

The Work That Matters

Closing the gap between organisational effort and
productive value across Australia and New Zealand

PRODUCTIVITY SPECIAL

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WELCOME

Welcome to the executive edition of our fifth half-yearly Pulse Report.

At our mid-year conference “Connect: Unlocking Productivity”, I had the privilege of spending time with leaders across Australia and New Zealand. What stayed with me was the candour. People spoke openly about the effort inside their businesses and the difficulty of turning that effort into better performance.

The conversation came back to everyday work: the customer waiting for an answer, or the manager trying to support a team while several demands compete for its attention. Productivity becomes personal when you can see what it is asking of people you know.

This edition brings together the evidence and the choices it raises in a shorter read. There is enough detail to test the findings against your own business, alongside a practical route from discussion to action. The full report provides the deeper analysis.

I hope you use these pages with your executive team or board. Where do you recognise your organisation? Which assumptions need a closer look? What are you prepared to change?

Thank you to the leaders who contributed their experience. Your willingness to speak honestly about work has made this report possible.

Of course, if you want more detail, more insights, more perspective – then please download the full report from our website.

Richard Wynn
Richard Wynn
Chief Executive Officer
The CEO Institute





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EXECUTIVE OVERVIEW

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The central challenge is the conversion of effort into value. Leaders describe businesses full of activity, yet important work still waits. Systems make straightforward tasks difficult. Priorities compete for the same people. Delivery relies on individuals who know how to get things done when the formal process falls short.

Productivity is the organisation's capacity to turn effort into value without consuming the people who create it.

The six survey questions expose different parts of that problem. They also show why a narrow efficiency programme can disappoint. Fewer meetings will provide little lasting relief if new demands keep arriving. Training will struggle to build capability when managers have no time to support its use. AI can make a task faster while the customer's overall wait remains unchanged.

Australia and New Zealand share the leading concerns about unfocused busyness and competing priorities. Their operating pressures differ. Australian responses place more weight on fragmented systems, dependence on individuals and the possible loss of human judgement through AI. New Zealand reports greater management stretch and more active AI work redesign, accompanied by stronger concern about falling behind competitors.

Table 1. The five findings at a glance

Finding	Australia	New Zealand	Leadership implication
Unfocused busyness is the leading productivity loss	33.0%	36.2%	Find the friction behind visible activity
Very effective strategy execution	8.5%	11.6%	Build authority and capability beyond individuals
Competing priorities are the leading future barrier	34.7%	36.2%	Make stopping and sequencing an executive decision
Management stretch is the leading people constraint	26.8%	39.1%	Treat management time as delivery capacity
Active AI work redesign with measurable benefits	23.5%	36.2%	Judge investment by changed workflows and value

Selected responses, not a complete distribution. Labels are shortened here. Full questions and all response options appear with the findings.

The comparisons give leaders somewhere to look. They do not establish that one pressure causes another, or describe every business in either country. The practical task is to test these patterns in your own work, then make decisions about demand, authority and the capacity available to deliver.

The five findings need a connected response. CEOs must settle the choices that teams cannot resolve for themselves. Boards need assurance that strategy has enough management attention and capability behind it, as well as financial funding. Both should be able to see where productivity gains go after they are released.

Reading the evidence. Results describe participants' views at our conference, "Connect: Unlocking Productivity". Australia combines valid responses from New South Wales, Victoria, Queensland and Western Australia. South Australian data was unavailable. Each question asked for one selection, so a low result does not mean an issue is absent. Western Australia's smaller response base makes its figures especially sensitive to individual answers.



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**THE
PRODUCTIVITY
PICTURE**

Every growth plan carries a capacity question. Where will the ability to deliver come from?

Paul Bloxham gave this question an economic context in his keynotes in our Sydney and Melbourne events. He reported Australian labour productivity growth averaging about 0.3% a year over the preceding decade, against about 1.3% in the decade before it. His assessment put Australia's sustainable economic speed limit below 2%. These were keynote observations, separate from the survey findings.

Inside a business, the constraint is more immediate. Customer demand rises, but the work takes longer to move. A sales increase brings more coordination and a greater claim on managers. Revenue can grow while margin and workforce energy absorb the cost of delivery.

Productivity improves when the business creates more value without a matching increase in resources. That can mean resolving a customer need sooner, handling growth with less rework or giving managers time to develop their teams. Headcount, task volume and hours saved each describe part of the picture. None alone establishes that performance has improved.

The report therefore follows the complete path from strategic demand to a useful outcome. What work deserves capacity? How reliably does it move? What effort is needed to hold it together? Where could technology help, and what expertise must remain available to challenge it?

Those questions connect the five findings. They also keep the human component in view. An apparent gain deserves scrutiny if it transfers work to fewer managers, increases checking elsewhere or removes the experiences through which future capability develops.

Leaders should be able to explain the business result and the effort required to sustain it. A faster process that depends on more after-hours repair leaves an important part of the cost unreported.





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THE FIVE FINDINGS

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Finding one: Busyness is displacing high-value work

A full calendar tells a CEO that people are occupied. It says little about whether the work deserves their attention.

The leading source of productivity loss is the same in Australia and New Zealand: people are busy without consistent focus on the highest-value work. Fragmented systems, processes and data come next. Together, those selections account for 62.0% of Australian responses and 58.0% of New Zealand responses, calculated from the underlying valid answers.

Table 2. Where do you believe the greatest productivity loss occurs in your organisation today?

