

FACT SHEET

Why invest in manager and leadership development?

The ROI of manager and leadership development comes down to understanding the cost of poor leadership and increased turnover.

The data is clear: high-growth organizations can't afford NOT to invest in their people.

- 79% of people would seek new employment due to bad leadership (*Career Addict, 'Why People Quit Their Jobs', 2020*).
- 8 in 10 (83%) of CHROs report facing a significant talent retention issue. (*Executive Networks' Global CHRO of the Future, 2022*)
- In fact, 28% of HR professionals' time is spent addressing issues caused by ineffective managers (*The Society for Human Resources Management - SHRM*).
- 1 in 3 workers say their manager can't lead a team (*The Society for Human Resources Management - SHRM, 'The High Cost of a Toxic Workplace Culture', 2019*).



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of people would seek new employment due to bad leadership.

Source: Career Addict, Why People Quit Their Jobs, 2020



Chronic underinvestment in manager development

The top HR priorities in 2024 for many high-growth organizations include manager and leadership development to increase employee engagement and retention.

Many companies have been underinvesting in management development, impacting their ability to recruit effectively and maintain a positive reputation. This has caused a range of issues:

- 53% of managers report that they're burned out at work (*Microsoft, 'Hybrid Work Is Just Work. Are We Doing It Wrong?', 2022*)
- 76% of HR leaders report that managers are overwhelmed by growing job responsibilities (*Gartner, 'Top 5 HR Trends and Priorities for 2024', 2023*).
- 92% of workers said it is very (57%) or somewhat (35%) important to them to work for an organization that values their emotional and psychological well-being (*American Psychological Association's '2023 Work in America Survey'*)
- 59 % of managers overseeing 1 to 2 people receive no managerial training at all, along with a significant 41% of those who oversee 3 to 5 people (*West Monroe Partners, 'Companies are Overlooking a Primary Area for Growth and Efficiency: Their Managers', 2018*)





Employee engagement & retention through manager development

Good managers are trained managers, and data shows good managers have real ROI impacts.

- Employees who report to effective managers are (*Gartner, 'Managers Are Cracking', 2023*):
 - 15.4 times more likely to be high performers.
 - 3.2 times more likely to have a high intent to stay with the company.
 - 12.5% more likely to experience higher physical and mental well-being.
 - 13.4% more engaged.
- 70% of a team's engagement is influenced by the effectiveness of their manager (*Gallup, 'Who's Responsible for Employee Engagement', 2022*).
- Companies with highly engaged employees are 21% more profitable and 17% more productive. Disengaged employees have a 15% lower profitability for a company which equates to 34% of a disengaged employee's salary (*Forbes Advisor, Key HR Statistics And Trends In 2024, 2023*).

ORCA's Manager Academy® can create more engaged, productive workplaces.



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Reduce turnover through data-driven hiring processes

The negative impacts of poor hiring cannot be denied. Often the reason stems from a poor person-role fit. People analytics can help.

- 34% of employees leave within the first year. The top reason people leave (43%) is because the role doesn't meet their expectations. (*Forbes Advisor, Key HR Statistics And Trends In 2024, 2023*)
- It costs 33% of an employee's salary to replace them (*Forbes Advisor, Key HR Statistics And Trends In 2024, 2023*).
- The cost of employee turnover has contributed to a loss of \$223 billion in the U.S. over five years (*The Society for Human Resources Management - SHRM, 'The High Cost of a Toxic Workplace Culture', 2019*).
- 94% of business leaders say that people analytics elevates the HR profession. 71% of HR executives who use people analytics report that it is essential to their HR strategy (*People Analytics, SHRM Research, 2021*).



ORCA's SMARTHIRING® alleviates the top reason people leave through people analytics ensuring a good person-role fit.



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ORCA HR SOLUTIONS

We transform the consciousness and capabilities of leaders, propelling organizations and startups to new levels of success with a unique blend of research-backed leadership tools.

We are more than just a consulting and coaching provider. Driven by long-term relationships and meaningful programs, ORCA is committed to transforming individuals through the incredible power and practices of consciousness, creating a ripple effect that elevates leaders and organizations.

With over 10 years in business, a profound love for high-growth organizations and a history deeply integrated with tech, our coaches and consultants bring a wealth of experience that propel companies to scale to new heights.



About our CEO

Paul O'Beirne brings over 25 years of extensive experience as a senior Human Resources leader at Microsoft. He specializes in organizational development, leadership training, and coaching for tech businesses in all growth phases, from start-ups to enterprises.

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