CEOi The CEO Institute

ISSUE #05

PRODUCTIVITY SPECIAL

The Work That Matters

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

September 2026

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What's Inside

WELCOME

Welcome to the fifth edition of The Pulse Report, our half-yearly examination of the issues shaping business leadership across Australia and New Zealand.

When we introduced The Pulse Report, the ambition was simple: listen carefully to the members we serve and bring their experience into the wider business conversation. CEOs and business owners rarely face one challenge at a time. Growth, cost, technology, people, risk and execution compete for attention every day. Their perspective deserves to be heard without losing the reality of what it takes to lead.

This edition grew from “Connect: Unlocking Productivity”, our mid-year event series across Australia and New Zealand. I had the privilege of spending time with leaders throughout the series as we explored one of the most important questions facing our economies and our organisations: productivity. What stayed with me was the candour of the conversation. It was practical, grounded and deeply human. Leaders were less interested in abstract definitions than in a question they could act on: how do we create better conditions for people, systems and technology to produce work of greater value?

We invited participants to tell us what they see inside their own organisations. Their responses form the foundation of this report. They came from businesses of different sizes, sectors and stages of growth. The circumstances vary, but the intent is shared: to improve performance without losing sight of the people responsible for creating it.

That matters to me. Productivity can sound like an economic measure at some distance from daily leadership. In practice, CEOs experience it through customers, deadlines, systems, decisions and people. It is visible in the work that moves and the work that stalls. It is felt by the manager carrying too much, the team trying to reconcile competing demands and the leader deciding how technology should change the business.

I hope this report gives you a useful pause. Use it to test your assumptions, challenge your executive team and open a different conversation with your board. Its value will come from asking where these patterns appear in your organisation and what you are prepared to change.

Thank you to every leader who contributed to the research and to everyone who joined us at “Connect: Unlocking Productivity”. Your candour made this report possible.

Richard Wynn

Richard Wynn
Chief Executive Officer
The CEO Institute

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EXECUTIVE SUMMARY

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Productivity has become a defining leadership challenge across Australia and New Zealand. Its causes are lived inside organisations every day through overloaded agendas, fragmented systems, uneven execution, stretched managers and technology investments that have yet to deliver value at scale.

The fifth edition of The Pulse Report draws on the experience of leaders who participated in "Connect: Unlocking Productivity". Their responses point to one central conclusion. Most organisations do not have an effort problem. They have a problem converting effort into the work that matters most.

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

Table 1. The five findings at a glance

Finding	What leaders told us	What it means
1. Busyness is displacing high-value work	Busy people who are not consistently focused on the highest-value work lead in Australia at 33.0% and New Zealand at 36.2%. Fragmented systems, processes and data follow at 29.0% and 21.7%.	A full calendar is being mistaken for productive contribution. The work itself needs attention.
2. Execution depends too heavily on individuals	In Australia, 40.4% say execution depends heavily on individual leaders or teams. In New Zealand, 43.5% say alignment weakens across teams or functions. Only 8.5% and 11.6% report very effective execution.	Exceptional people are compensating for an execution system that is not consistently reliable.
3. Competing priorities are consuming capacity	Competing priorities are the leading barrier in Australia at 34.7% and New Zealand at 36.2%. They also lead in every Australian state surveyed.	Organisations keep adding work without making an equally clear decision about what will stop.
4. Human capacity is performance infrastructure	Stretched leaders and managers lead in New Zealand at 39.1% and Australia at 26.8%. Australia also records pressure from skills and capability at 24.2% and fatigue at 21.9%.	Management time, workforce energy and organisational knowledge are finite assets.
5. AI value depends on redesign, judgement and trust	Experimentation leads in Australia at 40.7% and New Zealand at 42.0%. Active work redesign reaches 36.2% in New Zealand and 23.5% in Australia.	Tool deployment is moving faster than the redesign needed to create dependable value.

The findings describe one connected operating problem. Too many priorities create busyness and leave managers with less time to align teams, coach people, or improve their work. Weak alignment increases dependence on experienced individuals who resolve ambiguity and keep delivery moving. Knowledge and judgement become concentrated. AI then enters an already crowded system and can accelerate work that should first have been simplified, stopped or redesigned.

There are important differences across the Tasman and between Australian states. Australia shows a stronger concern with fragmented systems and reliance on individuals. New Zealand reports greater management stretch and more progress towards redesigning work around AI, alongside a sharper fear of falling behind. New South Wales stands out for AI experimentation. Victoria records the greatest dependence on individuals and the strongest concern about losing human judgement. Queensland's clearest warning is fatigue. Western Australia frequently shows larger percentage movements because its response base was smaller, so its results should be read as directional signals rather than precise comparisons.

The practical response is operating discipline. CEOs and executive teams need to decide which work matters, what will stop and where limited capacity will be placed. They need to reduce dependence on organisational heroes, clarify decision rights, protect management time and direct AI towards valuable workflows. Any capacity released through simplification or automation must have an intended destination.

Boards have a corresponding role. They should test whether strategy is operationally funded, whether aggregate demand is understood and whether execution can survive the absence of key people. Workforce capacity, management capability, concentrated knowledge and AI-related trust belong in the performance and risk conversation.

This report is not a case for asking committed people to try harder. It is a case for leading the system in which they work. The starting point is deceptively simple: choose the work that matters, remove what gets in its way and build an organisation that can turn strategy into value consistently.

A priority becomes real only when it changes where capacity goes and what the organisation stops doing.

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THE PRODUCTIVITY PICTURE

THE PRODUCTIVITY PICTURE

Across Australia and New Zealand, leaders are confronting a widening gap between the effort going into work and the productive capacity coming out of it. People are working hard. Organisations are investing in technology. Executive agendas are full. Yet the hoped-for lift in performance remains difficult to see.

Productivity is often reduced to cost, headcount or speed. Those measures matter, but none is sufficient. A business becomes more productive when it can create more value without requiring a matching increase in hours, cost, labour or management attention. It can absorb growth with less friction. Decisions sit at the right level. Systems help work move. Leaders protect the few priorities that matter. Technology changes the production equation instead of adding another layer to a crowded operating model.

The findings suggest that conversion is the harder problem: converting strategy into coordinated action, investment into capacity, technology into operating value and human effort into useful work.

The economic setting

In his keynotes at our "Connect: Unlocking Productivity" events in Sydney and Melbourne, HSBC Chief Economist Paul Bloxham gave leaders a clear economic frame. Australia's labour productivity growth has averaged about 0.3% a year over the past decade, compared with about 1.3% in the decade before it. His assessment was that Australia's sustainable economic speed limit has fallen below 2%.

For CEOs, the implication is immediate. A lower national speed limit means weaker growth, persistent cost pressure and less room for poor execution. The same equation appears inside a business. If sales, customer needs and strategic commitments expand faster than delivery capacity, work queues lengthen, coordination grows and margin absorbs the friction. Revenue may rise, but growth has not improved productivity if it requires a matching rise in labour, operating cost or management time.

Every growth plan therefore carries a second question: where will the capacity come from?

National policy affects infrastructure, skills, regulation and investment. Business leaders still control a great deal. They decide where authority sits, how many approvals are required, which priorities receive protection and how technology is applied. They also shape the conditions in which people are expected to perform.

The six survey questions look at that operating system from different angles. The following tables provide the complete Australia and New Zealand view. The chapters that follow explore the jurisdictional detail and, more importantly, what leaders should do with it.

Work and productivity loss

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

Response selected	AUS	NZ
People are busy, but not consistently focused on the highest-value work	33.0%	36.2%
Systems, processes and data are too fragmented to support efficient work	29.0%	21.7%
Too much time is lost in meetings, approvals, reporting and internal coordination	13.8%	15.9%
Productivity loss is spread across the organisation rather than concentrated in one area	12.4%	13.0%
Strategy is clear, but execution breaks down across teams and functions	11.8%	13.0%

Displayed percentages may not total exactly 100.0% due to rounding.

The leading result is the same in both countries. The difference underneath it is useful. Australia places more weight on fragmented systems, processes and data. New Zealand records a little more loss through meetings, approvals and coordination. In both cases, busyness is the lived symptom of work that does not flow cleanly.

Strategy and execution

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

Response selected	AUS	NZ
Inconsistently, execution depends heavily on individual leaders or teams	40.4%	34.8%
Somewhat effectively, but alignment weakens across teams or functions	31.9%	43.5%
Ineffectively, too much work is disconnected from the most important priorities	13.8%	8.7%
Very effectively, priorities are clear and execution is well aligned	8.5%	11.6%
Unclear, we lack the visibility to measure how well execution aligns to strategy	5.4%	1.4%

Displayed percentages may not total exactly 100.0% due to rounding.

The weakness appears at different points. Australian leaders more often describe execution as dependent on particular people. New Zealand leaders more often see alignment deteriorate across functions. Either condition leaves the business exposed when work becomes more complex, pressure rises or a key person is absent.

The barrier ahead

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

Response selected	AUS	NZ
Too many competing priorities are pulling people in different directions	34.7%	36.2%
Legacy systems, disconnected data or inefficient processes are slowing execution	27.0%	17.4%
Skills and capability are not keeping pace with technology, AI and new ways of working	14.8%	17.4%
Cultural resistance is making it difficult to change how work gets done	13.4%	10.1%
Cost pressure is limiting the budget or capacity to invest in improving how work gets done	10.2%	18.8%

Displayed percentages may not total exactly 100.0% due to rounding.

Competing priorities lead on both sides of the Tasman. Australia then reports more operating friction from legacy systems and disconnected data. New Zealand reports more cost pressure. The distinction matters because the first calls for simplification and investment in the flow of work, while the second demands careful sequencing and a sharper case for where scarce investment will create capacity.

The human constraint

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

Response selected	AUS	NZ
Leaders and managers are stretched too thin to coach, prioritise and support teams	26.8%	39.1%
Skills and capability are not keeping pace with technology, AI and new ways of working	24.2%	14.5%
Employees are fatigued by constant change, shifting priorities and rising expectations	21.9%	18.8%
Too much organisational knowledge sits with too few people	13.7%	15.9%
People are unclear how their work connects to the most important priorities	13.4%	11.6%

Displayed percentages may not total exactly 100.0% due to rounding.

New Zealand's result is concentrated around management stretch. Australia's is more distributed across management capacity, skills and fatigue. Neither is a conventional engagement problem. These are constraints on how the business sets direction, develops capability and sustains performance.

AI and productivity

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

Response selected	AUS	NZ
Experimenting with AI, but benefits are still isolated or inconsistent	40.7%	42.0%
Actively redesigning work around AI and seeing measurable benefits	23.5%	36.2%
Deployed AI tools, but adoption and impact remain limited	18.9%	14.5%
Interested in AI, but have not yet found a clear business case	10.0%	7.2%
Cautious because of concerns around risk, trust, capability or workforce impact	6.9%	0.0%

Displayed percentages may not total exactly 100.0% due to rounding.

