



Leadership Development: Intent vs Action

Why people remain the #1 business challenge and what to do about it.

For founders, senior leaders, and executives who know their biggest constraint and opportunity is people and are ready to do something meaningful about it.

Steve Riddle | CoachStation | 2026

Executive Summary

For decades, leaders across industries have named people and leadership quality as their single greatest challenge. Yet investment in developing those same people remains stubbornly low, discretionary, and concentrated. This is not a resource problem. It is a perception problem, a measurement problem, and when left unaddressed, a performance and risk problem.

Key findings in this paper:

- People as the perennial constraint. Major leadership surveys consistently show engagement, retention, team performance, and leadership quality at the top of executive concern, year after year, regardless of economic cycle.
- Development investment tells a different story. Australian businesses are expected to spend around AUD \$8 billion on learning and development in 2026, yet much of this goes to compliance and technical training. However, many organisations still report significant gaps in leadership capability and bench strength.
- The environment has raised the stakes. Leadership quality now directly shapes execution speed, retention, customer experience, and culture in a period of sustained disruption and AI implementation.
- Unlike the precision we see in financial or operational reporting, Australian organisations rarely track, let alone publicly report, how much they invest in leadership capability per leader. Available research notes that Australian firms spend significantly less on leadership development than many global peers, and that frontline leaders carry the greatest load with the least support.
- There is a smarter path. Organisations that treat leadership as core infrastructure are building more resilient, higher-performing teams with fewer hidden costs.

What this means for you

*Your biggest people risks likely sit one or two layers below your executive team.
The cost of not developing frontline leaders is already visible in turnover, execution drag, and management time consumed by reactionary management.*

A targeted, embedded investment in frontline capability is both the highest-ROI and lowest-risk leadership option available to most organisations right now.

The Paradox

Everyone says people matter most. The budget says otherwise.

In leadership workshops and coaching programs I have facilitated over the years, I often ask a simple opening question.

"What is the biggest challenge facing your organisation right now?"

Across industries, sectors, and organisations of assorted sizes, the answer is remarkably consistent. Responses invariably relate back to a variation of the same themes:

- Our people
- Our middle management capability
- Communication breakdowns
- Lack of accountability
- Performance management challenges
- Culture or engagement

In a recent program with a leadership group of around twenty managers, every single table identified people capability as the organisation's biggest constraint. Not market conditions. Not technology. Not funding. People. This response is not unusual at all. Then I asked this follow-up question.

"How many of you have had structured leadership development in the past two years? Not just attended training. Personalised and tailored development that has been reinforced by your immediate manager."

Two people raised their hands. Out of twenty. Most had no active support. Even fewer had participated in ongoing coaching or mentoring...and in both cases, these two managers had instigated and paid for the development themselves.

The gap is stark. Organisations say people are their biggest challenge, yet leadership capability is treated as optional or negotiable. It is like a sporting team naming defence as its greatest weakness and then never practicing defensive drills. The situation is worse again when they recruit role and position specialists but fail to support or use those strengths in how they train and play.

What leaders say is critical	What budgets and time often prioritise
Finding and keeping great people	Recruitment spend, not retention investment
Strong frontline management capability	Senior leadership programs and offsites
Engaged, high-performing teams	Annual engagement surveys, rarely acted on
Real accountability and performance culture	Values posters and town halls
Developing the bench for future growth	Promoted on technical skill, left to figure out leadership alone

The gap between what leaders say and what organisations invest is rarely about bad faith. It reflects deeply embedded beliefs, incentives, and blind spots that must be surfaced, otherwise the paradox persists. Most executive leaders are not malicious or trying to set their teams up to fail. However, that does not mean they are equipped or truly focused on setting those same leaders up for success.

Why the Paradox Persists

The intent-action gap in leadership development is not caused by one thing. Amongst other factors, I have found that it is primarily the product of six reinforcing dynamics that operate simultaneously across most organisations.

1. Invisible ROI and long causal chains

Leadership development's impact is real but indirect and delayed. It shows up as lower voluntary turnover, better project execution, fewer escalations to senior management, stronger internal bench/succession, and teams that are more resilient under pressure. None of these appear as a neat line item on a quarterly P&L.

Many leaders have also been burned by generic training programs that consumed budget and time but produced no visible and sustainable behaviour change. That experience creates a lasting mental model, that L&D is a cost centre with limited payoff.

From the field: The workshop that changed nothing.

