally**

Misaligned Leadership: Strategy Without Traction

CFO Lens | Performance & Cost Drag

- Execution inefficiencies drive project overruns and **wasted investment**.
- Productivity leakage and lost discretionary effort **erode operating returns**.
- Small per-leader losses **scale into millions across the enterprise**.

Board Lens | Enterprise Performance Risk

- Weak leadership alignment signals execution risk and **poor capital stewardship**.
- Persistent misalignment **undermines long-term value delivery**.

Bottom line: **Misalignment doesn't fail loudly. It bleeds performance over time.**

Losing High Valued Leaders: Disproportionate Value Destruction

CFO Lens | Talent ROI Loss

- Replacement costs range from **50–200% of annual salary**
- High performers generate multiples of average output, creating **immediate productivity gaps**
- Lost expertise and client continuity **reduce revenue stability**.

Board Lens | Human Capital & Succession Risk

- Attrition of top talent signals **leadership effectiveness and culture concerns**.
- Weak retention **undermines** succession pipelines and **long-term value creation**.

Bottom line: **Losing one high valued leaders often costs more than retaining three average ones.**

Leadership Resources Management

Leadership Resources Management

Leadership Resources Management (LRM) is a data-informed approach to strategically manage an organization's leadership resources.

It enables more informed decision-making in promotions, assignments, retention and hiring.

It is supported by a proprietary assessment tool that produces quantifiable, repeatable and unbiased results.

Leadership Resources Management Goals

Its goals are to help organizations:

- Identify gaps in an individual leader's practice of leadership
- Identify gaps in a team's perception of their leader or peer
- Identify teams with **toxic** or **misaligned** leadership situations
- Fortifies the human resource pipeline of established and prospective leaders
 - **Right leader, right abilities, right opportunity, right time**

Utilizes Similar Strategies as Customer Relationship Management (CRM)

CUSTOMER RELATIONSHIP MANAGEMENT

- Identify and retain valued customers
- Identify upsell and cross sell opportunities for customers
- Find new high potential prospects
- Build a strong customer portfolio

LEADERSHIP RESOURCES MANAGEMENT

- Identify and retain valued leaders
- Identify promotion and new opportunities for leaders
- Hire new high potential leaders
- Build a strong leadership resources pipeline

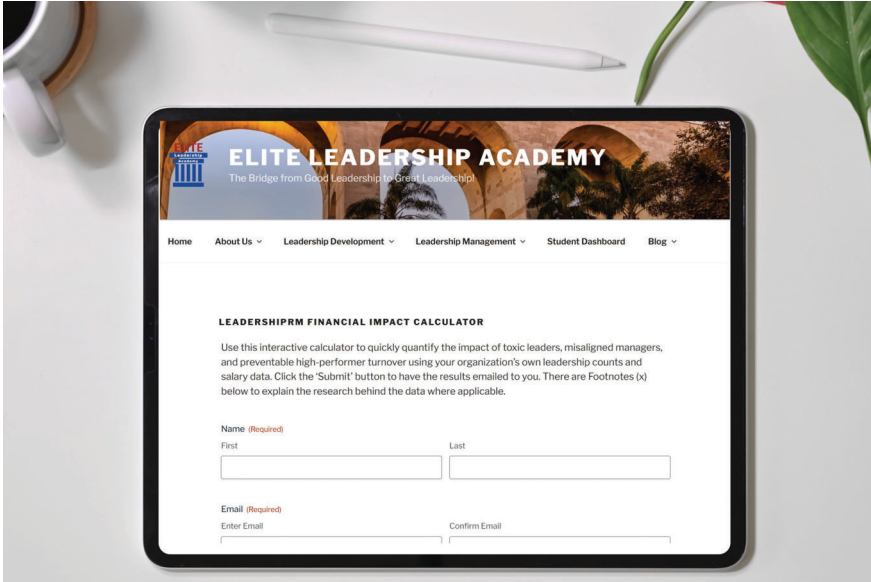
Informed Decision-Making and Assessment Tools