Experimentation is widespread. New Zealand has moved further into active redesign and measurable benefit. The strategic question is no longer whether people can access AI. It is whether the business can move from scattered use to a redesigned workflow with a clear owner, a baseline and an outcome worth measuring.

AI and workforce change

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

Response selected	AUS	NZ
Losing human judgement, expertise or relationship value that is hard to replace	35.8%	23.2%
Moving too slowly and falling behind competitors adopting AI faster	33.5%	44.9%
Making workforce decisions before we fully understand the work people actually do	12.1%	11.6%
Damaging trust if people feel AI is mainly being used to reduce headcount	9.5%	8.7%
Creating skills gaps by automating work that used to develop capability	9.0%	11.6%

Displayed percentages may not total exactly 100.0% due to rounding.

Australian leaders are almost evenly divided between protecting judgement and avoiding competitive delay. New Zealand's strongest concern is speed. This is not a choice between progress and people. It is a design challenge: move quickly enough to learn while being explicit about where human judgement, accountability and relationship value remain essential.

What the full pattern says

Read separately, each table suggests a familiar business problem. Read together, they show why conventional productivity efforts so often disappoint.

The leading source of loss is unfocused busyness. The leading forward barrier is competing priorities. Those results are linked by a simple reality: people cannot protect high-value work when several parts of the business are making legitimate claims on the same capacity. The execution results show how organisations cope. Experienced leaders and teams translate ambiguity, resolve local conflict and keep delivery moving. The people results reveal the price. Management attention is stretched, capability struggles to keep pace and fatigue becomes material. AI enters this environment with real potential, but much of the activity remains experimental because the work around the tool has not yet been redesigned.

This is less a collection of isolated weaknesses than a conversion chain. Strategic ambition creates demand. The operating model determines how that demand moves. Managers and employees absorb the friction. Technology either improves the chain or makes one part of it faster. Value appears only when the whole path works.

The differences between the two countries add nuance. Australia's stronger result for fragmented systems sits alongside greater dependence on individuals and a stronger concern about losing human judgement. That combination suggests accumulated operating complexity being held together by experienced people. New Zealand's stronger management-stretch result sits beside greater progress into AI redesign and greater concern about moving too slowly. Those results suggest leaders are pushing change through a management layer already carrying a significant load.

The figures do not establish cause. They do provide a coherent set of hypotheses for an executive team to test. Is technology change adding demand before it releases capacity? Are managers the translators between priorities that were never reconciled at the top? Is concern about losing judgement strongest in the parts of the business most dependent on experienced individuals? Good internal analysis should connect the questions rather than assign them to separate functions.

The report also calls for care in defining success. A productivity programme may reduce the time taken by a task and still leave the customer waiting. It may remove roles and transfer the work to managers. It may automate analysis and increase the review required to trust it. It may lift short-term output while weakening the experiences through which future capability develops.

Better measures follow the value. For a customer workflow, they may include time to resolution, quality, rework and relationship impact. For a strategic portfolio, they may include completed outcomes, work in progress and demand on constrained teams. For management capacity, they may include decision waiting time, escalation and the proportion of time available for coaching and improvement. The purpose is to see whether effort is becoming an outcome the strategy values without creating hidden cost elsewhere.

Taken together, the tables describe businesses with plenty of activity but too little protected capacity for the work that would improve the system. The next five chapters examine that pattern in depth. Each starts with a different finding. All return to the same leadership responsibility: making choices about work, capacity and value that the organisation cannot make for itself.

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THE FIVE FINDINGS

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Finding one: Busyness is displacing high-value work

Busyness is easy to see. Productive contribution is harder.

A full calendar and a steady stream of meetings create the impression of momentum. They also reassure leaders that people are committed and work is moving. Activity, though, tells us very little about whether scarce attention is reaching the work that creates the greatest value.

Across the Connect series, we heard leaders describe organisations full of effort. The discomfort came when the conversation moved from how hard people were working to where that effort was landing. Many could see that important work was being crowded out by demands that felt legitimate in isolation.

The data reflects that experience. In Australia and New Zealand, the leading source of productivity loss is the same: people are busy without consistent focus on the highest-value work. Fragmented systems, processes and data form the second major source of loss. One consumes attention. The other makes useful work harder to complete.

Table 8. 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%

Displayed percentages may not total exactly 100.0% due to rounding.

One symptom, different operating conditions

Table 9. Focus and fragmentation account for most reported productivity loss

Jurisdiction	Busy without consistent focus	Fragmented systems, processes and data	Combined
Australia	33.0%	29.0%	62.0%
New Zealand	36.2%	21.7%	58.0%

The combined figure was calculated from the underlying valid responses and may differ from the sum of the displayed components due to rounding.

Both countries begin with unfocused busyness, then diverge. Australia places greater weight on fragmented systems and data. New Zealand is more concentrated around focus, with slightly more concern about meetings and internal coordination as well. The distinction points leaders towards different starting questions.

When focus is the larger issue, the executive team should examine how priorities reach daily work. People may understand the strategy and still face several credible demands, each backed by a senior sponsor. Frequent changes of direction make the problem worse. Employees keep work moving because they cannot tell which request will retain its importance.

Fragmentation changes the path itself. Information has to be found, checked or entered again. Work waits at functional boundaries. People learn informal routes around the official process because the official route is too slow.

The Australian states sharpen those differences. New South Wales and Victoria sit close to an even balance between focus and fragmentation. Queensland gives the clearest signal that attention is being consumed. Western Australia points strongly towards fragmented systems, with its smaller response base requiring the result to be read as a prompt for local investigation.

Table 10. Different states point to different starting places

State signal	Result
Queensland: busy without consistent focus	39.2%
Western Australia: fragmented systems, processes and data	44.4%
New South Wales: strategy clear, execution breaks down across teams	15.8%

A generic productivity programme can therefore attack the wrong problem. Time-management training cannot repair a broken workflow. A new platform will leave competing priorities unresolved. Meeting rules will fade if executive demands continue to collide.

The work that slips from view

Most productivity loss arrives in small, defensible pieces.

A manager joins a meeting because two teams cannot settle a decision. A customer request is entered into another system. A report is rebuilt because the data cannot be trusted. A specialist checks work that should have been resolved earlier. Each event has an explanation, and none looks material on its own.

The larger loss is the work displaced. A leader who spends the morning repairing handovers loses time with customers or with the managers they are meant to develop. A team rebuilding a dashboard delays the work that could fix the underlying data. A specialist who receives every exception has no time to transfer their knowledge.

Meeting volume, approvals and reporting are visible symptoms of the same operating friction. Meetings multiply when ownership is blurred. Approvals accumulate when authority has fallen behind accountability. Reporting grows when leaders lack confidence in the few measures that should tell them whether the business is performing.

Some of this activity is valuable. A meeting can bring the judgement needed for a difficult choice. An approval can protect a material risk. A report can change a decision. The test is practical: what changed because this activity occurred?

An approval that never affects an outcome creates delay. A report without a decision attached to it consumes attention. A recurring meeting held because nobody knows who can decide exposes an accountability gap. Removing the event may release a few hours. Fixing the reason it exists releases capacity more permanently.

Full utilisation also deserves caution. People working at or beyond capacity have little room to absorb a customer issue, think through a difficult choice or improve a failing process. The business becomes very good at repeating its current way of working.

When people become the integration layer

Poorly connected systems still produce acceptable results when capable people bridge the gaps. They remember where the current information sits. They know which approval can be accelerated. They translate one function's assumptions for another and catch the inconsistency before a customer sees it.

This work is easy to praise because it looks like commitment and collaboration. Much of it is valuable. Some of it is compensating effort created by weak design, and the difference matters. Collaboration combines expertise to improve an outcome. Compensating effort keeps an unreliable process from failing.

During the Connect conversations, leaders could usually identify these people quickly. The familiar phrases surfaced in different forms: ask the long-serving manager, send it through the founder, wait until the specialist is back. Those individuals hold genuine capability. Their constant involvement also reveals where knowledge, authority or process reliability has become concentrated.

Over time, rescue becomes part of the operating model. Service levels hold and customers remain protected, so the process appears viable. The real cost sits in the rescuer's attention and in the work waiting around them. Absence, growth or succession eventually exposes the dependency.

High performers feel the human cost first. Difficult work flows towards the people most trusted to carry it. They receive the troubled projects and the questions that sit between roles. Their reliability earns them more demand, leaving less room for deeper work or development.

Ordinary performance should be possible without recurring heroics. The knowledge of exceptional people should strengthen the system around them. That means transferring judgement through real decisions, clarifying authority and redesigning the points where intervention keeps recurring.

Busyness begins upstream

Individual habits matter, yet much of the demand filling the working week is created elsewhere. Boards approve programmes. Executives launch initiatives. Functions add controls. Customers require exceptions. Technology projects call on the same subject-matter experts already carrying operational work. Each demand may be reasonable. Together, they compete for one finite pool of attention.

When leaders leave priorities unordered, teams make the trade-offs locally. The most urgent request wins. Managers renegotiate deadlines and keep several activities alive because they do not know which one can safely stop. The busyness visible in individual calendars is often unresolved organisational demand.

Strategy contributes when broad ambition reaches teams without clear choices. Different functions form their own sensible interpretation. The differences appear later through rework and escalation. By the time the CEO sees slow delivery, asking for greater speed can add another layer of activity. The organisation cannot resolve enterprise trade-offs from the bottom. Senior leaders control the volume of commitments, the order in which they matter and the authority available when demands collide.

The enterprise and SME versions

In a large enterprise, lost work is spread across functions, governance layers and technology estates. A single approval or report rarely looks material. Scale creates the cost. Local measures can deepen the problem when each function improves its own step while the end-to-end customer outcome remains slow. Transformation programmes can add a second layer of forums and reporting around the existing operation. They create value when they simplify the underlying work and close when that purpose has been achieved.

An enterprise response needs ownership across boundaries. Someone must be accountable for the whole outcome and have enough authority to challenge local rules.

In an SME, the friction is closer to the founder. The CEO may be the integration layer, final approver and main source of organisational memory. That concentration supports speed while the business is small. Growth gradually turns it into a queue. SMEs have an advantage here because leaders can follow a workflow quickly, speak directly with the people doing it and test a change without building a large programme. Delay becomes tempting while the team is still managing to cope. Both settings need work designed for normal, capable performance. Rescue should remain an exception.

Follow one important piece of work

Broad efficiency targets rarely reveal where attention is disappearing. A clearer starting point is one workflow that matters to a customer or to the strategy. Follow it from the initial need to the completed outcome and observe what actually happens.