Response selected	AUS	NZ	NSW	VIC	QLD	WA
People are busy, but not consistently focused on the highest-value work	33.0%	36.2%	30.9%	32.0%	39.2%	22.2%
Systems, processes and data are too fragmented to support efficient work	29.0%	21.7%	29.5%	28.9%	26.6%	44.4%
Too much time is lost in meetings, approvals, reporting and internal coordination	13.8%	15.9%	12.9%	14.8%	15.2%	0.0%
Productivity loss is spread across the organisation rather than concentrated in one area	12.4%	13.0%	10.8%	14.8%	8.9%	33.3%
Strategy is clear, but execution breaks down across teams and functions	11.8%	13.0%	15.8%	9.4%	10.1%	0.0%

*Percentages may not total 100.0% due to rounding. Source: The Pulse Report Issue 5 (full report), page 14.

The cost hidden inside a completed outcome

Consider an ordinary customer request. Someone finds the information, checks it against another system and asks a colleague which version is current. An approval follows. By the time the customer receives an answer, several people may have helped with work that appeared straightforward at the start.

The service measure can look acceptable. The extra effort is harder to see.

This is compensating work. It protects an immediate outcome by repairing gaps in the way the work is organised. People reconstruct information or coordinate around steps that fail to connect. Their commitment allows the business to keep performing while making the underlying process look more reliable than it is. Collaboration has a different purpose. It combines expertise to improve the decision or result. Leaders need to distinguish the two before celebrating every intervention as evidence of a strong team. Repeated repair is a cost, even when the people doing it are generous with their time.

The distinction helps explain the country results. Australia places more weight on fragmentation, suggesting a need to inspect how information and work travel. New Zealand's higher unfocused-busyness result, alongside slightly greater emphasis on meetings and coordination, points towards the demands filling the working week. These are starting hypotheses for local investigation.

What the states bring into focus

Queensland's clearest signal is unfocused busyness at 39.2%. In New South Wales and Victoria, the balance between busyness and fragmentation is closer. A focus initiative in either state could disappoint if people still have to reconcile data before completing the work. Western Australia places fragmentation first at 44.4%, although its smaller response base warrants caution. Its result for loss spread across the organisation also deserves attention. Some businesses may need to follow an entire workflow before they can locate the problem clearly enough to change it.

The customer outcome and the effort behind it both need to be visible.

Meetings, approvals and reporting should be judged by the decisions they improve. An approval may protect a material risk. A meeting may bring the right expertise together. Ask what changed because the activity occurred. If the same report is prepared every month without affecting a choice, its continued existence needs a reason.

Removing the activity can release time. Fixing the condition that created it can prevent the work returning under another name. A meeting cancelled while ownership remains unclear may simply become a longer email exchange.

Follow the work across the business

Scale changes where friction hides. In an enterprise, each function can meet its target while the customer waits between them. Small delays become material when repeated across many transactions. End-to-end ownership gives someone responsibility for that total result and the ability to challenge local rules.

In an SME, the work is easier to observe directly. A business owner can follow a proposal, booking or service request with the people handling it and see where information is entered twice. That proximity is an advantage. A short redesign can produce a useful improvement without a large programme.

Start with evidence already available. Examine elapsed time, rework and the frequency of extra intervention alongside the customer result. A claims team completing more processing steps may still leave customers waiting longer for a final decision. More proposals may mean little if conversion quality deteriorates. The aim is to recover capacity from work that no longer needs to happen. Give capable people more room to improve the process, serve customers and complete the work that currently slips beneath the visible activity.

Finding two: Execution depends too heavily on individuals

The strategy may be clear in the boardroom. Its reliability becomes apparent when two teams need a decision and the person who normally resolves it is unavailable.

Australian leaders most often describe execution as inconsistent and heavily dependent on individual leaders or teams. New Zealand's leading response is somewhat effective execution, with alignment weakening across functions. These are different vulnerabilities. One concentrates capability in people. The other allows direction to drift as work changes hands.

Very effective execution is reported by 8.5% of Australian leaders and 11.6% of New Zealand leaders.

Table 3. How effectively does your organisation translate strategy into day-to-day execution?

Response selected	AUS	NZ	NSW	VIC	QLD	WA
Inconsistently, execution depends heavily on individual leaders or teams	40.4%	34.8%	41.3%	43.0%	36.7%	22.2%
Somewhat effectively, but alignment weakens across teams or functions	31.9%	43.5%	31.9%	28.1%	36.7%	44.4%
Ineffectively, too much work is disconnected from the most important priorities	13.8%	8.7%	13.0%	14.1%	16.5%	0.0%
Very effectively, priorities are clear and execution is well aligned	8.5%	11.6%	10.9%	8.6%	3.8%	11.1%
Unclear, we lack the visibility to measure how well execution aligns to strategy	5.4%	1.4%	2.9%	6.3%	6.3%	22.2%

* Percentages may not total 100.0% due to rounding. Source: The Pulse Report Issue 5 (full report), page 20

Authority has to travel with the strategy

Executives develop strategy with substantial context. They debate alternatives and understand why some options have been rejected. Teams usually receive the conclusion. The gap appears when a decision falls outside the presentation. A growth commitment might require sales to move quickly while operations protects service reliability and technology manages delivery risk. Each function can act reasonably and still produce a poor combined result. Repeating the strategy will not settle who has authority to make the trade-off.

Give the complete outcome an owner. Make clear which decisions sit with that person, which remain within functions and what genuinely requires escalation. Shared measures should support those choices. Rewarding one team for speed and another for avoiding all exceptions leaves the conflict inside their incentives.

Visibility matters too. A dashboard can show milestones on track while concealing how frequently an executive intervenes to hold delivery together. Decision waiting time and recurring escalation can reveal risks that status reporting misses.