Financial Impact Example

	Toxic Leaders	Misaligned Leaders	High-Valued Leaders
Number of Employees	500	500	500
% in Leadership Roles	20%	20%	20%
Total Leaders	100	100	100
Rate Impacted	15%	62%	3%
Cost per Impact	\$270,000 (3x salary)	\$12,000	\$75,000 (0.5 salary)
Total Financial Impact *	\$4,050,000	\$744,000	\$225,000
Total Overall Impact			\$5,019,000


* Assumes \$90,000 average leader salary and \$150,000 for high-valued leader salary

Financial Impact Calculator



EliteLeadershipAcademy.com/calculator

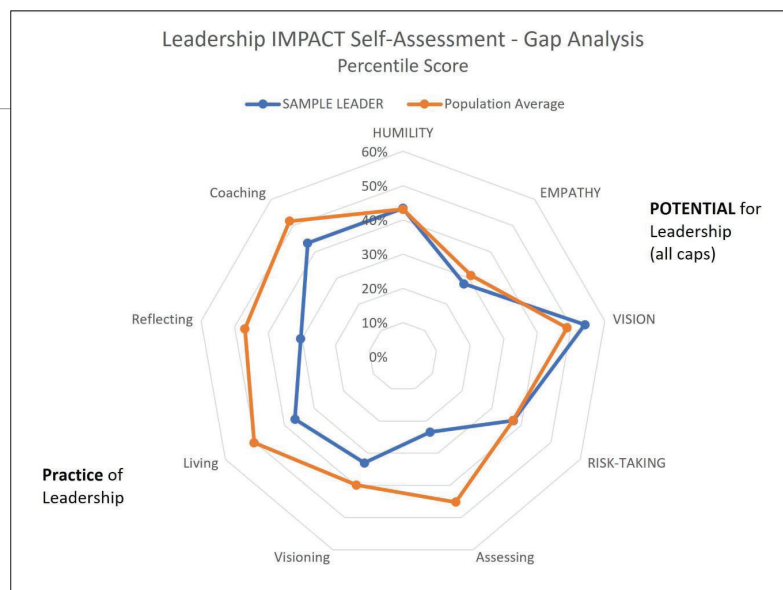
Financial Impact – High & Low Estimates

LeadershipRM™ Financial Impact Calculator			
Organization: ACME Technology	3/24/2026		
Total Employees	500		
Leadership Percentage	20%		
Total Leaders	100		
		Low Estimate	High Estimate
Summary Annual Financial Impact			
Total Impact of Toxic Leaders (2)	\$ (4,050,000)	\$	(15,000,000)
Total Impact of Misaligned Leaders (4)	\$ (744,000)	\$	(984,000)
High Valued Leader Replacement Impact (5)	\$ (225,000)	\$	(1,500,000)
Total Annual Financial Impact	\$ (5,019,000)	\$	(17,484,000)

Leadership Assessment Tool

The Assessment Process:

- ✓ Leader takes the Individual Leadership IMPACT Assessment™
 - ✓ 7-point Likert scale
 - ✓ Potential for Leadership
 - ✓ Practice of Leadership
- ✓ Compared to Population Average
- ✓ Compared to organization level
- ✓ Compared to assessment by team
 - ✓ For team assessment only