I have been brought in after isolated development initiatives more times than I can count. One organisation had delivered several leadership workshops over a two-year period. Feedback scores were excellent. Six months later, nothing had changed. When I asked leaders what had been implemented, the responses were vague: "We talked about communication." "There were some good ideas around feedback." "It was interesting."

No behavioural changes. No systems introduced or sustained practice. The issue was not the workshop quality. It was that leadership capability was treated as an event, not a practice. It is like attending a tennis clinic once and expecting to become a better player without returning to the court.

2. Budget optics and time pressure

Development appears as a visible, controllable spend line. The cost of not doing it is dispersed, rarely quantified, and easy to attribute to something else. Under short-term performance pressure, anything that looks like it might slow progress is treated as negotiable, even when it is precisely the capability investment that would reduce the firefighting and reactive behaviours later. The trap is that underinvestment creates the very pressure that then justifies continued underinvestment.

3. Ego, identity, and the senior leadership blind spot

In several programs I have delivered, organisations have invested in leadership development for their middle managers. One pattern, however, repeats itself with striking regularity: the senior leadership team sponsors the program but does not participate. They position it as something "for the managers."

From the field: The manager sent to training three times.

I had a peer many years ago who sent the same middle manager to the same two-day leadership development program three times over 20 months because he was not seeing the results he wanted. In between training sessions, he offered no coaching or support. No change in his own behaviour. Just the same program, repeated, with the same predictable outcome.

Within months of these programs, participants begin raising the same concern. "We are trying to implement what we are learning but our leaders do not operate this way." Eventually the program stalls. Not because the managers are unwilling. Because the system above them remains unchanged.

Leadership development that excludes senior leaders creates a structural contradiction. The organisation is asking managers to lead differently within a system that has not changed. This is not a capability problem. It is a leadership alignment problem.

4. The promotion trap

Most leaders are promoted because they were excellent individual contributors. They are then expected to develop others, build team culture, and hold accountability conversations, without ever having received structured development themselves. The people we ask to develop others are the least developed layer in the system.

This is not a personal failing. It is a structural one. Organisations invest consistently in technical and commercial skills at every career stage but treat leadership capability as something that either comes naturally or is noticed the job. It rarely is and the cost accumulates silently across every team they lead.

5. Misaligned incentives

Most executive scorecards are dominated by financial metrics: revenue, margin, cost, and growth. Leadership quality indicators such as team engagement, internal promotion rates, retention of key talent, and management-to-team trust rarely carry equivalent weight or are genuinely managed.

Without structural consequence for underinvestment in leadership capability, people development becomes a good-citizen activity. Valued in principle. Deprioritised in practice. The behaviour follows the measurement.

A signal worth paying attention to:

I was approached by a senior executive who had decided to fund coaching, mentoring, and leadership development for two of his senior staff out of his own pocket because he could not get the funding internally.

When leaders value development enough to back it personally, the organisation's budget priorities are telling you something important about what it actually values.

6. The "we tried training before" hangover

Many companies have run generic, one-off programs disconnected from strategy, role expectations, or ongoing reinforcement. This creates a narrative that leadership training does not work. That narrative taints high-quality, embedded development work with the same brush. The failure was not in the concept. It was in the design and consistent implementation.

The Three Patterns

How organisations fall into the trap

Organisations know what their problem is and say it openly: people capability, leadership quality, communication, accountability. But that insight rarely translates into sustained development. Instead, they fall into one of three patterns.

1. Delegation.

Leadership development is positioned as something for managers. Senior leaders sponsor the program but do not participate. The implicit message: *development is for those still learning, not those who have already arrived.*

2. Intervention.

Leadership development is a workshop. A keynote. Well-intentioned, well-received, and entirely forgotten. The activity happens, the behaviour does not change, and the organisation concludes, incorrectly, that development does not work.

3. Avoidance.

Leadership development is treated as unnecessary. "We are a tight team. We just talk things out." Common in founder-led businesses: the culture is strong but dependent on one person. The team grows, the complexity grows, and the founder becomes the bottleneck. No one has named it yet.

From the field: "We don't really need leadership development."

I have met with founders who tell me with genuine confidence that their organisation does not need formal development. They have a tight team and communicate well. They are not a big corporate. In the same conversation, they describe classic growth-ceiling symptoms: key person dependence, inconsistent decision-making, middle managers avoiding difficult conversations, and the owner personally resolving issues that should never have reached them.