The person everyone waits for

A trusted executive often becomes the quickest route to an answer. Work returns to them because they understand the history and can negotiate across functions. Over time, their availability begins to determine the speed of the business.

The individual has become a queue.

New South Wales and Victoria show the strongest dependence on particular leaders or teams. Queensland is evenly divided between that dependence and weakening alignment. Its very effective result is the lowest of the Australian states surveyed. Western Australia records a prominent visibility concern alongside weakening alignment. These results suggest different places to inspect, with the Western Australian figures read directionally.

Dependency deserves examination below executive level. A specialist may carry the judgement behind an important process. A customer leader may understand commitments that have never been captured elsewhere. The exposure becomes visible during absence, growth or succession, sometimes long after the business has come to regard the arrangement as normal.

Succession requires consequential experience

Documentation preserves information. People learn to use it through decisions, feedback and exposure to exceptions. A named successor has limited value if the current leader retains the context and every consequential choice. Real delegation takes time at first. A manager may need to talk through an unfamiliar decision and correct an early answer. Senior leaders have to allow that learning while maintaining clear limits. Taking the work back whenever pressure rises teaches everyone that authority still belongs at the top.

For an SME, a few explicit boundaries can change daily operations: the decisions reserved for the founder, the authority managers hold and the exceptions requiring discussion. An enterprise needs the same clarity across functions, supported by a view of critical knowledge and relationships that extends beyond formal succession charts.

Keep decisions moving

An operating cadence should settle the matters holding work back. Circulate status beforehand and use the meeting to resolve exceptions, ownership or conflicting interpretations. Record who will act and when. Reopen a decision when new evidence warrants it.

The test is what happens under pressure. Are people able to make aligned decisions close to the work? Does delivery hold when a key person is away? Are successors gaining experience before a transition forces the issue?

Organisational capability becomes visible when knowledge and authority remain useful beyond the presence of the person who first held them.

Finding three: Competing priorities are consuming capacity

An initiative can have a persuasive business case and still arrive in a business with no capacity to deliver it. The budget has been approved. The managers and specialists it needs are already committed elsewhere. Competing priorities lead the productivity barriers in both countries and every Australian state surveyed. The consistency matters because leaders had to choose among five credible constraints. Systems, skills, culture and cost may all be present in the same business. Competing demand was selected most often.

Table 4. What is the biggest barrier preventing your organisation from lifting productivity over the next 12 months?

Response selected	AUS	NZ	NSW	VIC	QLD	WA
Too many competing priorities are pulling people in different directions	34.7%	36.2%	35.0%	33.6%	34.6%	44.4%
Legacy systems, disconnected data or inefficient processes are slowing execution	27.0%	17.4%	29.2%	25.0%	29.5%	0.0%
Skills and capability are not keeping pace with technology, AI and new ways of working	14.8%	17.4%	15.3%	14.8%	12.8%	22.2%
Cultural resistance is making it difficult to change how work gets done	13.4%	10.1%	13.9%	12.5%	14.1%	11.1%
Cost pressure is limiting the budget or capacity to invest in improving how work gets done	10.2%	18.8%	6.6%	14.1%	9.0%	22.2%

* Percentages may not total 100.0% due to rounding. Source: The Pulse Report Issue 5 (full report), page 27

The pressure beneath the common result

Australia places greater weight on legacy systems and disconnected data. New Zealand reports more cost pressure limiting investment. An Australian business may need to narrow its portfolio and improve the systems supporting the work that remains. In New Zealand, the investment sequence may require particularly difficult choices.

New South Wales and Queensland show a similar pairing of competing priorities and legacy friction. Victoria has a broader spread of secondary constraints. Western Australia's smaller response base places priorities first, followed equally by skills and cost. Its zero result for legacy systems means nobody selected that option as the single biggest barrier. It does not establish that legacy problems are absent.

Cultural resistance ranks below competing priorities in both countries. Before attributing slow change to employee reluctance, look at what people have already been asked to absorb. Unfinished programmes and repeated changes of direction can make caution a reasonable response.

What has actually stopped

Starting work attracts a sponsor and a sense of progress. Ending it raises harder questions about sunk cost, reputation and who accepts the consequences. Reports and programmes can survive long after their purpose has weakened. Meanwhile, the same scarce capacity is promised several times. Separate project budgets conceal shared demand on a data team or frontline manager. A programme stays broadly on schedule because routine decisions slow down elsewhere, coaching is postponed or people extend their working day.

Financial approval needs an operational capacity case.

That case should identify the specific people and teams required, when they are needed and what will receive less attention. It needs an executive able to protect the choice when other sponsors return with urgent requests.

Employees eventually make the trade-offs if leaders leave them unresolved. They delay a stakeholder, reduce scope or escalate. Asking a team to prioritise better cannot release it from a board commitment or an executive-sponsored programme. The authority to change those commitments sits higher up.

For enterprises, the useful portfolio view follows constrained capability across budgets and functions. Include work absorbed as business as usual, such as new controls and reporting. In an SME, one visible list of significant commitments may be enough to expose the collision before another opportunity is accepted.

The review should result in choices about sequence, scope and closure. Fewer active initiatives can be a sign of stronger discipline when more valuable outcomes are being completed. The board's question is whether the combined portfolio remains executable, including the work that rarely appears in a formal project report.

Finding four: Human capacity is performance infrastructure

Management stretch is the leading people-related constraint in both countries. New Zealand's result reaches 39.1%, compared with 26.8% in Australia, a difference of 12.3 percentage points. Australia's pressure is more evenly spread across management capacity, skills and fatigue. These are constraints on performance. Managers translate priorities into daily decisions and help people apply new capability. When their attention is exhausted, the effects can appear in service, quality and the pace of change.

