Companies Have Been Neglecting Their Leadership, And It Shows - Josh Bersin

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Executive Summary

This article presents findings from a two-year study on corporate leadership development conducted by Josh Bersin and his research firm, with financial support from BetterUp. The central argument is that organizations have significantly neglected leadership development in the years following the pandemic, despite evidence that investment in this area correlates more strongly with business growth than other HR expenditures. The article presents a series of statistics derived from the study to illustrate the scale of underinvestment: only 25% of companies report their leadership development delivers high value, only 17% are growing their leadership development budgets, and more than 60% spend under $500 per person annually on management development. The author attributes this decline to organizational preoccupation with pandemic response, burnout, and reskilling initiatives. The article further argues that leadership development has implications beyond senior executives, extending to front-line employees and project-level managers. Bersin references the cultural transformation at Microsoft under Satya Nadella as an illustrative example of leadership model renewal driving organizational performance. The piece concludes by positioning leadership culture as the foundational element that sustains organizations during periods of disruption.

Key Insights

1. The study found leadership development investment correlates more strongly with business growth than other HR investment areas, according to the author's own research methodology.

2. Quantitative indicators suggest widespread underinvestment: only 12% of companies reach the top tier of the JBC leadership maturity model, and over 60% spend less than $500 per person annually on leadership development.

3. The article argues that leadership development is increasingly relevant at all organizational levels — not solely for high-potential or senior leaders — citing Marriott's CHRO as an example of this democratization in practice.

Practical Takeaways

• Organizations spending under $500 per person annually on leadership development may be significantly behind peers identified as high-performing in this study's maturity framework.

• The article identifies succession planning, leadership burnout monitoring, mentoring, and coaching as areas where the majority of organizations currently have limited or no formal programs.

Frameworks Mentioned

JBC Maturity Model — A leadership development maturity model developed by the Josh Bersin Company, used in the study to assess organizational maturity across leadership program dimensions.

Critical Analysis

Strengths: The article draws on a longitudinal series of studies (2005, 2009, 2015, 2023), lending some comparative value to trend analysis. The quantitative data points are specific and create a coherent picture of systemic underinvestment. The argument that pandemic-era priorities displaced longer-term capability building is contextually plausible. Limitations: The study is sponsored by BetterUp, a coaching and leadership development platform with a direct commercial interest in organizations increasing leadership development spending — this conflict of interest is disclosed minimally and at the article's end. The methodology is not described in detail: sample size, selection criteria, geographic scope, and how 'high value' or 'maturity' are operationalized are not explained. Statistics are drawn from self-reported organizational surveys, which are susceptible to social desirability bias. The correlation between leadership investment and business growth is asserted but not causally established. The Microsoft/Nadella example is anecdotal. The author also promotes his own book, certificate program, and research firm within the article, blurring the line between research dissemination and self-promotion.

Organizational Practice

The article references Marriott's stated approach of extending leadership development to all employee levels including front-line and location-based staff. It also describes the author's own firm's practice of prioritizing client service above internal meetings as an example of leadership values embedded in organizational behavior. Microsoft's cultural transformation under Satya Nadella is cited as a case of leadership model renewal driving enterprise-level performance.

Strategic Implications

The data presented suggests a potential widening gap between organizations that actively invest in leadership development infrastructure — including succession planning, coaching, and mentoring — and those that deprioritized it during the 2020–2023 period. The democratization of leadership development beyond senior levels, as illustrated by the Marriott example, points to an emerging organizational design consideration in which leadership capability is treated as a distributed rather than hierarchical asset. The correlation the study claims between leadership investment and business growth, if replicated through independent research, would have significant implications for how HR budget allocation decisions are framed at the board and C-suite level.

Validation Status: passed
