The Leadership Training Problem

Jim Petersen, PhD · June 20, 2026

A PBCA AND DIVERSIFIED PROFESSIONAL COACHING PERSPECTIVE

Why organizations need coaching, practice, and a practical leadership system

Companies do not have a leadership spending problem. They have a leadership development problem.

A recent *Inc.* article by Soren Kaplan, “Companies Spend Billions on Training the Wrong Leaders. Here’s What Actually Works,” identifies a problem many organizations quietly recognize but rarely solve; companies continue to spend heavily on leadership development, yet much of that investment is directed toward the wrong people, delivered in the wrong way, and disconnected from the daily realities of leading people. The numbers are striking. Global spending on leadership training already runs at roughly $366 billion a year and is projected to grow by another $31 billion between 2025 and 2029; even so, three out of four organizations rate their own programs as “not very effective,” and only 18 percent say their leaders are highly effective at achieving business goals. Budgets are rising while results are flattening.

Too often, leadership development is reserved for executives, senior leaders, and designated “high potentials,” while the leaders who most directly affect culture, retention, execution, and employee engagement receive the least practical support.

That is the gap PBCA and Diversified Professional Coaching were created to address.

The real leadership challenge is not merely at the top of the organization. It is in the daily moments where strategy becomes behavior, values become decisions, and culture becomes the experience of employees, clients, and customers. Those moments are handled by frontline managers, emerging leaders, business owners, practice leaders, team leads, and experienced professionals who are expected to lead others without always having been taught how to lead.

The problem: organizations promote performers and hope they become leaders

Many organizations promote their best individual contributors into leadership roles because they have proven they can perform. But performance and leadership are not the same thing.

A great producer may not know how to coach. A technically gifted professional may not know how to build trust. A high performer may struggle to delegate, resolve conflict, communicate expectations, or hold others accountable. A business owner may know the product, the client, and the numbers, yet still struggle to build a leadership team that can execute without constant personal intervention.

The data confirms how common this is. According to the Center for Creative Leadership, 60

percent of first-time managers receive no training at all when they step into their first leadership role; Gartner finds that 60 percent of those managers fail within their first two years. The cost of that neglect is not evenly distributed, either. Almost two-thirds of organizations spend less than $500 per person per year on management development — often less than the cost of a single hour of executive coaching — even though Gallup has consistently found that managers account for at least 70 percent of the variance in team engagement. The most influential leaders, in other words, receive the smallest investment.

This is where many companies lose the return on their leadership investment. They train senior executives while leaving the most influential leaders to learn by trial and error. They offer occasional workshops but do not provide ongoing coaching. They teach concepts but do not build habits. They talk about culture but fail to develop the leaders who create culture every day.

The result is predictable: inconsistent execution, employee frustration, avoidable turnover, poor communication, weak accountability, and leaders who feel overwhelmed because they were promoted into responsibility without being prepared for it.

Why traditional leadership training often fails

Traditional leadership training usually fails for three reasons.

First, it is episodic. A one-day workshop may inspire people, but inspiration fades when the leader returns to the pressure of the job. Leadership is not learned by attending an event. It is developed through repetition, reflection, feedback, and application.

Second, it is too generic. Leaders do not face generic problems. They face real people, real deadlines, real clients, real change, real conflict, and real consequences. A frontline supervisor, a financial services leader, a nonprofit executive, a business owner, and a professional practice manager do not need the same leadership examples. They need leadership development connected to their world.

Third, it often separates training from coaching. People may understand what they should do, but they still need help doing it. Knowing the right leadership principle is not the same as applying it when an employee is defensive, a client is upset, a team is underperforming, or a business is changing faster than the leader can process.

That is why the best leadership development is not just content. It is a system.

What actually works: ongoing, practical, personalized development

The *Inc.* article highlights three ideas that align directly with our work: leadership development must be ongoing, practice-based, and personalized. The research behind those ideas is compelling. DDI's *Global Leadership Forecast 2025* found that organizations using five or more development approaches — including instructor-led training, professional coaching, peer

learning, assessments, and simulation — are 4.9 times more likely to see meaningful improvement in leadership capability; leaders who receive quality tools, feedback, and coaching also apply roughly 25 percent more of what they learn on the job.

That is exactly how PBCA and DPC approach leadership.

We do not treat leadership as a motivational topic. We treat it as a practical discipline. Leadership is learned through self-awareness, coaching, application, feedback, and real-world practice. The goal is not simply to teach people about leadership. The goal is to help them become better leaders in the situations they actually face.

Our programs are built around the belief that leadership development must reach the people who make culture and execution happen. That includes business owners, frontline managers, mid-level leaders, emerging leaders, professional advisors, coaches, and executives. Leadership should not be reserved for the C-suite. It should be developed wherever people are responsible for influencing others and producing results.

The PBCA and DPC Advantage

PBCA and DPC bring a distinct advantage to leadership development because our programs combine practical business experience, coaching methodology, leadership training, peer learning, and real-world application.