Table 5. What is the biggest people-related constraint on productivity in your organisation today?

Response selected	AUS	NZ	NSW	VIC	QLD	WA
Leaders and managers are stretched too thin to coach, prioritise and support teams	26.8%	39.1%	30.7%	25.2%	21.8%	33.3%
Skills and capability are not keeping pace with technology, AI and new ways of working	24.2%	14.5%	25.5%	29.1%	12.8%	33.3%
Employees are fatigued by constant change, shifting priorities and rising expectations	21.9%	18.8%	15.3%	18.9%	39.7%	11.1%
Too much organisational knowledge sits with too few people	13.7%	15.9%	16.1%	14.2%	9.0%	11.1%
People are unclear how their work connects to the most important priorities	13.4%	11.6%	12.4%	12.6%	16.7%	11.1%

* Percentages may not total 100.0% due to rounding. Source: The Pulse Report Issue 5 (full report), page 33

Different places to begin

New South Wales puts management stretch first. In Victoria, skills and capability come first. Western Australia divides its leading response between the two, with the usual caution around its smaller base.

Queensland stands apart. Employee fatigue is its leading response at 39.7%. The state also reports the strongest result for unfocused busyness and the lowest very effective execution result elsewhere in the survey. That combination warrants investigation. It does not establish that the same people reported all three conditions or that one caused another.

A fully staffed team can still lack the capacity to absorb another change.

Headcount says little about the availability of the managers and specialists a programme actually needs. An enterprise average can hide concentrated strain inside one heavily loaded team. In a smaller business, that strain may sit with a handful of people whose responsibilities span the operation.

What disappears from a manager's week

Urgent delivery tends to survive. Coaching is moved. Feedback becomes shorter. Improvement waits until the workload eases.

Those small withdrawals change how a team performs. People have fewer opportunities to work through difficult decisions, so more questions return to the manager. The role becomes more reactive and leaves even less room to build capability. Examine the job before prescribing another development programme. Spans of responsibility matter, alongside approval volume and direct operational work. Count the changes each manager must explain and implement. A reasonable role in stable conditions may become unworkable when several programmes arrive together.

Managers also need time to understand change before they are expected to lead it. Receiving a strategy announcement alongside everyone else leaves them poorly placed to answer the practical questions that follow. Recovering time from low-value coordination only helps if that time stays available for leadership.



Fatigue carries information

People remember the last system launch that left the old process running. They notice when every deadline becomes urgent. Change can demand sustained concentration while leaving normal output expectations untouched. Wellbeing support has a place. The operating causes also need attention. Look at overtime and accumulated leave in heavily loaded teams, then ask what makes a good day's work harder than it needs to be. A recurring handover problem or duplicated report is something management can change.

Capability deserves the same practical treatment. Begin with the work the strategy will require. Give people opportunities to apply new skills, receive useful feedback and improve. Adding courses to full agendas can increase demand without changing performance.

Periods of intense effort are part of business. Leaders should be able to explain their purpose, duration and provision for recovery. Chronic pressure that never resolves is a different condition. Boards need enough visibility to distinguish the two and to judge whether present delivery is eroding future capability.

Finding five: AI value depends on redesign, judgement and trust

An impressive demonstration answers one question: the technology can do something useful. An investment decision requires more. Which part of the work will change, who will own the result and what will happen when the output is wrong?

Experimentation is the leading AI approach in both countries. New Zealand reports more active work redesign with measurable benefits. The gap between experimentation and redesign is 17.2 percentage points in Australia and 5.8 percentage points in New Zealand. These are differences between response categories at one point in time, not transition rates.

Table 6. How would you describe your organisation's current approach to AI and productivity?

Response selected	AUS	NZ	NSW	VIC	QLD	WA
Experimenting with AI, but benefits are still isolated or inconsistent	40.7%	42.0%	48.9%	32.8%	39.7%	33.3%
Actively redesigning work around AI and seeing measurable benefits	23.5%	36.2%	22.6%	23.2%	24.4%	33.3%
Deployed AI tools, but adoption and impact remain limited	18.9%	14.5%	17.5%	24.0%	14.1%	11.1%
Interested in AI, but have not yet found a clear business case	10.0%	7.2%	6.6%	12.8%	10.3%	22.2%
Cautious because of concerns around risk, trust, capability or workforce impact	6.9%	0.0%	4.4%	7.2%	11.5%	0.0%

* Percentages may not total 100.0% due to rounding. Source: The Pulse Report Issue 5 (full report), page 39

Give the experiment a decision

New South Wales records the strongest experimentation result. The useful next step is to sort the work that deserves investment from trials that have already answered their question. Victoria reports slightly more deployed tools with limited impact than active redesign. Licences may have spread faster than the changes needed to use them well.

Queensland has the highest caution result among the Australian states. Western Australia shows a more dispersed profile and needs local investigation before firm conclusions are drawn.

Set the decision criteria early. A pilot should test a defined improvement with attention to quality, adoption and risk. At its review, choose whether to scale, redesign or stop. Several promising pilots can still overwhelm the same specialists, so the executive team needs to see their combined demand.

Redesign the complete workflow

Drafting a proposal faster will have limited commercial effect if it still waits days for information or approval. Follow the whole path, including exceptions and the informal judgement that makes the outcome reliable. Remove unnecessary steps before automating them. The workflow owner should establish current performance and remain accountable for the benefit. Check downstream effort as well. Faster output can create more checking or rework in another team, moving the cost beyond the pilot's field of view.

Enterprises need common rules for data, security and accountability while allowing workflow owners to improve delivery. SMEs can start with one frequent, commercially important process. A smaller business has less room for an unsuccessful investment and may have fewer specialists available to challenge a vendor's claims.