Four questions usually uncover the hidden work:

- Where does the work wait, change hands or need to be reconstructed?
- Which decisions keep returning to senior people?
- Which regular meetings, reports or approvals alter the outcome?
- Who repeatedly interprets, repairs or accelerates the process?

The answers give the executive team something concrete to change. They may reveal a missing decision right, unreliable data, an unnecessary control or a priority conflict. They may also show that a capable person has become the unofficial owner of work that sits across several functions.

Boards need a higher-level view. They should ask whether management knows where the largest sources of friction sit, whether major initiatives include the capacity needed to deliver them and whether expected productivity gains can be seen in customer, financial and workforce outcomes.

Measure the outcome and the effort

Businesses naturally measure activity because the data is available. Cases opened, calls answered and tasks completed provide useful operating information. They can also create false confidence when local output improves and the customer or enterprise outcome does not.

A claims team may process more cases while the wait for a final decision grows. A sales function may issue more proposals while conversion quality falls. A technology team may close more tickets while recurring incidents continue. These measures describe movement inside the process. They do not establish that value has increased.

For a small number of important workflows, leaders need visibility across three dimensions. The first is the result valued by the customer or strategy. The second is the flow of work, including total elapsed time and rework. The third is the human effort required to sustain performance, especially repeated management or specialist intervention.

That final dimension exposes results achieved through compensation. Service may be maintained because senior people keep stepping in. Cycle time may fall while after-hours work rises. The reported improvement is real, and so is the hidden cost.

Measurement should stay close to the work. Existing system data, a short sample of cases and direct observation will usually reveal enough to make a decision. Heavy new reporting can consume the capacity the business is trying to recover.

Leadership owns the design of work

Senior leaders create many of the conditions that shape daily work. They approve structures and controls. They choose priorities, invest in technology and decide where authority sits. Their choices determine whether functions protect their own outputs or share responsibility for an enterprise outcome.

Productivity therefore belongs inside strategy execution. When the strategy changes, the executive team needs to identify the workflows, decisions and capabilities that must change with it. A growth ambition without changes to the work leaves people to bridge the gap through effort.

The board can test that connection through a few direct questions. If the strategy assumes faster service, what has changed in the workflow? If a cost programme removes roles, which work has been removed and who will carry what remains? If technology investment promises capacity, where will the customer or operating outcome improve?

People experience strategy through the work placed in front of them. They notice whether priorities hold, whether decisions can be made and whether systems help information move. They also notice when committed colleagues are repeatedly asked to carry gaps that leaders have left unresolved.

Better work often feels quieter. Attention stays with the priorities long enough to finish them. Meetings resolve matters that need collective judgement. Managers have room to lead, and capable people spend more time improving the business than rescuing it.

That is productive capacity recovered from work the organisation should no longer need.

Finding two: Execution depends too heavily on individuals

Most strategies survive the presentation. Their real test begins on the following Monday.

A team receives a new enterprise priority and adds it to commitments already underway. Two functions interpret the desired outcome differently. A manager settles the immediate conflict, and a trusted executive steps in when the deadline comes under pressure. Delivery continues because experienced people keep it moving.

That can look like effective execution from the top. Inside the work, it feels less dependable. Progress relies on who is present, what they know and whether they have enough influence to resolve the next contradiction.

This is the fragility behind the second finding. Australian leaders most often point to reliance on individuals. New Zealand leaders see alignment weaken as work crosses teams and functions. Both results raise the same leadership question: has the strategy become an organisational capability, or is a small group still carrying the translation?

The complete jurisdictional picture

Table 11. 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%

Displayed percentages may not total exactly 100.0% due to rounding.

Two weaknesses in the same execution chain

Table 12. Execution weakens in different places

Execution condition	Australia	New Zealand
Depends heavily on individual leaders or teams	**40.4%**	**34.8%**
Alignment weakens across teams or functions	**31.9%**	**43.5%**
Very effective execution	**8.5%**	**11.6%**

The Australian result describes an organisation that often delivers through personal intervention. Senior people interpret priorities, negotiate across functions and push work through when the formal route stalls. New Zealand's result points to drift across boundaries. Direction may be understood within a team, then lose coherence as different functions apply their own measures and constraints.

These weaknesses can exist together. A business may begin with cross-functional ambiguity and resolve it through a highly trusted leader. Delivery is protected, while the underlying dependency grows.

New South Wales and Victoria show the strongest reliance on individual leaders or teams. Queensland is divided evenly between personal dependency and cross-functional weakening. Its very effective result is also the lowest of the Australian states surveyed. Western Australia places weakening alignment first and records the greatest uncertainty about how well execution can be judged. Its smaller response base makes those movements more pronounced, so the result is a local line of enquiry.

Across the Connect events, we heard leaders describe strategies they considered clear. The hesitation appeared when the conversation moved to how that clarity survived competing priorities, functional boundaries and the absence of a key person. Many recognised that execution was working, yet could also name the people whose intervention made it work.

The state results offer different starting places. A Victorian business may begin by examining reliance on a senior leader. A Queensland organisation may need to address both ownership across functions and the very small share reporting strong alignment. In Western Australia, basic visibility may deserve attention before a larger execution programme is designed.

Treat the comparison as a diagnostic. Similar percentages can arise from different conditions: incompatible measures, weak authority or dependence on an executive who resolves both. The data points leaders towards the issue. The work itself reveals what has to change.

Strategy reaches the business through choices

Senior leaders develop strategy with months of context. They debate alternatives, understand the trade-offs and see how the pieces fit together. The wider organisation usually receives the conclusion through priorities, presentations and measures. Execution starts when people face choices the presentation cannot settle. Which customer promise takes precedence? Which deadline moves? Who decides when local targets point in different directions? What work loses capacity when a new priority arrives? Without clear answers, teams negotiate the strategy through daily work.

Consider a growth priority that requires sales, operations and technology to work differently. Sales may pursue speed, operations may protect service stability and technology may manage delivery risk. Each response is reasonable within its own frame. Execution weakens when nobody has authority to resolve the combined trade-off or when local measures reward each function for defending its position.

Repeated communication can improve awareness. Reliable execution requires decision rights, accountable owners and enough capacity to deliver. The clearest test comes when circumstances change. A customer issue appears, a deadline shifts or an executive introduces a new request. An organisation with execution capability can adjust close to the work while preserving the strategic intent. A fragile one sends the choice upwards and waits.

When capability becomes dependency

Every business has people who carry more than their formal role. They remember why a process evolved, understand the relationships around it and see consequences that others miss. They are often the first call when delivery is at risk.

Their strength can mask a weak execution system.

A respected executive may hold several functions together through personal trust. A long-serving employee may carry the only complete view of a critical process. In a founder-led business, one person may still approve decisions because nobody else has been given enough context. These arrangements can perform well for years. Growth, absence or succession reveals their limits.

Dependency develops quietly. The trusted person solves the issue faster, so the work returns to them next time. Other managers receive fewer opportunities to make consequential decisions. Meetings are arranged around one diary. Escalation becomes the safest response to uncertainty.

The individual eventually becomes a queue. Their judgement remains valuable, yet the business can access it only one decision at a time.

Management overload intensifies this cycle. Stretched managers delegate tasks while keeping the reasoning and authority. Coaching is delayed. Cross-functional disputes remain unresolved until they become urgent. Fewer people develop the confidence to decide, which sends even more work back to the manager.

This has a direct effect on the leadership pipeline. Successors may be named in a plan while current leaders continue to protect them from difficult decisions. Capability grows when people receive context, make consequential choices and experience the outcome. Without that practice, succession remains an expectation on paper.

Breaking the dependency takes more than documenting a process. Experienced people need to explain the judgement behind recurring decisions, give others real authority within clear limits and remain available as capability develops. Senior leaders must allow those decisions to stay delegated when pressure rises. Otherwise, everyone learns that authority still belongs at the top.

Boundaries are where execution frays

Work becomes vulnerable when ownership changes. Sales hands to operations. Product hands to technology. Head office sets a requirement that a regional team must apply. Finance protects cost while a customer team protects service. Each function can meet its own obligations and still produce a poor enterprise outcome.

Shared intent rarely resolves this on its own. Cross-functional work needs an owner for the complete result and a recognised way to settle trade-offs. Without that clarity, coordination expands. More people join the meeting, correspondence widens and decisions travel upwards.

Measures matter here. One leader may be rewarded for speed, another for utilisation and another for reducing risk. Personal relationships can hold those tensions together for a time. A change of leadership or a period of pressure exposes the conflict.

Visibility can be equally misleading. Extensive reporting may show outputs and milestones while hiding that several teams are pursuing competing interpretations of the same priority. It may also miss how often experienced leaders intervene to keep delivery on course.

The risk increases when strategy introduces work that has no natural home. Digital propositions and AI-enabled processes tend to cross established functional lines. Useful signals include the age of unresolved cross-functional decisions, repeated claims on the same team, senior escalation and the location of accountable ownership. Teams also need a credible way to surface conflicting demands and unofficial workarounds. Status describes what has happened. Friction points towards what needs to change.

Execution needs a decision rhythm

Organisations often respond to uneven execution by adding review. Weekly meetings grow longer and dashboards multiply. Greater visibility has limited value when the underlying choices remain unsettled.

A useful operating cadence concentrates on the decisions that cannot wait. What has changed? Which outcome is drifting? Where has capacity become the constraint? Who owns the choice, and when will it be made?

Information that can be read should reach people before the meeting. Time together is then available for judgement and commitment. Once a choice is made, ownership and follow-through need to remain visible. Reopening settled matters without new evidence teaches the organisation that every decision is temporary.

The rhythm should match the work. An operational team may need a short daily forum for exceptions. A strategic portfolio may need a fortnightly discussion about progress and capacity. The board needs a higher-level view of delivery risk. One large meeting rarely serves all three.

A healthy cadence also brings difficult information forward. Managers will hide delay when every red indicator attracts intervention or blame. Leaders who respond with clear choices create room for candour. Status already circulated should stay out of the meeting, and attendance should reflect each person's role in the decision. A forum that repeatedly ends without an owner or choice has become another layer of reporting.

Different scale, different exposure

Large enterprises face execution risk across layers, business units and professional languages. Matrix structures often give several leaders an interest in the same outcome without giving anyone full authority. Critical dependencies should be mapped as seriously as technology or supplier exposure. The important questions are practical. Which results would slow sharply if a particular executive or specialist disappeared for three months? Where does authority depend on personal relationships? Which customer or operational outcomes have no owner across the whole path?

Standardisation helps when it clarifies repeatable work and common boundaries. It becomes another burden when universal process is added to unresolved local complexity. Enterprise leaders need to decide where consistency protects value and where teams require room to respond. Shared outcomes and decision rights provide the connection between the two.

SMEs carry the same risk in a more concentrated form. The founder can usually see the whole business, which makes returning decisions to the top feel efficient. Growth eventually creates more questions than one person can answer without delay. A small business needs a few clear principles covering the decisions that remain with the founder, the authority held by managers and the point at which an exception should be escalated.

