

The Financial Leaks in Your 2026 Hospital Budget

See where the money goes



Your 2026 Budget Has a Hidden \$100M Leak

Many hospital CEOs and CFOs think financial risk lives in the margins and reimbursement rates.

- Unfortunately, it's mostly likely sitting in your leadership ranks.

One discipline – **Leadership Resources Management** – can uncover toxic leaders, fix misaligned assignments & promotions, and keep your best people from walking to your competitors.



Toxic Leaders Cost You Between \$81M – \$300M Annually*

Every organization has at least one toxic leader

They "manage up" and deliver results—but destroy teams from within

- Mid-level toxic leader cost: \$180K–\$450K per year
- Rock stars with toxic behavior: \$1M+ per year drain



* For a 10,000-employee hospital with 20% in leadership positions.

"Poor management disengagement costs U.S. businesses \$500 billion annually" — Gallup

Organizations Get 62% of Leadership Assignments & Promotions Wrong*

Promotions based on functional expertise, not leadership readiness

A brilliant individual contributor \neq a great people leader

Result: Disengaged teams, poor performance, unnecessary turnover

Cost per misaligned leader:
\$12,000/year in lost engagement

- Totals \$14.9M annually for a 10,000-employee hospital

* According to a study by Gallup



Your Best Leaders Are Your Most Marketable Leaders

Top performers leave for lack of purpose, development, and appreciation—not money

Replacement cost: 1–2x their annual salary (often more for leaders)

Losing one high-potential leader cascades through your pipeline

Example: 15% high-performer loss rate × \$150K avg salary = \$4.5M annually*



* For a 10,000-person hospital with 20% in leadership positions.

\$100M in Financial Leaks. Three Fixes. One Strategy.

Your 2026 budget may be locked

It's not too late to build a **Leadership Resources Management** strategy that pays dividends in 2026 and beyond.

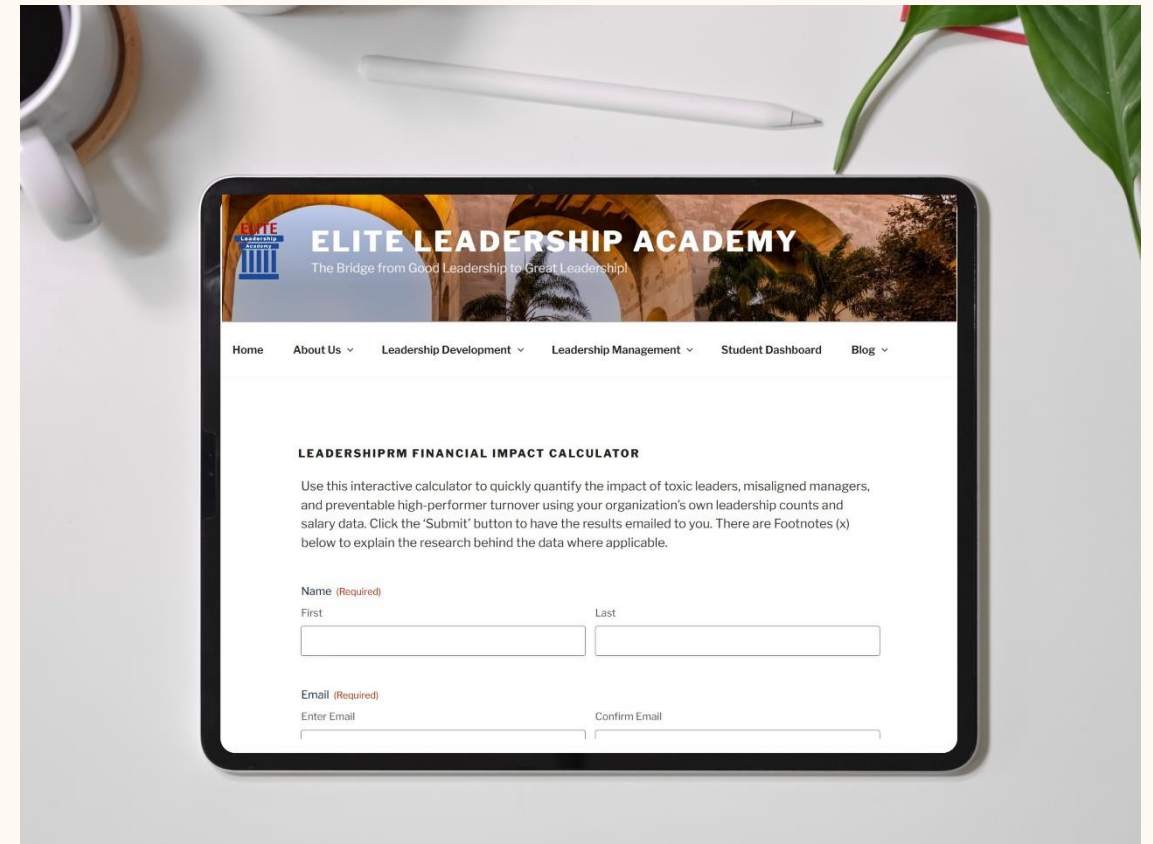
- Reveal & address toxic leaders: **-\$81.0M**
- Reduce leadership misalignment: **-\$14.9M**
- Retain top leadership talent: **-\$4.5M**



Calculate the Impact on Your Organization

Use our interactive calculator to quickly quantify the impact of toxic leaders, misaligned managers, and preventable high-performer turnover using your own leadership counts and salary data.

LeadershipRM™ Financial Impact Calculator



Research Resources

[How Toxic Leaders Destroy People As Well As Organisations](#) (The Conversation)

[Understanding Bad Bosses: Data-Driven Insights on Toxic Leadership](#) (C-Suite Strategy)

[Why Great Managers Are So Rare](#) (Gallup)

[The Cost of Mediocre Managers](#) (VitalLearning)

[The Myth of Replaceability: Preparing for the Loss of Key Employees](#) (SHRM)

For More Information

Leadership Resources Management Overview:
EliteLeadershipAcademy.com/LRM

Schedule a 30-minute Leadership Resources Management Executive Briefing:
EliteLeadershipAcademy.com/LRM-info

Leadership Resources Management Nursing Organization Case Study: EliteLeadershipAcademy.com/casestudy

Email us with other questions:
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