Speed and judgement both carry consequences

Table 7. When thinking about AI and workforce change, what concerns you most as a CEO or business owner?

Response selected	AUS	NZ	NSW	VIC	QLD	WA
Losing human judgement, expertise or relationship value that is hard to replace	35.8%	23.2%	36.0%	42.7%	24.7%	33.3%
Moving too slowly and falling behind competitors adopting AI faster	33.5%	44.9%	30.1%	37.1%	33.8%	33.3%
Making workforce decisions before we fully understand the work people actually do	12.1%	11.6%	16.9%	9.7%	9.1%	0.0%
Damaging trust if people feel AI is mainly being used to reduce headcount	9.5%	8.7%	9.6%	2.4%	22.1%	0.0%
Creating skills gaps by automating work that used to develop capability	9.0%	11.6%	7.4%	8.1%	10.4%	33.3%

* Percentages may not total 100.0% due to rounding. Source: The Pulse Report Issue 5 (full report), page 41

Australia's leading concern is losing human judgement, closely followed by moving too slowly. New Zealand places competitive delay first by a wider margin. Victoria gives the strongest Australian state signal on protecting judgement. Queensland's concern about damaging trust through headcount-led AI reaches 22.1%, well above the Australian result. These responses call for explicit choices about the decisions requiring human review and the expertise needed. Give reviewers time and authority to challenge an answer. Scrutiny should increase with consequence. Checking an internal draft and assessing a recommendation affecting safety require different arrangements.

Trust also depends on clarity about roles. Employees need to understand the purpose of the change and its likely effect on their work. Involve those who know the exceptions while the design is still open. Their knowledge can reveal both an opportunity and a risk the formal process map misses.



Preserve the ability to challenge the answer

Experienced judgement has to be developed somewhere. Junior analysis, case review and drafting often provide practice in recognising patterns and understanding why an expert changes an answer. If those tasks are automated, replace the learning they supplied. Supervised review, simulations or deliberate exposure to exceptions can help. The question is how future employees will acquire the expertise needed to use and challenge the system. Removing a task without considering that pathway can create a capability gap that appears much later.

Before changing a role, spend time with the work. A job description rarely captures the relationships and exceptions that make delivery reliable. New South Wales records a particular concern about workforce decisions being made before that work is understood. People closest to the process should help shape the change while the choices remain open.

Know where the benefit goes

A business case should distinguish potential benefit, the improvement estimated before implementation, from realised benefit, the change observed after adoption. Converted benefit shows how that change improved a business outcome.

This last step is easily lost. Time saved in fragments may be difficult to redeploy. Another stage may become the bottleneck. Extra review may absorb part of the gain. Follow what actually happened to usable capacity and decide whether it will support customers, growth, learning, recovery or cost reduction.

AI can accelerate work. Leadership decides whether the work is worth accelerating.

Boards should expect evidence of changed outcomes, clear human accountability and a credible workforce plan. A growing list of tools or pilots establishes activity. The investment earns its place when the business can show value and maintain the capability to govern it.



4

THE LEADERSHIP RESPONSE

THE LEADERSHIP RESPONSE

From insight to operating discipline

The five findings come together in the same working week. Decisions about priorities alter management load. Clearer authority reduces escalation. Simplifying a workflow gives people room to learn and apply technology well. Separate improvement programmes can miss these connections.

The CEO holds responsibility for the combined response. Functional leaders own the changes in their work. The board tests whether commitments remain credible and whether reported gains reflect business value.

Table 8. The integrated CEO and board agenda

Finding	Leadership risk	Decision required	Executive ownership	Board's role	Evidence of improvement
Busyness is displacing high-value work	Activity consumes capacity while important work receives fragmented attention	Remove, simplify or redesign work that does not justify the time it consumes	CEO and COO, with functional leaders	Test whether the operating model supports the strategy and gains reflect value created	Less low-value coordination, shorter cycle times, protected focus and visible work removed
Execution depends too heavily on individuals	Results rely on personal intervention, concentrated knowledge and informal authority	Clarify decision rights, strengthen cross-functional ownership and build repeatable execution	CEO and executive team	Examine key-person exposure, succession depth and resilience through change	Fewer routine escalations, faster decisions, stronger delegation and consistent outcomes
Competing priorities are consuming capacity	The portfolio is operationally unfunded and teams make unauthorised trade-offs	Establish an enterprise order of priority and decide what stops, pauses or receives less capacity	CEO, CFO and COO, with the executive team	Govern aggregate demand and require a capacity case for major commitments	Fewer active initiatives, clearer sequencing and a higher rate of completed outcomes
Human capacity is performance infrastructure	Management stretch, fatigue and capability gaps weaken present and future performance	Redesign management work, protect development capacity and spread critical knowledge	CEO, CPO and COO, with every people leader	Treat capacity, capability and succession as performance and risk concerns	More management time for people, stronger capability and sustainable workload patterns
AI value depends on redesign, judgement and trust	Experimentation remains isolated or automation weakens judgement and trust	Concentrate on valuable workflows, define human guardrails and decide where released capacity will go	CEO and workflow owner, with technology, operations and people leaders	Test measurable value, governance, workforce impact and long-term capability	Better business outcomes, embedded adoption, maintained quality and visible redeployment of capacity

Responsibilities adapted from the full report. Ownership should reflect the size and structure of the business.

The titles will differ in smaller businesses. The responsibilities still need owners, even when one person holds several of them.

The executive choices that matter

Agree the few outcomes that will receive protected capacity and the work that will stop, pause or narrow. Resolve competing claims on managers and specialists before approving more demand. Give delegated authority enough context to be used, then protect time for managers to lead.