Righting The Dominos

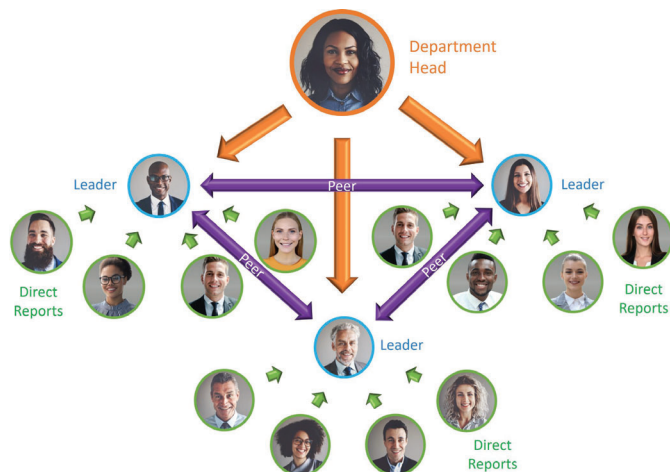


Righting the Dominos – Toxic Leaders

Requires team analysis to identify toxic leaders

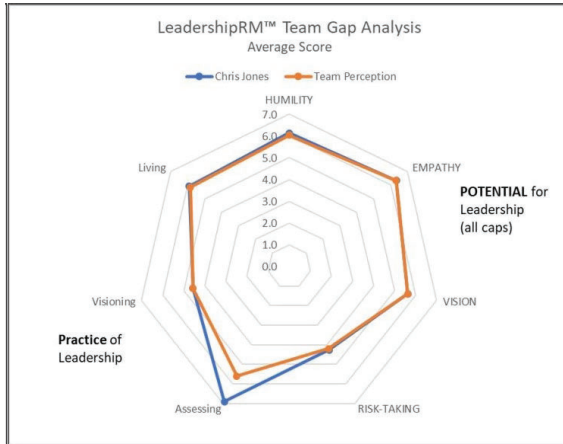
Once identified meet with leader and their supervisor to review results

Determine if the leader can be reformed or needs to be removed

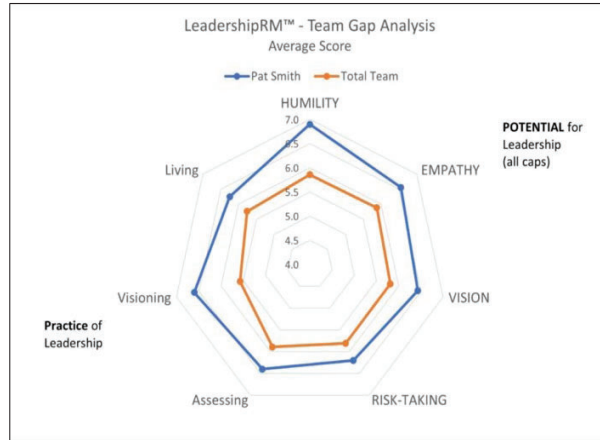


Revealing Toxic Leaders

HEALTHY LEADER



TOXIC LEADER

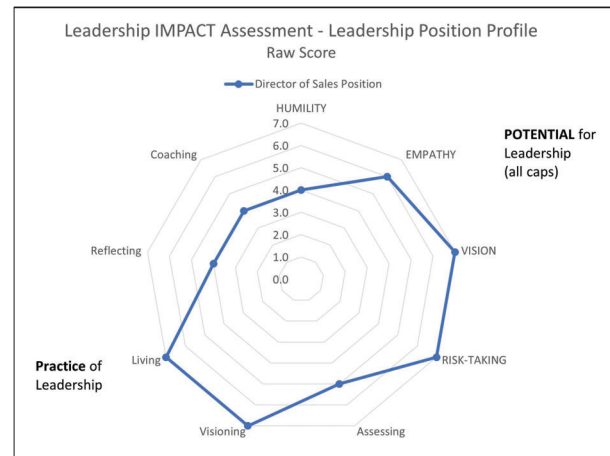


Righting the Dominos – Misaligned Leaders

Use proprietary AI model to determine leadership requirements in a position description

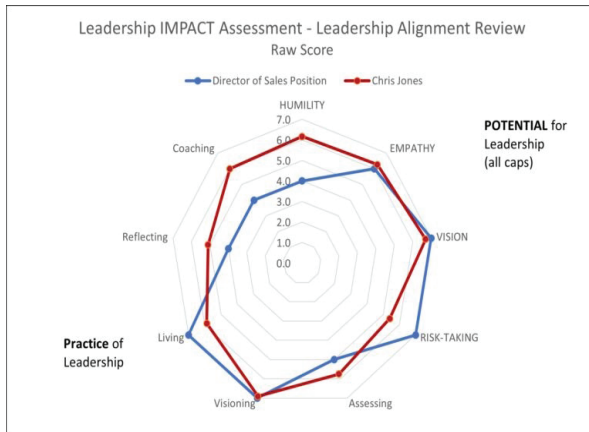
Compare position description requirements to incumbent or prospective leader's assessment

If not aligned, then coach the leader for improvement or move them to a more aligned position