Delegation becomes real when another person receives context, authority and the opportunity to learn from the outcome. This also strengthens succession. Potential leaders develop through consequential decisions made before the transition arrives.

Building execution that survives pressure

Very effective execution remains uncommon across every jurisdiction. The result is especially low in Queensland, where only 3.8% report clear priorities and strong alignment.

Table 13. Very effective execution remains the exception

Measure	AUS	NZ	NSW	VIC	QLD	WA
Very effective execution	8.5%	11.6%	10.9%	8.6%	3.8%	11.1%

The executive task is to build reliability into the work itself. Four moves deserve priority:

- Translate strategy into choices about capacity, sequencing and trade-offs.
- Give each enterprise outcome an owner with authority across the relevant boundaries.
- Identify decisions and knowledge that keep returning to the same people, then spread the judgement through supervised experience.
- Use the operating cadence to settle exceptions, capacity conflicts and cross-functional decisions.

These moves need to be tested through real work. Decision-rights charts can appear complete while the same choices still return to the executive team. Knowledge can be documented without being understood. A new cadence can become another meeting. Progress becomes credible when decisions move faster, escalation falls and performance holds during absence or change.

Boards should test whether this system can withstand change. Can the strategy survive the absence of a key executive? Does succession reflect where judgement and relationships actually sit? Do major programmes have the management capacity they require? Does reporting expose conflicts early enough for a decision?

The board also needs a view of concentration risk below the executive team. A specialist, customer leader or long-serving manager may hold capability that never appears in a conventional succession discussion. Management should know where those dependencies sit and how others are gaining practical experience before an absence forces the transfer.

Reliable execution has a recognisable feel. People understand the few outcomes that matter and can explain the choices behind them. Authority sits close enough to the work for decisions to move. Managers spend more time building judgement and less time rescuing routine delivery. Senior leaders remain available for the decisions that genuinely need their perspective.

Exceptional people will always matter. The leadership task is to turn what they know into capability that travels through the organisation, especially when they are no longer in the room.

Finding three: Competing priorities are consuming organisational capacity

Most leadership teams can name the organisation's priorities. Ask what stopped when those priorities were introduced and the answer is often less certain.

A strategic programme begins, and the people assigned to it retain their operational responsibilities. A customer issue arrives. A regulatory obligation follows. The technology implementation expands. Each request has a sensible reason behind it. The same week fills up anyway.

Across the Connect events, leaders could usually explain why every major commitment mattered. The harder conversation was about the combined load. Priorities approved separately were drawing on the same managers, specialists and teams.

That is why the consistency of this finding matters. Competing priorities are the leading barrier in Australia, New Zealand and every Australian state surveyed. Greater effort cannot settle an unresolved order of importance. Leadership choices can.

One symptom, different operating conditions

Table 14. A shared productivity barrier

Jurisdiction	Too many competing priorities
Australia	**34.7%**
New Zealand	**36.2%**

The two countries arrive at almost the same diagnosis despite different markets, economic conditions and organisational circumstances. Leaders see too many important demands competing for the same capacity, with insufficient guidance on the trade-offs.

This was a forced-choice question. Participants selected the single barrier they considered most significant. Systems, skills, culture and cost may all exist in the same business. Competing priorities still led when leaders had to choose between those credible alternatives.

The pressures beneath the shared result differ. Australian organisations report considerably more friction from legacy systems, disconnected data and inefficient processes. New Zealand organisations place more weight on cost pressure. That difference changes what an effective response looks like.

Table 15. Different pressures beneath the shared finding

Productivity barrier	Australia	New Zealand	Difference
Too many competing priorities	34.7%	36.2%	New Zealand +1.5 pts
Legacy systems, disconnected data or inefficient processes	27.0%	17.4%	Australia +9.6 pts
Cost pressure limiting investment capacity	10.2%	18.8%	New Zealand +8.6 pts

An Australian business may need to narrow its portfolio and simplify the systems through which the remaining work travels. A New Zealand business may face harder choices about where scarce investment capacity should go and which ambitions need to wait.

The cultural response deserves care. Cultural resistance sits well below competing priorities in both countries. Leaders sometimes attribute slow change to reluctance among employees. People may instead be responding to unfinished programmes, shifting direction and new work arriving before old work has been removed. Their caution can contain useful information about the organisation's change history.

The complete jurisdictional picture

Table 16. 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%

Displayed percentages may not total exactly 100.0% due to rounding.

New South Wales and Queensland present a similar combination. Competing priorities lead, with legacy friction close behind. Work is being pulled in several directions and then asked to travel through systems that slow it down. Investment may produce disappointing returns if the portfolio remains crowded.

Victoria shows a broader spread of constraints. Priorities and systems lead, while skills, cost and culture sit closer together behind them. The state also recorded the greatest reliance on individual leaders or teams in Finding Two. Capable people are translating priorities inside a system carrying several forms of pressure.

Western Australia gives the strongest directional signal on competing demand, with skills and cost sharing second place. No respondents selected legacy systems as the single biggest barrier. That result does not establish that legacy issues are absent. The smaller response base makes local investigation especially important.

Financially funded, operationally unfunded

Businesses have well-established disciplines for financial approval. A major initiative receives a sponsor, a budget and a business case. Technology and headcount costs are considered. The proposal can clear every formal gate and still enter an organisation with no credible capacity to deliver it.

Whose attention will it consume, and what are those people doing now?

Capacity extends beyond hours. Specialist knowledge may already be committed elsewhere. Managers may be carrying operational delivery and several change programmes. Decisions may depend on an executive whose diary is already full. Separate budgets can conceal that every initiative needs the same data team, finance partner or frontline leader.

The resulting gap stays hidden for months. Milestones are reported and steering committees continue. The cost appears elsewhere through slower operational decisions, postponed coaching, longer working days and declining quality. One programme looks broadly on track because the rest of the business is absorbing its real demand.

This blind spot is understandable. Financial resources have named owners and visible limits. Organisational capacity is scattered across diaries, operational roles and informal expectations. Nobody sees the whole claim until several programmes need the same people at once.

Transformation is particularly exposed. The organisation needs current performance and future change at the same time. The people who run today's operation become the assumed source of capacity for building tomorrow's.

A credible business case therefore needs an operational capacity case. It should identify the specific teams required, the management attention involved and the work that will lose capacity. It also needs a leader with enough authority to enforce those choices when pressure returns.

Why work keeps accumulating

Starting is easy. Stopping is political.

A new initiative signals action. A new report offers reassurance. A new meeting creates visibility. Ending any of them raises awkward questions about sunk cost, changed risk and who will own the consequences.

So the work survives. Approval steps remain long after the event that created them. Committees outlive the decisions they were formed to make. Reports continue because somebody might still read them. Individually, each demand appears too small to challenge. Together, they occupy capacity that cannot be used twice.

Boards can add to this pressure without intending to. Each proposal may be sensible and well governed when considered alone. The difficulty appears in the combined demand placed on the business, particularly where several commitments rely on the same small group.

Employees feel the accumulation through the day. They begin a complex task and switch when an urgent request arrives. A deadline moves forward while the others remain fixed. Work is prepared for a meeting, delayed by an approval and revised when another stakeholder joins late.

Concentration has a recovery cost. People reopen information and reconstruct where they left off. Complex work suffers most. The calendar remains full, while completed outcomes become harder to find.

Overload then creates its own administration. Teams arrange meetings to compare competing demand. Managers prepare reports to explain delay. Executives request more visibility because progress looks uncertain. The organisation consumes more capacity describing congestion.

The largest loss may be unfinished work. Hundreds of active initiatives each carry reporting, dependencies and management attention. Limiting work in progress can appear slower because fewer activities are visible. Completion improves when a smaller number of priorities receives the capacity to move.

Trade-offs pushed down the organisation

By the time competing demands reach a team, somebody has to choose. They can delay one stakeholder, reduce quality, extend the working day or escalate. The authority to change the underlying commitment usually sits elsewhere.

Telling people to prioritise better leaves that problem untouched. A team can order its own tasks. It cannot release itself from a board commitment, a regulatory obligation or an executive-sponsored programme. Senior leaders must make choices across the commitments themselves.

Executive teams often agree that too much is underway while each member protects the work in their own portfolio. Every initiative has a persuasive rationale and a senior advocate. The meeting ends with a request for better coordination, leaving demand unchanged.

Local teams then make choices senior leaders have avoided. They delay work quietly, reduce its scope or rely on extra effort. Those decisions protect delivery for a time and conceal the scale of the conflict from the executive team.

Managers carry the unresolved gap. They renegotiate deadlines and move people between tasks. Their time for coaching and delegation contracts, which deepens the organisation's reliance on its most experienced people. Constant reprioritisation also changes behaviour. Employees widen consultation, document defensively and hesitate to commit deeply because direction may shift again.

Governing demand

Priority discipline belongs in the operating cadence. The CEO and executive team need one enterprise view of material demand across operations, change, regulation and technology. It should show where the same teams and decisions are being claimed more than once.

That view should follow constrained capacity, not organisational charts. A small specialist team may sit several layers below the executive and still determine the timing of the entire strategic portfolio.

Every new material commitment should answer four questions:

- What outcome makes this more important than work already underway?
- Which capacity will it consume, including management and specialist attention?
- What will stop, pause, reduce in scope or move later?
- Who has authority to protect that trade-off when pressure returns?

The portfolio forum should make decisions. It should close work, change scope, sequence demand and resolve conflicts between sponsors. A long tour of status provides visibility without relief.

Work in progress also needs a limit. The appropriate number will vary, although the principle holds across business models: starting more does not guarantee finishing more. A smaller set of fully supported priorities usually moves faster than a larger set receiving partial attention.

This discipline can be simple. A large enterprise may need an integrated portfolio view across functions and budgets. An SME may need one page reviewed by the leadership team each fortnight. The quality of the choices matters more than the machinery around them.

Scale changes the mechanism

In a large enterprise, overload is created through the interaction of several legitimate portfolios. Technology, compliance, customer, cost and people initiatives have different sponsors and forums. Their collision occurs inside business units and shared services that appear as available resources in every plan.

Start with the capabilities everyone needs. Data, technology, finance, change specialists and frontline management often reveal the real portfolio constraint. Show the material demands on those groups over time. Also capture strategic work being absorbed as business as usual, including new controls and reporting. Demand remains real even when the portfolio cannot see it.

Funding mechanisms may need to force comparison between proposals. Project-by-project approval rewards each sponsor for making their initiative compelling. A capacity gate asks whether the timing is credible and whether this use of scarce capability is stronger than the alternatives.

