

The Profitability Leaks in Your 2026 Budget

See where the
money goes



Your 2026 Budget Has a Hidden **\$12.8M** Leak

Most CFOs think profit risk lives in the market or economy.

- Wrong! It's 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 \$9.7M – \$36M 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 1,200-person organization with 20% in leadership positions.

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

Organizations Get 82% 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 **\$2.4M** annually for a 1,200-person organization

* 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: 10% high-performer loss rate × \$150K avg salary = **\$0.7M** annually*



* For a 1,200-person organization with 20% in leadership positions.

\$13M in Profit 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. Minimum impacts:

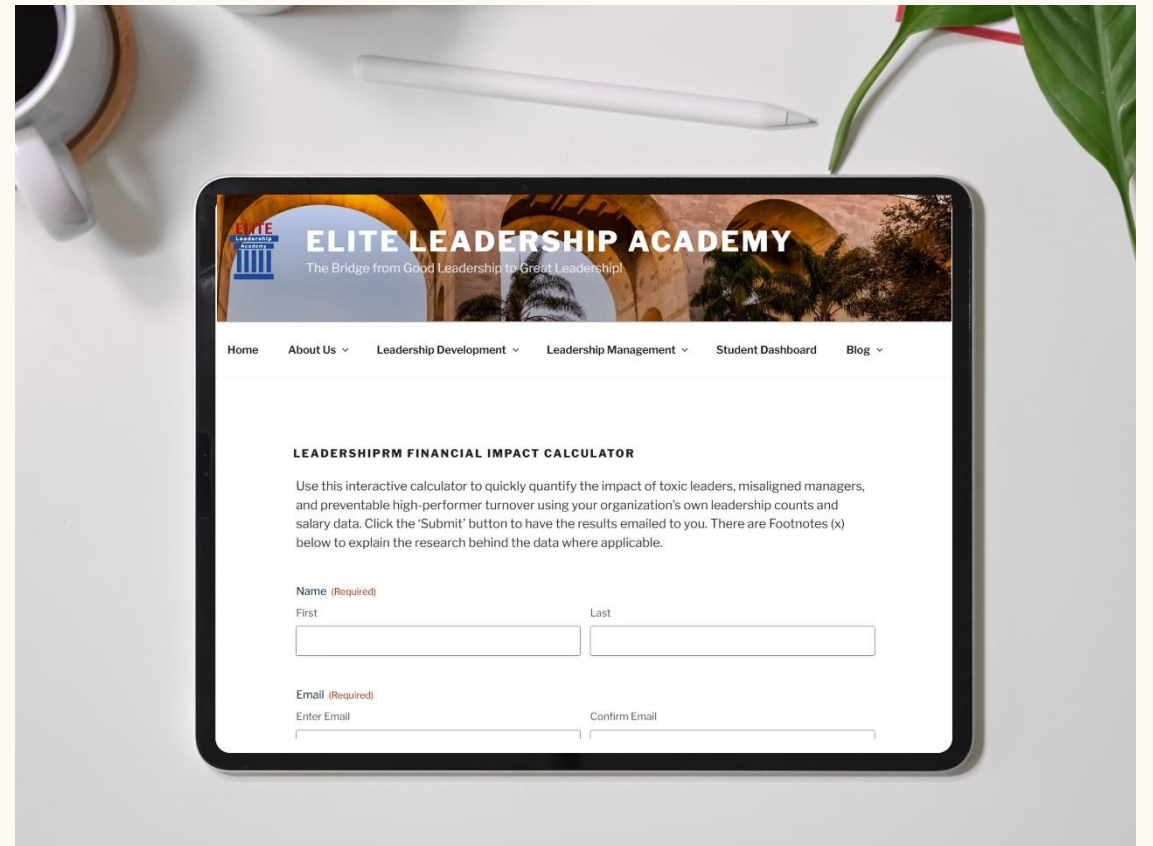
- Reveal & address toxic leaders: **-\$9.7M**
- Reduce leadership misalignment: **-\$2.4M**
- Retain top leadership talent: **-\$0.7M**
- **Total Leakage: -\$12.8M**



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

Download the Leadership Resources Management Case Study:
EliteLeadershipAcademy.com/casestudy

Email us with other questions:
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