When I eventually facilitate a workshop with the team, or conduct coaching, the participants consistently comment that it is the first time they have talked honestly about these topics. That moment can be confronting. It can also be the most productive thing that has happened in the organisation in years.

Coaching and leadership development are not a luxury for big corporates; they are a lever for any business that wants to grow beyond the personality of its founder.

Why Frontline Development Is the Critical Lever Now

Even if an organisation resolves to close the intent-action gap, where it invests matters enormously. The evidence and the commercial logic point clearly to the frontline.

First and second-line managers are the primary translators between strategic intent and operational reality. Every priority that comes from the executive team passes through them. Every culture statement, every change initiative, every performance expectation lands first in the hands of a team leader, a supervisor, or a middle manager who may have been given a title but rarely a genuine development pathway.

Research is consistent: first and second-line managers are the most overlooked group in leadership development investment, despite being the people who run the organisation at the coalface level every day.

Level	Typical Investment	Real Leverage on Day-to-Day Culture
Executives	High per head	Strategic direction and symbolic behaviours
Mid-level managers	Moderate	Translating strategy, cross-functional alignment
Frontline leaders	Low. Often zero.	Direct daily impact on teams, customers, safety, and output

The current operating environment amplifies this gap. Hybrid and distributed work, accelerating technology change, sustained cost pressure, and higher expectations from employees mean frontline leaders are being asked to do more with less preparation, less bandwidth, and less structural support than at any point in recent memory.

Burnout typically shows up here first. Implementation drag on key initiatives also emerges at this level. The costliest attrition is most often triggered by an employee's relationship with their frontline manager.

Investing at the top alone is like tuning the steering wheel while ignoring the wheels that actually touch the road. When frontline leadership is underdeveloped, every initiative you care about - culture, customer experience, safety, growth - is slower, more fragile, and more dependent on heroics.

What Smart Organisations Are Doing Differently

Closing the intent-action gap does not require a massive program budget or a structural overhaul. It requires a shift in how leadership development is framed, designed, and measured. Critically, it also requires senior leaders who are willing to model the change they are asking others to make.

Treat leadership as infrastructure, not events.

Move away from ad hoc workshops and one-off programs toward an ongoing development pathway with clear expectations, coaching, practice, and reinforcement built in. Infrastructure is maintained. Events are forgotten.

Start at the top and stay there.

The most effective programs I have been part of share one quality: the senior leader is in the room, participating, not just sponsoring. The senior leader makes a simple decision. If capability matters, they should be part of the work. They participate and engage in coaching. Within months expectations become clearer, conversations improve, and middle managers feel supported rather than exposed. Development becomes credible when leaders demonstrate that learning and improvement matter to them personally.

Double down on first and second-line leaders.

Increase investment at the level where neglect has been highest and leverage is greatest. Targeted programs for new and frontline leaders, with manager-as-coach practices embedded, outperform senior-only offsites on most meaningful metrics.

Link development to real work and measurable outcomes.

Align leadership programs to specific business problems, such as turnover hotspots, safety performance, customer complaint trends, project delivery drag. Track a small set of lead indicators and connect them visibly back to development efforts. This changes the conversation from cost centre to capability investment.

Reframe the narrative from training cost to risk management.

Underinvesting in leadership is not a neutral budget choice. It is a risk decision with tangible consequences - longer vacancies, more rework, a weaker bench, slower execution, and a culture shaped by whatever behaviour goes unchecked. Naming these costs changes the conversation.

Questions worth asking in your business right now:

- Where are your biggest people-pain points by level and role?
- How much are you currently investing per leader at the frontline versus the executive level? Does that reflect where the leverage and benefits are?
- When a team underperforms, how quickly does the conversation move from "people problem" to "leadership capability question"?
- What would it take to make leadership development as non-negotiable as financial reporting?

Four Moves to Make in the Next 90 Days

Closing the intent-action gap does not require a strategy retreat or a significant new budget line. It requires four honest conversations and a decision to act on what you already know.

1. Audit.

Map your biggest people-pain points by level and role. Where is churn highest? Where are escalations most frequent? Trace those problems up one level and ask: how much is this a leadership capability issue?

2. Map the investment.

Quantify how much you invest in development per leader by level. Does that match where the pain and leverage sit? Most leaders are surprised by the answer.