SMEs carry the collision closer to the founder. Customer opportunities, recruitment, system changes and operational problems all feel immediate. New commitments can begin in conversation and never enter a common view. One visible list of major outcomes can change the discussion. Name an owner with the capacity to deliver each one and review the list whenever a new opportunity appears.

Sequencing growth can feel uncomfortable in an entrepreneurial business. Accepting every opportunity can erode service, exhaust key people and delay the capability required for the next stage. Productive growth is the amount the operating model can convert into sustained value.

The board's portfolio test

The board needs to understand whether the combined portfolio is executable. Expenditure and milestone status provide only part of that assurance.

Management should be able to show which outcomes receive protected capacity, where several commitments rely on the same constrained capability and what has stopped since the strategy was approved. Delays also need an honest diagnosis. Weak execution and unresolved priority choices require different responses.

When a new material commitment comes forward, the board can ask management to show the subtraction. The replacement does not need to carry the same financial value. The point is to identify the effect on scarce attention and make the trade-off visible before approval.

Strategy needs financial and operational funding. Boards should expect evidence that management understands aggregate demand, has made credible choices about sequence and is not hiding delayed benefits through additional effort elsewhere in the business.

Improvement will appear in the work: fewer concurrent initiatives, faster completion and fewer unresolved conflicts. People will be able to see a clearer relationship between stated priorities and where time is actually spent.

Choice is the scarce leadership act. Without it, ambition arrives in the organisation as congestion.

Finding four: Human capacity is infrastructure for performance

Human capacity is often discussed after the “real” business matters have been settled. Strategy, investment, customers and technology come first. Workforce energy and management time are left for people leaders to manage around those decisions.

The Pulse data points to a different order. Human capacity is part of the infrastructure through which every other decision becomes performance.

Managers turn priorities into daily work. Employees carry knowledge, judgement and the relationships customers trust. When those resources are stretched or too concentrated, the effects are operational. Decisions slow. Errors rise. Improvement work is postponed. Technology adoption stalls. Succession becomes more fragile.

This question also produces some of the clearest jurisdictional differences in the research. Australia and New Zealand share the pressure, yet they experience it in different places.

Management capacity is the strongest New Zealand signal

Table 17. Management capacity is under greater pressure in New Zealand

Jurisdiction	Leaders and managers are stretched too thin
Australia	**26.8%**
New Zealand	**39.1%**
Difference	**New Zealand +12.3 pts**

New Zealand’s result is concentrated. Almost four in ten leaders select management stretch as the biggest people-related constraint. Australia also places it first, with skills and fatigue close behind. Its pressure is spread more widely across the capability system.

That distinction shapes the response. A New Zealand business may need to begin with managerial load, spans and the volume of change passing through the same leaders. An Australian business may need to recover management time while addressing skills and the accumulated effects of constant change.

The pressures feed each other. Stretched managers have less time to develop people. Capability gaps push more decisions back to those managers. Fatigued teams need greater support at the point when their leaders have the least room to provide it.

The strain can be heard in ordinary management language: “I’ll take it”, “send it to me” and “I’ll sort it out tonight”. Each response is helpful in the moment. Repeated across a week, it tells a different story about where the work is landing.

The complete jurisdictional picture

Table 18. 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%

Displayed percentages may not total exactly 100.0% due to rounding.

New South Wales places management stretch first, with skills close behind. It also records the highest Australian state result for concentrated knowledge. The same experienced people may be carrying delivery, organisational memory and responsibility for developing others.

Victoria moves capability to the front. Technology and new ways of working appear to be changing faster than role design and development. Adding more learning to full agendas will have limited effect. Capability has to grow through the work itself.

Queensland's result is different again. Fatigue reaches 39.7%, roughly twice Victoria's result and well above both national figures. Earlier findings also showed the strongest state result for busyness and the lowest result for very effective execution. The survey cannot establish causation, though the connection deserves examination inside Queensland organisations.

Western Australia divides its leading response between management stretch and skills. Its smaller response base creates larger percentage movements, so the result should guide local enquiry into both current leadership capacity and future capability.

Table 19. The leading people constraint changes by state

Jurisdiction	Leading people-related constraint	Result
New South Wales	Leaders and managers stretched too thin	30.7%
Victoria	Skills and capability not keeping pace	29.1%
Queensland	Employee fatigue	39.7%
Western Australia	Management stretch and skills, equal	33.3% each

Managers hold the operating system together

Management work can look like overhead because its output is less visible than a sale or a completed service. Capable managers make performance possible in ways a dashboard rarely captures. They give context, resolve ambiguity and help people act without escalating every choice.

When that work is done well, the team can appear to function naturally.

Stretch removes those contributions one at a time. The manager remains available for urgent delivery and formal reporting. Coaching moves to next week. Feedback becomes shorter. Delegation narrows because explaining the context takes time. Improvement waits for a quieter quarter that rarely arrives.

The cycle then reinforces itself. People receive fewer opportunities to make difficult decisions, so the manager remains the safest person to make them. More work returns upwards. The manager moves closer to the detail and loses further capacity to develop the team.

Across the Connect events, the management layer kept appearing in problems that were initially described as strategy, execution or technology. Managers were carrying the translation between competing priorities while also being expected to coach, implement change and protect current performance. The role had become the organisation's shock absorber.

Another management programme cannot compensate for an impossible role. Leaders need to inspect spans, approval load and recurring coordination. They also need to see how many initiatives each manager is expected to translate. Resilience training has little effect when the work continually exceeds the capacity available.

Change places an extra premium on managerial capacity. A strategy deck can explain the direction. Employees still turn to their manager to understand what it means for their work, what remains stable and which demand takes precedence. Managers who receive the message at the same time as everyone else have no opportunity to absorb it before they are expected to lead it.

Capability is built in the work

Training provides knowledge. Capability develops when people apply that knowledge to consequential work, receive feedback and try again.

This matters as AI and automation alter tasks. Availability of a tool says little about whether employees can judge its output. People need experience of where the system is reliable, where context changes the answer and when another person should become involved. Those skills grow through use inside a well-designed workflow.

Work design can build capability or steadily weaken it. When senior people retain every difficult decision, others never practise judgement. Automating entry-level analytical work can remove the experiences through which newer employees learn. A system that produces recommendations may also reduce expertise if nobody remains accountable for challenging them.

A capability plan should begin with the work the strategy will require. Which decisions will matter in two or three years? What judgement will remain human? Where will people acquire it as current tasks change? The response may include courses, although real delegation, supervised stretch and access to experienced people will carry more of the burden. Development has to live inside delivery.

This calls for patience from senior leaders. A delegated decision may take longer at first, and the first answer may need correction. That apparent inefficiency is part of building depth. If leaders reclaim the work every time speed drops, capability remains concentrated and the dependency survives.

Fatigue and knowledge are operating signals

Fatigue is easily individualised. Leaders see reduced energy and respond with wellbeing support, leave reminders or resilience programmes. These measures may help the person while leaving the source of depletion untouched.

The Queensland result gives leaders a reason to look upstream. Constant context switching, repeated changes of direction and excessive coordination all consume energy. Employees may also be protecting customers from internal friction that the customer never sees.

Change fatigue can contain a rational message. People remember projects that launched with urgency, faded before completion and left the old process in place. They may be learning a new system while carrying unchanged performance expectations. Caution grows when the organisation repeatedly asks people to absorb transition without removing previous work.

Useful evidence sits close to the work. Overtime, accumulated leave and turnover in heavily loaded teams can reveal pressure. So can meeting hours, repeated priority changes and the number of programmes drawing on the same managers. Conversations with employees should identify the work that drains energy without improving an outcome.

The most useful conversation may begin with a modest question: “What is making a good day’s work harder than it needs to be?” People usually know. They can name the duplicate report, the unresolved handover or the decision that circles for days.

Knowledge concentration creates a quieter risk. It lives in relationships and experience that no procedure fully captures. A person may understand why a customer arrangement exists, how a critical process really works or when an exception changes the decision. Their value is obvious. The exposure created by their absence may remain untested.

Documentation helps, though judgement transfers through practice. Other people need exposure to the decisions while the experienced person is available to guide them. Succession plans also need to look below senior titles. A specialist or customer leader can be essential to performance without appearing in the conventional leadership pipeline.

The CEO should know where these concentrations sit. A useful test is simple: which customer, process or decision would slow sharply if one person disappeared for three months?

Capacity looks different at different scales

Large enterprises can hide human strain inside averages. Overall engagement may appear stable while a small group of managers, technology specialists or customer leaders carries several major programmes. Aggregate headcount tells the board little about the availability of the people each initiative actually needs.

An enterprise needs a cross-portfolio view of demand on critical roles and teams. It should also question managerial layers that pass reporting upwards without adding decision capacity. Removing a layer without redesigning the decisions can widen spans and transfer more work to leaders already under pressure.

In an SME, the constraint is easier to see and harder to substitute. One absence can affect sales, operations and customer relationships at once. The founder may carry strategy, exceptions and people decisions. The immediate priority is to identify the work that genuinely requires the founder and build a second source of judgement before growth makes the dependency urgent.

Most businesses can describe headcount and vacancies. Fewer can explain where capacity is being consumed. A fully staffed team may still be unable to absorb another change because its managers or specialists are committed elsewhere.

Measures need to follow the work. For managers, that may include span, approval volume, recurring meeting hours and direct operational load. For critical teams, queue age and work in progress may be more useful. The measures need context. A wide span can work in a stable team and fail during complex change.

Managers are also used as contingency. They absorb optimistic plans, inherit tasks after roles are removed and join extra forums when programmes slip. Formal performance can hold for some time. Development, improvement and trust are usually lost earlier.

Care, accountability and leadership action

Protecting human capacity does not make work comfortable. Competitive businesses face demanding customers, material risk and periods of intense effort. The leadership question is whether the pressure has a clear purpose, a credible duration and room for recovery.

Chronic depletion feels different. Demand never resolves. Work repeatedly breaks. Priorities change without subtraction. People can sustain difficult periods when they understand the reason and can see progress. Trust weakens when every initiative is described as urgent.

Care has an operating dimension. Roles need to be performable. Evidence of overload requires a decision. Leaders also need to hold standards, give direct feedback and address poor performance. Fair accountability depends on conditions that allow capable people to succeed.

Boards should be cautious with enterprise averages. Stable engagement or turnover can conceal intense pressure in the teams carrying a strategic programme. Restructuring deserves particular attention. A cost target may be achieved by transferring work to fewer managers or removing roles through which future capability develops.

The first leadership moves are structural:

- recover management time by removing low-value reporting, recurring coordination and routine approvals
- make demand on critical people visible across operations and change portfolios
- build capability through real responsibility, feedback and supervised decisions
- sequence change according to the capacity available
- treat fatigue as evidence about work design
- transfer concentrated knowledge before an absence forces the issue.

The board should expect management to know where capacity risk sits, whether succession covers critical judgement and how AI plans will protect the experiences through which future leaders learn.