Choose a valuable workflow for AI or other redesign, with a baseline and a date for judging the result. Decide where any usable capacity will go. A saving intended for growth requires a different operating choice from one intended to reduce cost or give an overloaded team room to recover.

The board should see the trade-offs behind these choices. Financial approval, milestone progress and overall headcount provide incomplete assurance. Ask whether management understands aggregate demand and whether execution can withstand absence or change. Test the quality of the workforce plan alongside the AI investment case.

A practical 90-day start

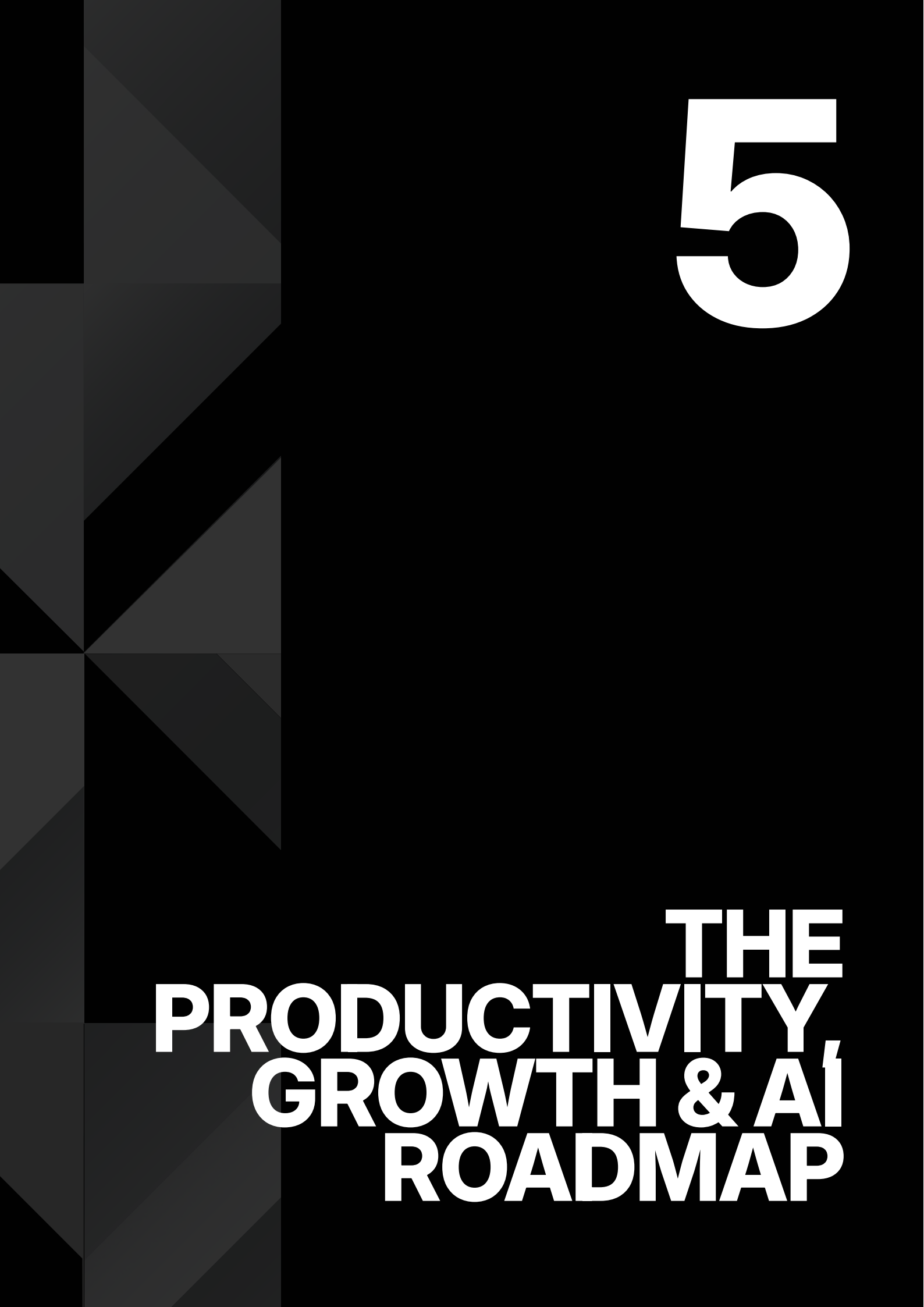
Table 9. Decisions and evidence over the first 90 days

Period	Work to complete	Bring back to the leadership team
Days 1 to 30	Map material demand, constrained teams, recurring friction and critical dependencies	One shared picture of where capacity is consumed and delivery is exposed
Days 31 to 60	Stop, pause or simplify work. Protect priorities and select a workflow for redesign	Named ownership, released capacity, a baseline and clear human review
Days 61 to 90	Test the redesigned workflow and establish a decision cadence that replaces avoidable reporting	Evidence of changed outcomes and decisions to scale, adjust or stop

The sequence is a practical starting point. Choose measures that fit the workflow and its consequences.

Use a small set of measures across value, capacity, execution and human impact. The selected workflow might need customer turnaround, rework, decision waiting time and the effort required to maintain service. Existing data and a short review of actual cases may be enough.

At the end of 90 days, return with decisions and evidence. Show what stopped, where capacity was protected and what changed in the workflow. Let those results determine the next commitment.



