



Why Invest in Leadership Development?

Organizations that invest in leadership development perform better than those that don't.

A number of independent, in-depth studies have consistently reached that conclusion. Findings from work by The Conference Board, Bersin & Associates and HR analytics expert McBassi & Company, among others, point to the fact that leadership development is one of the most pressing issues facing organizations globally today — and represents a great chance for them to seize competitive advantage in their industries.

More precisely, investments in leadership development allow companies to do four things that drive sustained success:

1. **Improve bottom-line financial performance.** Companies that rate highly for their investments in human capital deliver stock market returns five times higher than those of companies with less emphasis on human capital. Leadership development builds capacity to reduce costs, drive new lines of revenue, and improve customer satisfaction.
2. **Attract and retain talent.** Leadership development boosts employee engagement, increases the organization's ability to deal with gaps in the talent pipeline, and reduces the headaches and costs associated with turnover.
3. **Create organizational alignment.** Effective leadership development isn't development for its own sake. Organizations need a leadership strategy that closely connects with the business strategy and equips employees with the leadership skills needed to implement it. Leadership development allows organizations to shape the culture and strategy of business.
4. **Increase organizational agility.** Leadership development increases people's ability to respond rapidly in unpredictable business environments. When organizations look beyond developing senior executives and high potentials to unlock the full potential of their talent pools, agility is magnified.

Learn more about the studies and these four outcomes of leadership development in the CCL white paper [Driving Performance: How Leadership Development Powers Sustained Success](#).

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