



# BEHIND CLOSED DOORS: UNVEILING 2024'S ORGANISATIONAL PRIORITIES

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THE LISTENING TOUR RESULTS  
MARCH 2024



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## SUMMARY

In late 2023, ECI Partners embarked on what we have come to call, a *Listening Tour*. An endeavour that has given us a unique vantage point into the priorities and challenges of senior leaders for the year ahead.

This journey was not just about hearing; it was about truly listening to the heartbeat of senior leaders and understanding the nocturnal thoughts that often occupy their minds. What are the conversations being had in boardrooms and keeping leaders up at 3am?

For our clients, this tour was a way to express their priorities with a trusted external counsel – a brain's trust if you will. For ECI Partners, it was a reciprocal exchange, a chance to question, learn, comment, and provide feedback.

What emerged was a surprisingly consistent focus on two meta themes that transcended across industry sector, style, and cycle.

## OUR METHODOLOGY

Our approach involved hour-long in-person interviews facilitated by pairs of ECI Partners. We engaged CEOs, Country Heads, Divisional Directors, and senior leaders across a spectrum of sectors, including Government, Law firms, Professional and Financial Services, Energy, Health, Transport and Infrastructure Development.

We intentionally asked a single, open-ended question about strategic priorities and challenges, and refrained from prompting or offering guidance. This allowed leaders to authentically articulate their thoughts without being steered in a particular direction.

Post-interview debriefing and meticulous analysis of the feedback unveiled over 50 distinct responses, subsequently categorised into two overarching themes: financial performance (30%) and people factors (70%).

*Executives in 2024 face the daunting task of achieving more with less, and at an accelerated pace.*

## FINANCIAL PERFORMANCE: NAVIGATING TURBULANT TIMES

The buoyancy of the Australian economy, once fuelled by government stimulus, has now receded. The aftermath is an environment of heightened inflationary pressures and elevated interest rates. Notably in NSW, a change in Government has seen a resetting of priorities, which has led to reduced budgets in many areas.

Across sectors, executives strongly agreed that prioritising delivering financial and operational outcomes within a significantly constrained financial climate was a key priority in 2024 (30% of total responses). While this may have been expected, the subtlety lies in the underlying pressure – **a persistent focus on reducing or stabilising costs amidst inflationary pressures**. Executives find themselves navigating a landscape of increased costs (lease, wages, materials, etc.) with an inability to pass these on to end users or customers.

In government and non-profit organisations, the challenge is unique – delivering results with flat or reduced operating expense budgets. Executives in 2024 face the daunting task of **achieving more with less, and at an accelerated pace**.

In some organisations, there is an emphasis placed on strictly managing the cost base while developing new revenue sources, adjacencies, and growth options. This demands the discipline of strategic choices and substantial investments, with impeccable execution.



## PEOPLE FACTORS: THE HUMAN TAPESTRY UNVEILED

The most resonant theme emerging from our Listening Tour revolves around people factors (70% of total responses). Executives voiced concerns using a diverse array of terms – collaboration, innovation, retention, engagement, accountability, trust, capability, and succession. Upon further assessment, we were able to categorise responses into sub-themes namely, **Performance, Productivity, and People**.

For the aforementioned reasons, *performance* is a key theme. During our discussions, a recurring sentiment surfaced – **teams need to ascend to another level**. There is a perceived gap between the current level of performance and where it needs to be. This was not a criticism but rather an acknowledgement that the environment has changed, and the capabilities required today are different to previously. **Capability needs to be acquired or developed quickly**.

A quote from a Senior Energy Executive encapsulates this sentiment: "Kate was great when she was managing \$300m, but it's different now at \$3b."

Improving *productivity* also emerges as a crucial theme, with executives recognising the need to increase their organisation's internal 'clock speed'. This can be achieved in many ways including by transformative changes in organisational structures, processes, systems, and investments in capabilities. Whatever ways executives have in mind, **the imperative of improving productivity means it is NOT business as usual**. Leaders recognise the challenge and opportunity to genuinely evolve and facilitate how their organisations work as the key to improving productivity.

Finally, executives are acutely aware of the human impacts of driving increased performance and productivity. The central challenge remains: how to help the *people* in our organisations adapt to this rapidly changing reality. With an increase in pace and pressure, attention needs to be paid to managing well-being, fostering resilience, and minimising burnout. This of course also relates to leaders themselves. The higher functioning leaders are, the more equipped they are to support others. As airlines remind us, make sure our oxygen masks are secure before helping others.

**Every executive we interviewed aspires to shift their organisation from its current state to an even better future state** – a transformation. Therefore, supporting the organisation, and its people to change is a critical imperative and vital given the historically poor scorecard of most change and transformation initiatives.

## GUIDING LIGHTS: OUR RECOMMENDATIONS

In synthesising the challenges faced by leadership, ECI Partners recommends a set of guiding lights through this complex landscape:

**Leadership Responsibility:** Leaders at the top must recognise the role they play in closing the performance/productivity gap. It is their fundamental responsibility to develop individuals and teams that can bridge this gap.

**Conducting time audits:** Given the predominant emphasis on people factors, particularly in relation to the time executives spent on these matters, we recommend conducting time and diary audits. Aligning executive time with prioritised challenges, this audit aims to offer a clear understanding of where executive focus and resources are invested. If 70% of your priorities and challenges are related to people, then arguably 70% of an executive's time should be spent on these matters – that's 3.5 days per week!

**Introducing new agendas:** Recognising the limitations of traditional operational meetings, we suggest introducing new agendas, particularly in 'round table' meetings. These meetings are designed to facilitate strategic discussions and encourage innovative solutions to the identified challenges.

### Encourage an investment mindset

**towards people:** Drawing parallels with the manufacturing industry's practice of allocating a percentage of OPEX for annual investment in equipment, we urge organisations to adopt a similar 'investment' mindset toward their people. This shift in perspective aims at acknowledging the pivotal role of human capital in organisational success.

### Emphasising effective change management

**practices:** Leveraging our two decades of experience, we emphasise the importance of effective change management practices. Acknowledging the poor scorecard of most change initiatives, this recommendation aims at providing organisations with the necessary tools, playbooks, and strategies to navigate successful transformations.

**In conclusion**, the Listening Tour not only offered us critical insights into the challenges organisations face in 2024 but also underscored the need for a holistic approach. Recognising the interconnected nature of financial and human dimensions, we, at ECI Partners, emphasise the importance of acknowledging both aspects in navigating the rapidly changing business environment. The proposed recommendations provide a roadmap for organisations to navigate these challenges successfully, fostering resilience, innovation, and sustainable growth in the years to come.

# ABOUT ECI PARTNERS

ECI Partners is a boutique executive coaching and leadership organisation for CEOs, Managing Directors, senior executives and their teams. We work with many of Australia's top companies, as well as professional services, academia, entrepreneurs, Government and others. Our approach is highly bespoke and has proven to help clients achieve their business challenges, personal goals and to lead in an authentic and highly impactful way. Like you, we have been executives too. Clients value and trust ECI executive coaches as much for their integrity and easy rapport as their exceptional practical experience and insight. We're passionate about relationship building and knowledge sharing at any opportunity – at ECI Partners we believe generosity is key to your success.

## GET IN TOUCH

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