Progress will appear in ordinary work. Managers will spend more time coaching and deciding. Fewer issues will return to the same people. Heavily loaded teams will recover room to think. Sustainable performance comes from directing finite human capacity towards pressure worth carrying.

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

AI has moved into the daily life of business. Employees are using it, functions are testing it and executive teams are deciding where to invest. The main challenge has shifted from access to turning possibility into a dependable operating result.

You can see the gap in a familiar scene. Someone demonstrates an impressive use case. The room leans in. Then the practical questions begin. Who owns it? Which system contains the right data? What happens when the output is wrong? How will this alter the work around it?

The Pulse data places most organisations somewhere between those two moments. Experimentation is widespread. Measurable value from redesigned work remains less common, although New Zealand reports greater progress than Australia.

Across the Connect event conversations, leaders were rarely short of examples. What they wanted was a way to decide which examples deserved scarce attention. That decision belongs to leadership.

Leaders are also weighing two legitimate concerns. They can move too slowly, and they can lose human judgement, expertise or relationship value that may be difficult to rebuild. Both pressures belong in the design of the work.

From experimentation to redesign

Table 20. The distance from experimentation to work redesign

Jurisdiction	Experimenting, benefits isolated or inconsistent	Actively redesigning work, measurable benefits	Gap
Australia	40.7%	23.5%	Experimentation +17.2 pts
New Zealand	42.0%	36.2%	Experimentation +5.8 pts

Both countries have moved well beyond simple interest. Only 10.0% of Australian leaders and 7.2% of New Zealand leaders say they have yet to find a clear business case. The larger group is already experimenting and now needs a route to value.

New Zealand's narrower gap suggests that more organisations have connected AI to changed workflows and measurable benefits. Australia has more activity held in the experimental stage, alongside a larger group reporting deployed tools with limited adoption or impact. For executive teams, this shifts the conversation from access to implementation.

The complete jurisdictional picture

Table 21. 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%

Displayed percentages may not total exactly 100.0% due to rounding.

New South Wales records the strongest experimentation result. Its leaders now face a sorting decision. Some experiments have earned investment and an accountable workflow owner. Others have answered their question and should end.

Victoria presents a different concern. Deployed tools with limited adoption and impact slightly exceed active redesign. Licences and features may have spread faster than role clarity, training, data access and process change.

Queensland sits close to the Australian pattern and records the highest caution result. Finding Four's fatigue result gives that figure context. Leaders should find out whether this reflects legitimate risk concerns, limited capacity for another change, or both.

Western Australia's responses are more dispersed, and its smaller base produces larger movements. The pattern points to organisations at quite different stages. Local diagnosis matters more than a broad state conclusion.

Every experiment needs a decision

Experiments earn their place when they answer a defined question. Can the technology improve this task? What fails? Which data and judgement does it require? How do employees and customers respond?

Without a decision, pilots linger. Similar tools appear in several functions, benefits are explained through anecdotes and nobody owns the shift to a stable way of working.

Every material experiment needs an exit: scale it, redesign it or stop it. Agree the criteria early and cover value, quality, risk, adoption and human impact. Stopping releases attention and limits technology sprawl. It also shows that learning remains useful when the answer is no.

The executive team also needs a portfolio view. Ten promising pilots can compete for the same data specialists, managers and change capacity. Concentration gives the strongest few a fair chance of becoming real work.

The workflow is where value appears

AI usually enters the business as a tool. Productivity appears through a changed workflow.

Take a customer proposal. Drafting is visible, yet the work also involves understanding the need, gathering information, judging risk, gaining approval and following up. Saving ten minutes achieves little when the proposal waits three days for information or a decision.

Workflow redesign opens the whole path. Which steps can disappear? Where is judgement essential? Who remains accountable? How should exceptions be handled? Where will the released time go?

An approval may exist because information was once difficult to access. A report may reflect the limits of an old system. Automating either one preserves yesterday's assumptions. Start instead with an important, repeatable workflow, visible friction and a named owner. Establish the baseline, simplify the path and apply AI where it changes the outcome.

The leadership tension

Table 22. The tension between speed and human judgement

Jurisdiction	Losing human judgement, expertise or relationship value	Moving too slowly and falling behind competitors
Australia	35.8%	33.5%
New Zealand	23.2%	44.9%

Australia is almost evenly divided. New Zealand places much greater weight on competitive delay. A sound operating approach responds to both pressures.

Table 23. 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%

Displayed percentages may not total exactly 100.0% due to rounding.

Victoria gives the strongest state signal on protecting judgement, with competitive speed also prominent. Queensland reverses the order and records a much higher concern about trust. New South Wales sits close to the Australian pattern, while showing greater concern about workforce decisions being made before the work is understood. Western Australia divides across speed, judgement and future skills. Its smaller response base makes this a directional profile.

The differences matter inside organisations too. An efficiency-led AI story may land badly where fatigue and trust are already under pressure. A cautious story can also slow learning in a fast-moving market. Leaders need to know what their own people and customers fear losing, and what the business stands to gain.

Judgement, trust and the capability pipeline

“Human in the loop” sounds reassuring. It is too vague to run a business.

Leaders need to specify which decisions require human review, what expertise the reviewer needs and who remains accountable when the system is wrong. Scrutiny should reflect consequence. An internal first draft carries a different risk from a recommendation affecting employment, credit, safety or a significant customer relationship.

Reviewers need time and authority, not a ceremonial approval box. If workload or incentives encourage them to accept the machine’s answer quickly, the control exists on paper and fails in practice.

Judgement includes context, ethics, commercial sense and an awareness of what the data has missed. It may sit with a frontline employee, a manager who sees a pattern across cases or a specialist who recognises a rare risk. Leaders need to locate that knowledge before the task changes.

Trust follows the same practical logic. Employees need a clear explanation of the problem, the data being used, the tool's limits and the likely effect on roles. Silence leaves them to construct their own explanation. Leaders should be plain about headcount decisions and show where capacity released for growth, service or innovation will go.

The capability risk emerges more slowly. A junior employee builds judgement by reviewing cases, drafting analyses and seeing how an experienced colleague changes the work. Managers develop pattern recognition through repeated decisions. If AI takes those tasks, the learning pathway has to change too.

Low-value work can go. The capability it once developed still needs a home. Simulations, supervised reviews, rotations and deliberate exposure to exceptions can provide one.

Different paths for enterprises and SMEs

Enterprises face proliferation. Functions may purchase tools, define risks and measure benefits separately. Common guardrails should cover data, accountability, security and workforce impact, while workflow owners retain responsibility for value. Scale magnifies the consequences in either direction. Investment belongs where frequency, strategic value and readiness meet.

SMEs can often move faster because the work and decision-makers are close together. They also have less room for a failed investment and fewer specialists to challenge vendors. One well-chosen workflow will usually teach the business more than several tools adopted at once.

Concentrated knowledge deserves particular care. Automating around a key person without capturing their judgement can leave a smaller business more fragile. Involving them improves the design and transfers what they know.

That transfer can feel slower than buying another tool. It is usually what makes the tool safe to depend on.

Across both settings, the discipline is similar:

- choose a valuable workflow before choosing more technology
- map the real work, including informal judgement and exceptions
- establish a baseline for value, quality, time and risk
- define human accountability and review at the right points
- decide where released capacity will go
- protect the experiences that build future capability
- scale, redesign or stop based on evidence

Building a credible value case

AI business cases often begin with hours that could be saved. The number is attractive and easy to overstate. Time released from a task does not automatically become productive capacity. Another step may become the bottleneck. Review may increase. The gain may arrive in fragments too small to redirect. The benefit needs to be observed in the workflow.

A credible case separates potential, realised and converted benefit. Potential benefit estimates what could change. Realised benefit records what happened after adoption. Converted benefit shows how released capacity improved an outcome, such as service, speed, quality, cost, learning or workload.

Converted benefits require an explicit destination. A business that saves time and leaves priorities unchanged will watch that capacity disappear into existing demand. Management should decide in advance whether the gain will support growth, service, learning, recovery or cost.

This gives executives a clearer view of where value has stalled. Measurement should also look downstream. Has rework moved elsewhere? Are people relying on outputs they cannot explain? Have experienced employees been drawn into extensive checking? A balanced view prevents the business from declaring victory too early.

Understand the real work before changing the workforce

Role descriptions capture formal responsibilities. They rarely reveal the exceptions, relationships and judgement through which the outcome is achieved.

Before changing a role, leaders should spend time with the work. Where does hidden judgement sit? Who compensates for poor data? Which relationships keep the workflow moving? What do newer employees learn beside experienced colleagues?

People closest to the work should be involved while choices remain open. They know where AI helps, where it creates risk and which tasks have lost their purpose. Their participation improves the design and makes difficult decisions more credible.

The employment proposition also needs clarity. If productivity gains support growth, employees should see how. If roles will reduce or change, those affected deserve direct communication, fair process and practical support. Trust affects adoption, error reporting and whether people share the knowledge needed to improve the system.

The board needs evidence of value and control

Boards need a clear view of whether the AI portfolio is connected to strategy and governed in proportion to consequence, without turning board meetings into product committees.

Useful evidence includes the workflows selected, the outcomes measured, the location of human accountability and the treatment of data, security and workforce impact. It should also show what management has stopped. A growing list of pilots proves activity.

The board should ask whether the business is learning at an appropriate speed. Low-consequence experimentation needs room within clear boundaries. Scrutiny should deepen as consequence, scale and irreversibility rise.

Does the redesign preserve the expertise required to challenge the system? How will future leaders develop judgement? What happens when a supplier changes its terms or a model behaves differently? Strategic value includes the ability to govern and adapt.

Licence counts and lists of use cases reveal little about productivity. The board should expect evidence that investment has changed an outcome the strategy values and that the workforce plan reflects how roles and learning will change.

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

4

THE LEADERSHIP RESPONSE:

FROM INSIGHT TO OPERATING DISCIPLINE

THE LEADERSHIP RESPONSE

The five findings meet inside the same working day. A stretched manager moves between competing priorities, relies on experienced people to resolve exceptions and tries to introduce new technology into a process that already creates unnecessary effort. Employees experience one system even when the business assigns its problems to different functions.

The leadership response must therefore be integrated. A meeting reduction will achieve little if new priorities keep arriving. A capability programme will struggle if managers have no time to coach. AI may save hours in one task while poor execution consumes them elsewhere. The aim is to improve the complete capacity of the business to perform.

The integrated leadership agenda

Table 24. 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

The ownership is deliberately shared. Productivity cannot sit inside one function because every decision changes work across the business. The CEO holds the enterprise view. Business and functional leaders make the change real. The board governs whether the combined commitments remain credible.

The CEO agenda

Six choices need direct CEO and executive attention.