5

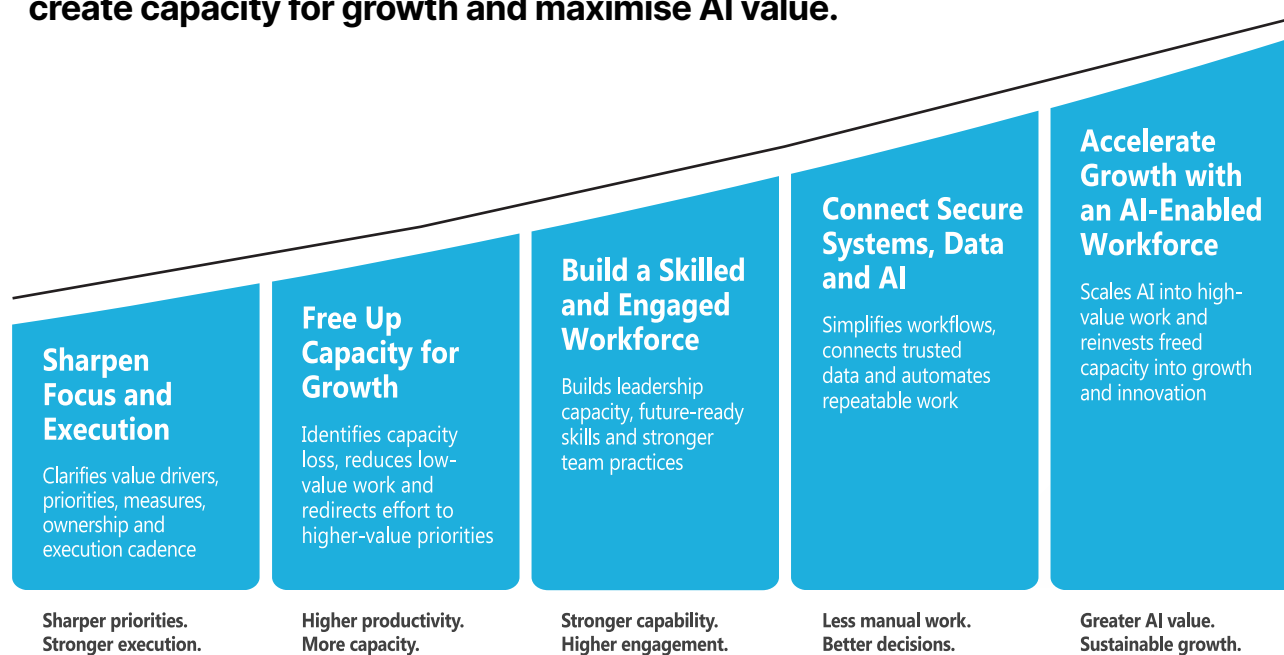
**THE
PRODUCTIVITY,
GROWTH & AI
ROADMAP**

THE PRODUCTIVITY, GROWTH & AI ROADMAP

The 90-day response provides a starting point. The Productivity, Growth & AI Roadmap, developed with EnterpriseWorks and Cuppa, gives the work a longer-term direction. It connects The CEO Institute's research with complementary work on systems, workforce capability and AI.

The five stages build on one another. An SME can work through them with one leadership team and one important workflow. Enterprise business units may progress at different speeds. Use the sequence to check the foundations each change depends on.

Five evidence-based stages – sequenced to lift productivity, create capacity for growth and maximise AI value.



*The Productivity, Growth & AI Roadmap. Source: The Pulse Report Issue 5 (full report), page 52.

Stage 1: Sharpen Focus and Execution

Identify three to five value drivers and define the outcomes that matter. Give each an owner able to resolve the relevant trade-offs. Decide what will receive less attention and how progress will be judged. For a founder, the choice may involve declining an opportunity. For an enterprise, it may require settling competing functional priorities. Leave this stage with an order people can use when demands collide.

Stage 2: Free Up Capacity for Growth

Follow one valuable workflow from the initial need to the completed result. Ask the people doing it where work waits or has to be reconstructed. Remove unnecessary steps, clarify approvals and simplify the path. Allocate the time released to a named purpose so existing demand does not absorb it unnoticed.

A visible improvement gives the business both usable capacity and a practical example it can apply elsewhere.

Stage 3: Build a Skilled and Engaged Workforce

Check whether managers have room to coach and whether people can develop the skills the strategy requires. Connect development to real decisions and feedback. Include those who hold critical experience in the redesign, giving others the opportunity to learn alongside them. The immediate task may be a change to management responsibilities, protected development time or supervised work on a new process. The evidence is what people can do reliably afterwards.

Stage 4: Connect Secure Systems, Data and AI

Bring the systems and trusted information needed for the workflow together. Establish data access and security controls. Specify where human review is required and how exceptions will be handled. Apply automation or AI to work with a defined purpose and an accountable owner.

An SME might begin with proposals or scheduling. An enterprise will also need to manage architecture and tool proliferation. In either case, assess the complete outcome, including any additional checking created elsewhere.