We are not simply delivering classroom training. We are building leadership capability.

Through PBCA's Certified Professional Business Coach (CPBC) program, experienced professionals learn how to coach leaders, business owners, and teams through real challenges. Through the Certified Professional Business Leader (CPBL) program, leaders develop the self-awareness, style adaptability, character, judgment, strategic thinking, and execution discipline needed to lead effectively. Through DPC's coaching, MasterMind sessions, group coaching, and leadership development programs, individuals and companies receive support that is ongoing, practical, and customized to their needs.

This matters because most organizations do not need another abstract leadership model. They need help translating leadership into action. Specifically, they need:

- leaders who can communicate clearly;
- leaders who can coach instead of merely direct;
- leaders who can make better decisions under pressure;
- leaders who can build trust, manage conflict, and hold people accountable;
- leaders who can align values, mission, vision, strategy, objectives, and tactical action plans; and
- leaders who understand that culture is not what an organization says, but what people experience.

The Petersen Leadership Model: from who you are to how you live

At the center of our leadership philosophy is a practical progression:

> *Who you are influences how you lead.How you lead influences how you decide.How you decide influences what you create.What you create influences what you achieve. What you achieve influences how you live.*

This progression is reflected in the Petersen Leadership Triangle and Petersen Leadership Model. The foundation begins with self-awareness and moves through Character, Style, and Judgment. Those dimensions shape Culture, Execution, and ultimately Leadership & Life.

Character asks: Who are you when leadership gets difficult?

Style asks: How do you adapt to the people and situations in front of you?

Judgment asks: How do you make decisions when the facts are incomplete, emotions are high, and consequences matter?

Culture asks: What environment are you creating for others?

Execution asks: Are you converting intent into disciplined action?

Leadership & Life asks: Is the way you lead aligned with the way you want to live?

This is not theoretical leadership. It is practical leadership. It helps leaders understand themselves, understand others, and understand the effect they are having on the organization.

Why companies should come to us

Companies should come to PBCA and DPC because we address the problem most leadership programs miss: leadership development must be practical enough to change daily behavior and deep enough to shape long-term culture.

We help organizations develop leaders at the level where leadership matters most. We work with executives, but we also work with the managers, team leaders, business owners, advisors, and emerging leaders who carry the organization's culture every day.

We help leaders move from awareness to action. Assessment tools such as the Leadership Effectiveness Evaluation and Business Effectiveness Evaluation help identify where leadership and business systems are strong and where they need attention. Coaching and MasterMind sessions help leaders work through real problems, not hypothetical case studies. CPBL provides a structured leadership development pathway. CPBC prepares experienced professionals to coach others with discipline, credibility, and practical business understanding.

Most importantly, our programs are led by experienced professionals who have lived leadership,

business, coaching, and organizational responsibility. Our community is not built around theory alone. It is built around pracademic leadership: practical wisdom supported by sound frameworks, tested experience, and disciplined coaching.

Leadership development is a business strategy

Leadership development is not a perk. It is not a human resources checkbox. It is not something to be reserved only for executives. Leadership development is a business strategy.

When leaders are unprepared, organizations pay the price through turnover, disengagement, poor execution, conflict, weak accountability, and missed opportunity. The link to retention is direct: Korn Ferry's workforce research found that 80 percent of workers are more likely to stay when they trust their manager, while 70 percent would consider leaving because of a bad one. When leaders are developed properly, organizations gain stronger teams, clearer communication, better decisions, greater trust, improved execution, and a healthier culture.

The companies that will thrive in the years ahead will not be the ones that simply spend more on leadership training. They will be the ones that invest in the right leaders, in the right way, with the right support. That means:

- ongoing development;
- practice, not presentation;
- coaching, not just content;
- personalization, not generic training; and
- leadership development for the people who actually shape the daily experience of the organization.

That is the work of PBCA and DPC.

We help individuals and companies develop leaders who can lead with character, adapt their style, exercise better judgment, build healthier cultures, execute with discipline, and live with purpose.

In a world where companies are spending billions on leadership training and still missing the leaders who matter most, PBCA and DPC offer a better answer: practical coaching, proven leadership development, and a system designed to turn leadership potential into leadership effectiveness.

Sources

1. Soren Kaplan, "Companies Spend Billions on Training the Wrong Leaders. Here's What Actually Works," *Inc.*, June 10, 2026.
2. Center for Creative Leadership, "How to Prepare First-Time Leaders for Success."
3. Gartner, research on first-time manager performance, as cited in Kaplan (2026).

4.

Gallup, *State of the American Manager*, on the manager's share of team-engagement variance.

5. DDI, *Global Leadership Forecast 2025*, on multi-method development and learning transfer.
6. Korn Ferry, workforce research on manager trust and retention, as cited in Kaplan (2026).

Figures attributed to Gartner, Gallup, DDI, and Korn Ferry are drawn from the cited Inc. article (June 10, 2026), which references each organization's published research.