- Decide which work matters and what will stop. People need an order of priority that helps them choose when legitimate demands conflict. Every material new commitment should identify what will stop, pause, narrow or receive less capacity.
- Align organisational demand with available capacity. Maintain one view of significant strategic, operational, regulatory and technology work. Expose the teams, managers and specialists claimed by several priorities, then sequence work before delay and fatigue make the choice.
- Remove reliance on individual heroes. Trusted people should contribute judgement and develop others. They should not be permanently required to bridge weak processes and unclear authority. Examine the decisions, customer relationships and workflows that repeatedly return to the same individuals.
- Protect management time. Managers need room to clarify outcomes, coach judgement and resolve meaningful issues. Releasing that capacity may require fewer reports, clearer decision rights, different spans or less operational work inside the role. Time recovered for leadership should remain protected.
- Direct AI towards valuable workflows. Select a small number where improved speed, quality, capacity or customer value can be observed. Give each an owner, a baseline, human guardrails and a date for deciding whether to scale, redesign or stop.
- Decide where released capacity will go. Productivity creates a choice. Capacity can move towards customers, growth, learning, higher-value work, recovery or cost reduction. If nobody decides, old demand will reclaim the benefit.

These choices reinforce one another. Stopping work creates room to redesign. Better decision rights release management time. Stronger managers build capability and trust. AI can then enter work that is clearer, better owned and worth accelerating.

The board agenda

The board's role is to govern the business's capacity to deliver its strategy. It does not need to choose individual workflows or manage calendars. It needs enough evidence to judge whether management's commitments, capabilities and operating conditions are credible.

Five questions belong in that oversight:

- Is the strategy operationally funded? Financial allocation does not prove that attention, skills, management time and change capacity are available.
- Can execution survive the absence of key people? Succession should cover the location of judgement and critical relationships, not only names beside senior roles.
- Does management understand aggregate demand? Well-governed projects can collectively exceed capacity when they rely on the same people and systems.
- Are workforce capacity and capability treated as performance risks? Fatigue, management stretch and skills gaps affect execution, decision quality and the ability to absorb change.
- Is AI producing value while protecting judgement and trust? Oversight should connect the business outcome, human accountability, workforce impact and long-term capability.

The board should resist asking for an ever-larger dashboard. A small number of measures tied to decisions will provide more value than detailed reporting that obscures the condition it is meant to reveal.

A practical 90-day starting point

The first 90 days should create visibility, force a small number of choices and establish a cadence that keeps them alive.

Days 1 to 30: See the system

- Map the major demands already in progress, including operational commitments, change, technology, regulation and significant customer obligations. Identify the teams, managers and specialists carrying the greatest load.
- Then look for dependency. Which decisions wait for one executive? Where does work slow during absence? Who holds knowledge that others cannot yet apply? Ask people where effort is compensating for fragmented systems, unclear ownership or repeated changes of direction.
- The output should be a shared picture, not another lengthy diagnostic report.

Days 31 to 60: Make the choices

- Select work to stop, pause or simplify. Confirm the enterprise order of priority and resolve conflicts that teams are managing without enough authority. Be clear about which outcomes receive protected capacity.
- Choose one important workflow for redesign. Establish its current performance, involve the people who understand the real work and agree what improvement means. Define where human judgement remains and where released capacity will go.

Days 61 to 90: Establish the discipline

- Introduce a practical operating cadence that reviews priorities, capacity, execution and the selected workflow together. It should result in decisions about what accelerates, slows, changes or stops, and should replace existing reporting where possible.
- Use a small set of measures across four areas: value, capacity, execution and human impact. Return to the executive team and board with decisions and early evidence. Show what was removed, where capacity was protected, which dependency is reducing and how the workflow is performing.

After 90 days, the business should have more than a productivity plan. It should have demonstrated a different way of leading work.

5

THE PRODUCTIVITY, GROWTH & AI ROADMAP

THE PRODUCTIVITY, GROWTH & AI ROADMAP

Turning evidence into action

The 90-day leadership response provides an immediate starting point. The Productivity, Growth & AI Roadmap gives that work a longer direction.

Over the past 12 months, The CEO Institute, EnterpriseWorks and Cuppa have examined productivity from different but complementary perspectives. The Pulse Report brings together direct evidence from CEOs and business leaders across Australia and New Zealand. EnterpriseWorks has contributed its wider research into work, systems, workforce capability and AI.

Together, the evidence base draws on more than 1,000 data insights, including more than 400+ inputs from members and business leaders across The CEO Institute community.

This combined research has taken us beyond identifying the problem.

We know that valuable capacity is being lost through fragmented systems, excessive coordination and work that continues without sufficient challenge. We know that strategy execution often depends on particular people. We know that managers are carrying operational, people and change responsibilities at the same time. We also know that AI investment will struggle to create lasting value when it is introduced into work that remains unclear, overloaded or poorly designed.

The question facing the reader at this point is a practical one.

What should I do next?

The Productivity, Growth & AI Roadmap answers that question through five connected stages. The sequence begins with focus and execution. It then releases capacity, strengthens the workforce, improves the connection between systems, data and AI, and creates the conditions for AI-enabled growth.

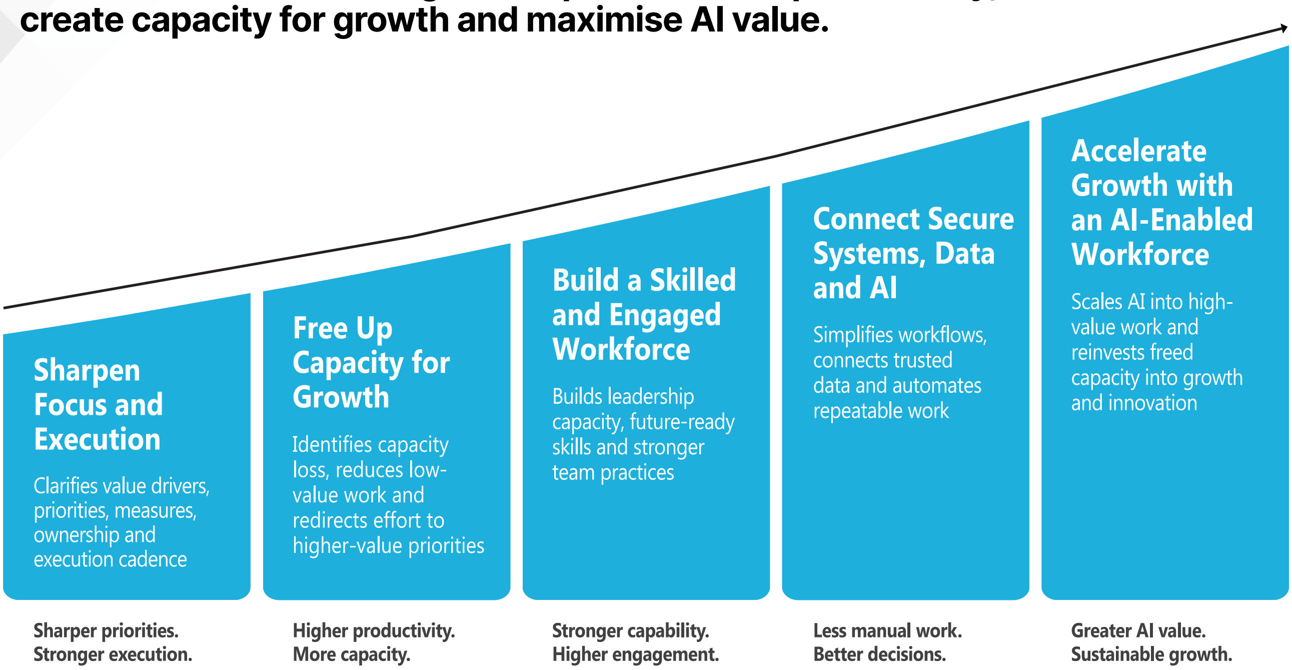
Each stage supports the one that follows.

An SME may move through the stages quickly, working directly with a small leadership team and one important workflow. A large enterprise may have several business units progressing at different speeds. The scale and machinery will differ. The leadership disciplines remain remarkably similar.

Start with the work. Make the priorities clear. Remove the friction. Build the capability. Connect the systems and data. Then scale AI where it can produce measurable value.

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

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



Stage 1: Sharpen Focus and Execution

Sharpen Focus and Execution

Clarifies value drivers, priorities, measures, ownership and execution cadence

Sharper priorities. Stronger execution.

Growth requires a clear view of where value will come from.

Most businesses can produce a list of priorities. The harder task is establishing an order that helps people make choices when demands collide. When every initiative remains important, teams are left to negotiate trade-offs informally. Work slows, management attention fragments and execution becomes dependent on the people most willing or able to carry the pressure.

The first stage of the roadmap asks leaders to identify the three to five value drivers that matter most. These may relate to customer growth, margin, service, innovation, operational resilience or capability. Each one needs a defined outcome, a small number of useful measures and an owner with enough authority to move work across organisational boundaries.

This stage also requires a decision about what will receive less attention. For a founder-led business, that may mean deciding which opportunities will no longer be pursued and which decisions can move away from the founder. For an enterprise, it may involve resolving competing functional priorities and giving an executive genuine authority across several divisions.

The leadership team should be able to answer:

- What are the three to five outcomes that matter most?
- What will stop, pause or reduce in scope?
- Who owns each outcome?
- How will progress be measured?
- Which decisions will be made through the regular execution cadence?

The immediate outcome is sharper priorities and stronger execution. People can concentrate because the organisation has made choices on their behalf.

Stage 2: Free Up Capacity for Growth

Once priorities are clear, leaders can examine what is preventing people from contributing to them.

The greatest capacity losses are often distributed across the working day. Another meeting. Another approval. Information reconstructed because systems do not connect. A report prepared because it has always been prepared. A capable employee coordinating around a process that nobody has had time to fix.

Each activity may appear manageable on its own. Together, they consume the attention required for customers, improvement, leadership and growth.

Free Up Capacity for Growth

Identifies capacity loss, reduces low-value work and redirects effort to higher-value priorities

Higher productivity. More capacity.

Choose one important workflow and follow the work from beginning to end. Look for waiting, rework, unnecessary handovers, repeated approvals and information being entered or interpreted several times. Ask the people doing the work where effort is being wasted. They will usually know.

Then simplify.

Remove work that no longer supports a decision or customer outcome. Reduce meetings that exist mainly to exchange information. Clarify authority so fewer matters travel upwards. Redesign the path before investing in another tool. Released time also needs a destination. Capacity left unallocated will disappear into existing demand. Leaders should decide whether it will support growth, customer service, innovation, employee development, recovery or cost improvement.

One redesigned workflow can be more valuable than a broad efficiency campaign. It produces visible evidence, gives employees a better working experience and teaches the business how to remove friction elsewhere. The result should be higher productivity and usable capacity.