3. Choose one frontline cohort and invest properly.

Pick one group: new managers, team leaders, a specific business unit. Design a genuine development experience this year. Define success upfront, hold to it, and use it to build the evidence base to expand.

4. Measure what matters and report it like a business metric.

Most organisations track training hours or completion rates, which do not reflect behaviour change or impact. Identify two or three lead indicators linked to leadership investment, such as promotion rates, turnover, trust scores, or time to competency. Report them with the same visibility as financial metrics. When leadership development is absent from the dashboard, it stays optional. Alongside revenue and retention, it becomes a business conversation.

Take the Next Step

Strategic Leadership and Organisational Health Audit

Reading about the intent-action gap is one thing. Understanding exactly where it is showing up in your organisation is another. That is what the [CoachStation Strategic Leadership and Organisational Health Audit](#) is designed to do.

This diagnostic evaluates your leadership maturity across three fundamental pillars:

Structural Flow, Human Core, and Future Readiness.

It is built for leaders and executives who want a structured, honest picture of where their organisation is strong and where the gaps are limiting performance.

Structural Flow	Human Core	Future Readiness
How clearly strategy translates into day-to-day decisions, accountabilities, and operating rhythms.	The quality of leadership, culture, trust, and people capability across the organisation.	Your organisation's capacity to adapt, innovate, and lead in a rapidly changing environment.

Your assessment generates a tailored leadership profile with actionable insights, including your strengths, your development opportunities, and your prioritised next three steps. It takes around ten minutes and costs nothing.

The audit identifies which of four leadership profiles best describes your organisation right now:

Legacy High-Performer, Complexity Navigator, Agentic Pioneer, or Strategic Architect.

If your results raise questions you want to think through, I am happy to review your current leadership development mix and share what I am seeing across organisations of comparable size and complexity. No obligation. No pitch.

The CoachStation Solution

If you would like assistance and support at any level or for any role in your organisation, CoachStation offers thirteen interconnected services across four pillars. Every engagement is built around your real situation and connected to measurable outcomes. Our products and services can be used individually or combined for compounding impact across a team or organisation.

The CoachStation ecosystem is built around the conviction that leadership development should be embedded in real work, connected to measurable outcomes, and accessible across the full employee lifecycle.

- Coaching programs for leaders at all levels, from new managers through to C-suite (CS2)
- Our book, *Falling Into Leadership*, created for leaders who were never formally developed for the role, and written in a personal, relatable story (CS4)
- The CoachStation Leadership Development Program (CSLDP) for frontline and middle managers (CS1)
- Organisational development advisory for founders and leadership teams navigating growth and structural change (CS7, CS8)
- The Business Advisory Panel in partnership with Michael Haupt Accounting, for commercially grounded leadership and strategy conversations (CS8)

Pillar	Offerings	Best for	Key outcomes
Leadership, Coaching & Development	CSLDP (CS1), Coaching (CS2), Business Coaching (CS3), <i>Falling Into Leadership</i> (CS4), Workshops (CS5), Coaching Capability (CS6)	Individual leaders and teams at all levels needing structured, embedded development	Stronger self-awareness, clearer accountability, effective conversations, reduced reliance on the leader above
Advisory, Culture & Organisational Practice	Leadership & Culture Partner (CS7), Business Advisory Panel (CS8), HR Advisory (CS9)	Organisations needing senior strategic and cultural partnership without a full-time CPO	Faster decisions; culture aligned to values; HR issues managed without legal or cultural risk
Tools, Technology & Future Learning	CS CoachBot (CS10), Leadership & AI Education (CS11)	Leaders extending development between sessions and navigating AI in the workplace	Development active between sessions; values-led approach to AI adoption
Education & Pathways	Graduate to Leader (CS12), Career Pathways (CS13)	Graduates, early-career professionals, and those navigating significant career transitions	Workplace-ready confidence from day one; clear direction at major career crossroads

Most CoachStation clients engage with more than one offering. The combination is always more powerful than any single engagement alone. Visit coachstation.com.au/services to explore the full ecosystem.



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About CoachStation

CoachStation is an Australian leadership coaching and organisational development practice founded by Steve Riddle. Collaborating with founders, executives, and leadership teams across a range of industries, CoachStation provides coaching, advisory, and structured programs that connect people development to measurable business outcomes. Steve is author of *Falling Into Leadership*, co-authored with Kath Riddle, which addresses the development gap facing leaders who enter leadership without formal preparation.