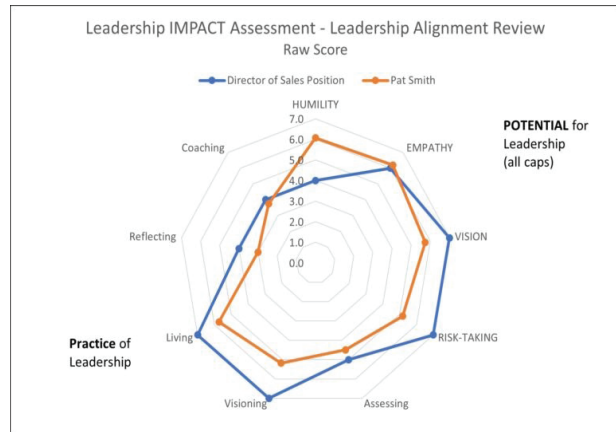


Reducing Misaligned Leaders

ALIGNED LEADER



MISALIGNED LEADER

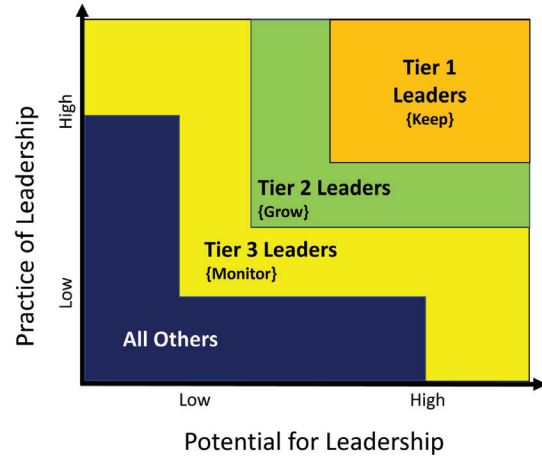


Alignment Summary

		Range Differences		
Leader	Net Alignment	Largest Positive	Largest Negative	Conclusion
Chris Jones	3.2	Humility (2.2)	Living (-1.1)	Aligned
Pat Smith	-5.7	Humility (2.1)	Risk-Taking (-1.8)	Misaligned

Righting the Dominos – High Valued Leaders

- Individuals completes Leadership IMPACT Assessment™
 - Team assessment also recommended
- Plotted based on their scores
- Tiers created to group similar leadership levels
 - Create strategies to Keep, Grow & Monitor leadership portfolio



On Ramps



Pilot Study

Start with as few as 10 leaders

- Toxic Leader, Misaligned Leader or High Value Leader Analysis

Each analysis has a high return on investment

- Toxic Leader – 1,688%
- Misaligned Leader – 300%
- High Value Leader Analysis – 156%

Benefits organization over multiple years

Project Scopes

Toxic Leader Analysis

- Involves Leader, Peers, Supervisor & Direct Reports
- Minimums and maximums
 - Minimize retaliation

Misalignment Analysis

- One position description
- One person (incumbent)

High-Value Leader Analysis

- Involves 10 leaders minimum

Seminar Summary

Leadership Truths

Cost of toxic and misaligned leaders on an organization

Leadership Resources Management

Proprietary Tools

- Financial Impact Calculator
- Leadership Assessment Tool

Where to get started

Next Steps

1. Determine the financial impact on your organization
2. Contemplate your most pressing pain point
3. Schedule a 30-minute briefing to discuss how we can help



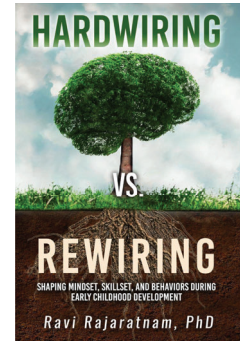
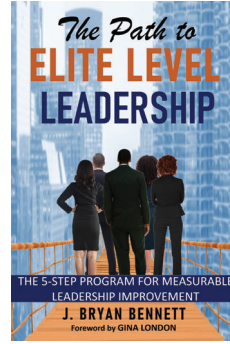
For More Information

Use QR code

- Research Links
- Case Study
- Download slides



Both Books are
Available on Amazon



Questions

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