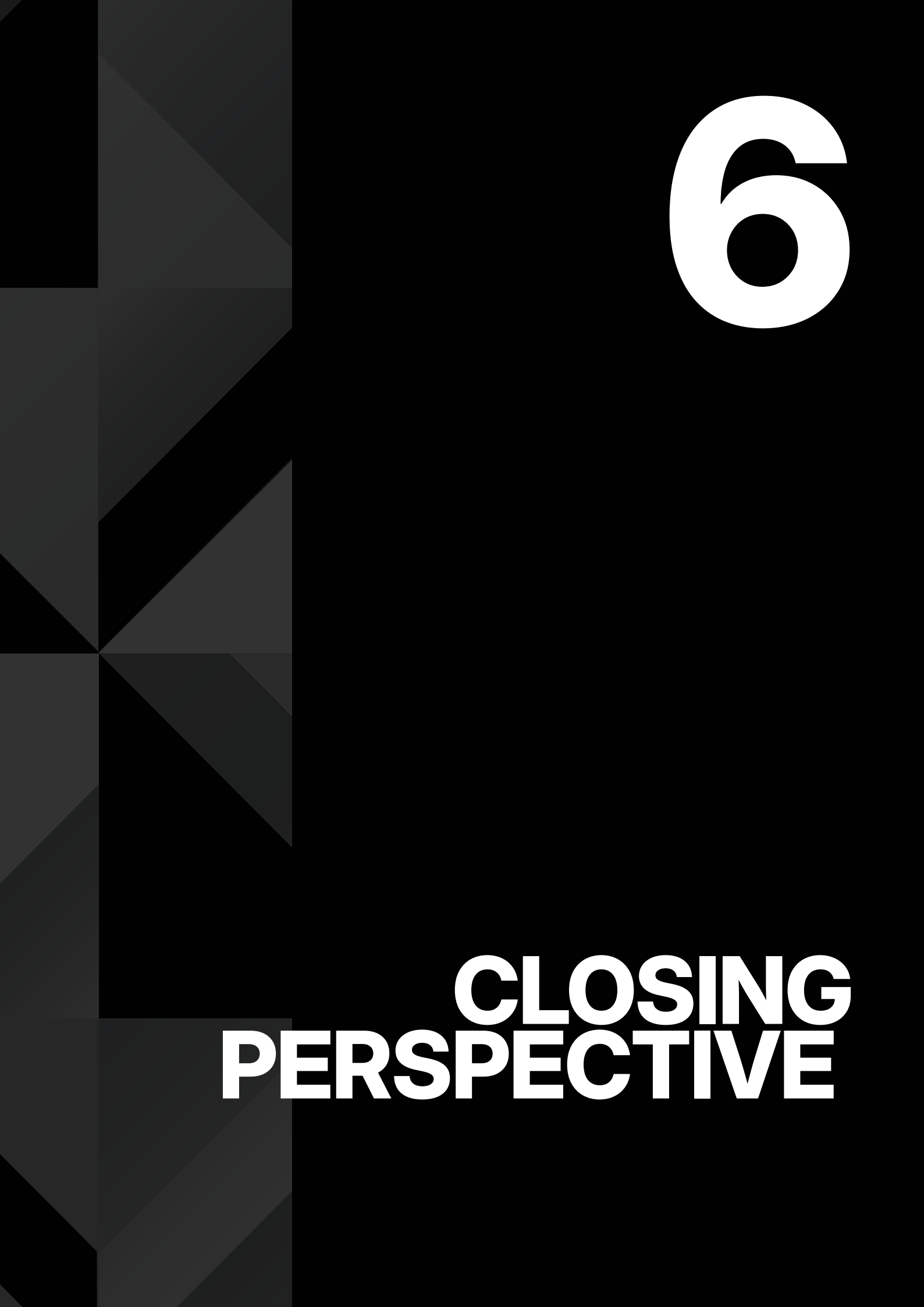
Stage 5: Accelerate Growth with an AI-Enabled Workforce

Scale the workflows that demonstrate value. Decide how released capacity will improve service, support growth, strengthen capability or change cost. Review adoption and quality as the process expands, since success in one setting does not guarantee the same result everywhere.

People must retain the expertise to challenge outputs and recognise exceptions. Growth depends on a workforce able to use the technology confidently and responsibly.

Productivity creates capacity. Growth begins when leaders give that capacity a destination.

Bring one workflow and its evidence back to the leadership team. Agree the next change, its owner and the review date. The roadmap becomes useful through those decisions.



6

**CLOSING
PERSPECTIVE**

CLOSING PERSPECTIVE

Capable people can keep a business performing while the way it works becomes harder to sustain. Customers receive the answer. Deadlines are met. The effort needed to make that happen remains partly hidden.

The opportunity in this report is to make that effort visible and give it a better use. There may be a customer opportunity waiting beneath recurring administration, or a manager who could build a stronger team if routine decisions stopped returning to them. Technology may help, once the work is understood well enough to change it.

CEOs and boards have choices here. They decide which commitments deserve capacity and which can end. They can make authority clearer, require a credible delivery case and protect the expertise the business will need next.

The machinery will differ between a large enterprise and a founder-led business. Both need evidence that effort is becoming value at a cost their people and operating model can sustain. Begin with a decision that changes the working week. Keep it visible long enough to see the effect. Build from there.

The opportunity begins with a choice: keep consuming capacity or start leading it.

Research and interpretation

Participants at “Connect: Unlocking Productivity” selected one of five options for each of six questions. Percentages use valid answers within each jurisdiction, excluding blanks. Australian results pool the four participating states identified in the executive overview, without averaging the displayed percentages. South Australian data was unavailable.

Figures are rounded to one decimal place, so totals may differ from 100.0%. Combined results use underlying responses. The findings describe participants’ perceptions. They do not establish causation or claim to represent every business. Read small differences cautiously, especially in Western Australia. Paul Bloxham’s keynote observations provide separate economic context.

Important information

Produced by The CEO Institute for general information, discussion and education. This edition does not constitute professional advice. Assess its relevance to your circumstances and seek appropriate independent advice before material decisions. Read it with the full report and its important information and editorial disclosure.

AI-assisted tools supported research synthesis, structure and editorial drafting. The CEO Institute retains editorial responsibility for publication.

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Founded in Melbourne in 1992, The CEO Institute brings CEOs, business owners and senior executives together in confidential peer environments. Members test their thinking, learn from experienced leaders and make better decisions through peer exchange, expert insight and practical challenge.

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