Stage 3: Build a Skilled and Engaged Workforce

Capacity alone will not carry the strategy. The business also needs people with the skills, judgement and confidence to use it well.

The findings in this report show how easily capable people can become the mechanism through which weak work continues. They resolve exceptions, interpret incomplete information and hold critical relationships together. Their effort keeps the business moving, while their own capacity to coach, improve and develop others steadily declines.

Build a Skilled and Engaged Workforce

Builds leadership capacity, future-ready skills and stronger team practices

Stronger capability. Higher engagement.

This stage places management capacity at the centre of performance.

Managers need enough room to clarify outcomes, give feedback, build judgement and support people through change. Future-ready skills need to be developed through real work, supported decisions and exposure to meaningful problems. Training can contribute, but capability becomes reliable when people apply it.

SMEs should pay particular attention to concentrated knowledge. A small number of experienced people may understand the customers, systems and exceptions on which the business depends. That knowledge needs to be shared before growth, absence or succession exposes the risk.

Enterprises face a different coordination challenge. Skills initiatives can become disconnected from the work people are expected to perform. Workforce planning, leadership development and the change portfolio need to be considered together.

Useful questions include:

- Which managers and specialists are carrying the greatest load?
- Where is judgement concentrated in too few people?
- What capability will the strategy require over the next two years?
- Which experiences will allow people to develop that capability?
- What needs to change so managers have time to lead and coach?

A skilled and engaged workforce is built through trust, responsibility, development and credible leadership choices. The outcome is stronger capability, higher engagement and greater organisational resilience.

Stage 4: Connect Secure Systems, Data and AI

Technology becomes valuable when it improves the way important work is performed.

Begin with a workflow that matters. Establish how it currently performs across time, quality, cost, customer value, risk and employee effort. Simplify the process, clarify ownership and determine where human judgement remains essential.

The organisation can then connect the systems and trusted data required to support the work. Repeatable tasks can be automated. Information can move more freely. Employees can spend less time searching, reconciling and reconstructing.

For an SME, the strongest starting point may be one frequent process with a clear commercial result, such as responding to customer enquiries, preparing proposals, scheduling work or managing recurring administration.

Connect Secure Systems, Data and AI

Simplifies workflows, connects trusted data and automates repeatable work

Less manual work. Better decisions.

An enterprise will need a broader view of architecture, data governance, security and technology proliferation. Functions still need enough freedom to improve their work, supported by common standards and clear accountability.

AI should enter the workflow with a defined purpose. Leaders need to specify where human review is required, who remains accountable and how exceptions will be handled. Trust grows when employees understand the problem being solved, the data being used and the effect the change may have on their role.

The outcome is less manual work and better decisions. Those gains should be observed in the complete workflow, including any new review, rework or downstream effort.

Stage 5: Accelerate Growth with an AI-Enabled Workforce

The final stage converts improved work and released capacity into growth.

AI value will not be demonstrated through licence counts, isolated pilots or estimates of hours that could be saved. It appears when a changed workflow produces a result the strategy values.

That result may be faster service, improved quality, greater customer capacity, lower operating cost, better decisions or a stronger ability to innovate. Leaders need to distinguish between potential, realised and converted benefits.

Potential benefit describes what could be achieved. Realised benefit records what changed after implementation. Converted benefit shows how that improvement created value for the business.

This is where leadership intent matters most.

Capacity released through AI can be reinvested into customers, innovation, growth, workforce development or improved operating resilience. It may also support cost reduction. The destination should be decided early enough to influence the design of the work.

Scaling should follow evidence. A successful workflow can be extended, adapted and connected to other parts of the business. An experiment that has answered its question should be scaled, redesigned or stopped. Each decision sharpens the organisation's understanding of where AI creates value.

The workforce remains central. People need the capability to work with AI, challenge its output, recognise exceptions and apply commercial and ethical judgement. The business also needs to preserve the experiences through which future employees and leaders will develop that judgement.

The outcome is greater AI value and sustainable growth, supported by a workforce able to use technology with confidence and care.

Accelerate Growth with an AI-Enabled Workforce

Scales AI into high-value work and reinvests freed capacity into growth and innovation

Greater AI value. Sustainable growth.

Put the roadmap to work

The roadmap can become the agenda for an executive meeting, a board discussion or an owner-led planning session.

Begin with five questions:

1. Which three to five outcomes deserve the organisation's greatest concentration?
2. Where is valuable capacity being lost today?
3. Which management, workforce or capability constraint will prevent progress?
4. Which important workflow is ready to be simplified and redesigned?
5. Where will released capacity be reinvested to create value?

The first commitment can be modest. Choose one priority to protect. Stop one piece of low-value work. Select one workflow. Give it an accountable owner, establish a baseline and agree when the leadership team will review the evidence.

Then begin.

The strength of the roadmap lies in the sequence. Focus gives people direction. Better work releases capacity. Management and workforce capability allow that capacity to be used well. Connected systems and trusted data create a stronger operating foundation. AI can then extend human capability into work that produces measurable value.

The research has made the challenge visible. The roadmap turns that evidence into a course of action.

6

CLOSING PERSPECTIVE

CLOSING PERSPECTIVE

The findings in this report began with a question about productivity. They end with a question about leadership.

Organisations across Australia and New Zealand are full of capable people doing their best to meet important demands. That effort has carried businesses through disruption, growth and constant change. It also hides weaknesses that deserve attention. When people continually bridge fragmented systems, reconcile competing priorities and rescue unclear execution, the business receives the outcome and misses the cost.

The cost is not limited to hours. It appears in the customer opportunity that receives too little attention, the manager who cannot coach, the specialist who becomes indispensable and the improvement that is postponed because everyone is occupied. It appears when technology makes a task faster but the workflow remains slow. It appears later, when the organisation needs judgement or leadership it has not allowed enough people to develop.

More pressure is a poor answer. It can lift output briefly, especially when employees care deeply about the result. It cannot create decision capacity, repair a process or settle contradictory priorities. Eventually the gap is paid through quality, delay, turnover, customer experience or lost growth.

The report's five findings describe the same underlying choice from different directions. Leaders can continue to rely on effort to compensate for the system, or they can redesign the conditions in which effort becomes value.

That work is not glamorous. It involves removing reports that no longer serve a decision, closing projects with persuasive sponsors, clarifying who has authority and giving managers room to lead. It means following a workflow closely enough to see where people are reconstructing information or waiting for approval. It means facing the fact that a trusted executive may have become a bottleneck because the business has not transferred their judgement.

It also requires care with AI. Technology can release capacity and improve outcomes. It can also accelerate weak work, hide declining expertise or damage trust if the purpose is unclear. The relevant question is whether the organisation is learning quickly in work that matters, with clear accountability and human judgement protected where consequence demands it.

There is no universal sequence for every business. New Zealand leaders report pressure on management capacity and competitive speed in AI. Australian leaders point more strongly to fragmented systems, dependence on individuals and the risk of losing judgement. New South Wales, Victoria, Queensland and Western Australia each reveal different concentrations. The percentages tell a leader where to look. They do not replace the obligation to understand the local work.

The same principle applies across a large enterprise and a founder-led SME. Scale changes the machinery. Every organisation has limits: the number of priorities it can carry, the number of decisions one person can own, and the pace of change its people can absorb while still serving customers well.

Leadership creates value by respecting those limits and making choices within them.

The strongest organisations will not be those that keep every person permanently busy. They will be the ones that know which work deserves concentration, design a dependable route from strategy to action and use technology to extend human capability. They will build performance that can survive absence, growth and pressure without calling for the same heroes each time.

This is why productivity belongs in the boardroom and in the daily operating rhythm. It connects strategy to capacity, investment to work and ambition to the people expected to deliver it. It asks leaders to govern both what the business will do and what it will no longer ask people to carry.

The work is practical. Make demand visible. Choose fewer things. Remove friction. Move authority closer to the decision. Give managers time to develop people. Apply AI to a valuable workflow. Then return to the evidence and keep improving the system.

The future of productivity will be shaped by technology, economic conditions and public policy. Inside each business, it will still come down to leadership choices about attention, judgement and value.

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

7

ABOUT THE RESEARCH

ABOUT THE RESEARCH

Survey scope

The fifth edition of The Pulse Report examines how business leaders experience productivity inside their organisations. The research was conducted with participants at The CEO Institute's "Connect: Unlocking Productivity" events across Australia and New Zealand.

Australian results combine responses from New South Wales, Victoria, Queensland and Western Australia. South Australian data was unavailable when the analysis was completed. New Zealand is reported separately.

Response volumes differed by jurisdiction. Results from a smaller response base, particularly Western Australia, can move in larger percentage increments and should be read directionally. The report does not publish respondent counts and makes no claim that the results represent every business in a jurisdiction.

The six questions

Participants were asked:

1. Where do you believe the greatest productivity loss occurs in your organisation today?
2. How effectively does your organisation translate strategy into day-to-day execution?
3. What is the biggest barrier preventing your organisation from lifting productivity over the next 12 months?
4. What is the biggest people-related constraint on productivity in your organisation today?
5. How would you describe your organisation's current approach to AI and productivity?
6. When thinking about AI and workforce change, what concerns you most as a CEO or business owner?

Each question presented five response options. Participants selected the one option that best reflected their view. Blank answers were excluded from the calculation for that question.

Methodology

Percentages were calculated within each jurisdiction using valid answers to the relevant question. The Australian percentage was calculated from the combined valid responses from the four Australian states that participated. It is not an average of the four state percentages displayed.

Results are shown to one decimal place. Displayed totals may differ slightly from 100.0% because each response is rounded independently. A rounding note appears below each full response-distribution table and where otherwise relevant.

The survey captures leaders' perceptions at a point in time. It is descriptive, not a census or a causal study. Because the questions were forced choice, a selected option indicates the issue a participant judged most important among the choices presented. Other conditions may also be present in the same business.

The jurisdictional comparisons are designed to reveal patterns and prompt investigation. Small differences should not be over-interpreted, particularly when response volumes were lower. The most useful reading is to compare the findings with evidence inside the reader's own organisation.

The economic figures attributed to Paul Bloxham in The Productivity Picture were drawn from his keynotes in Sydney and Melbourne. They provide context for the organisational findings and are not part of the survey dataset.

Data assurance

The reported percentages were calculated from the source workbook, checked against an independently reconstructed set of totals and audited again in the final manuscript. The six country-level tables and six jurisdictional tables use the same verified source values. Call-out comparisons are derived directly from those tables.

No respondent count has been used to change, weight or amplify the published percentages.

Important information and editorial disclosure

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AI-assisted tools were used to support research synthesis, structural development, and editorial drafting. The final manuscript, data tables and interpretations were reviewed, edited and approved by human contributors under the direction of The CEO Institute. Editorial responsibility for publication remains with The CEO Institute.

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