

Are We Investing Our Leadership Development Dollars in the Right Places?

Amy Stewart (FILP)

Hundreds of billions of dollars are invested globally each year in leadership development. The more important question is this: **are those dollars being spent wisely?**

Leadership development is no longer a “nice to have” or a generic capability uplift. When done well, it is a **strategic lever** — and when done poorly, it’s an expensive distraction.

To sense-check your investment, start with three fundamental questions.

1. Why do we need leadership development — and what are we *actually* trying to achieve?

At its core, leadership development must be about **strategic alignment**.

If an organisation is serious about executing its strategy, it must first define the leadership capability required to do so — now and into the future.

Today’s leaders (and those coming through the pipeline) are expected to operate in environments that are complex, fast-moving, information-heavy, and deeply interconnected. They are navigating constant change, competing priorities, heightened expectations around culture and wellbeing, and increased scrutiny — often all at once.

A well-designed leadership development initiative plays a critical role in:

- identifying and developing the right leadership capability
- attracting and retaining high-potential talent
- equipping leaders to make sound decisions under pressure
- building stewardship that can genuinely move the organisation forward

At its best, leadership development **coaches, mentors and stretches leaders** so they can steer the organisation — large or small — towards its strategic priorities with confidence and clarity.

Well-designed programs also create powerful secondary benefits, including:

- stronger internal networks and cross-functional collaboration
- increased visibility and confidence of emerging and senior leaders
- clearer succession planning insights
- leadership role-modelling that brings organisational values to life

These outcomes don’t happen by accident — they are the result of intentional design and execution.

2. What is the risk if we *don't* invest in leadership development?

Organisations need to think about leadership development with the same commercial rigour they apply to any other strategic investment. Some common (and costly) risks include:

Promoting technical experts into people leadership roles without support

Many leaders are appointed based on technical expertise rather than leadership readiness. Without structured development, mentoring and coaching, these individuals are left to “figure it out”, often at the expense of engagement, performance and retention. A thoughtful development initiative builds individual capability *and* organisational maturity.

A stagnant or fragile learning culture

When leadership development is inconsistent or absent, learning across the organisation can become fragmented, reactive and slow. In contrast, organisations that visibly invest in development create momentum — strengthening cohesion, psychological safety and cultural alignment.

Weak bench strength and succession risk

Bench strength refers to the readiness and capability of future leaders to step into critical roles. Without deliberate development, organisations limit their internal talent pipeline and increase reliance on external hires. Strong leadership programs directly contribute to sustainable succession planning and long-term resilience.

3. Do we have genuine executive endorsement?

Leadership development succeeds — or fails — based on executive commitment. Senior leaders play a keystone role, not just as sponsors, but as **active participants and role models**. Effective executive endorsement includes:

- visibly supporting and championing initiatives eg, attending program launches and key moments
- sharing their own leadership experiences and lessons
- celebrating individual and organisational progress
- advocating consistently for leadership capability as a strategic priority and allocating appropriate budget and resources

When leaders at the top take development seriously, the message unmistakable: *leadership matters here!*

So, are you investing your leadership development dollars in the right places?

The most effective leadership development is purposeful, aligned, and embedded — not generic, ad hoc or disconnected from strategy.

Amy Stewart (ASLD) brings deep expertise and practical insight into leadership development that drives real organisational impact. If you're ready to think more strategically about your leadership investment, let's have a conversation.