

FOSTERING PRODUCTIVITY – REMOVING BARRIERS THAT WASTE ENERGY

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In leading and managing health, aged and social care organisations, a central and enduring imperative is the effective utilisation and transformation of available resources into high-quality outcomes for patients, clients and consumers. Contemporary understandings of productivity in these sectors emphasise quality-adjusted performance, alongside a coordinated focus on organisational and system-wide efficiency. This favours a focus from conceptions of productivity centred on outputs and throughput, towards models that focus on value, outcomes and impact.

The Australian Productivity Commission has examined and reported on healthcare productivity, identifying key constraints arising from system fragmentation, regulatory duplication and insufficient coordination across the health system [1]. At the several levels, its recommendations emphasise the alignment of health regulation across care settings; the strengthening and embedding of collaborative commissioning arrangements; and increased investment in preventive and early intervention for consumer-focused care.

Strong leadership can improve productivity not by intensifying effort but by maximising the cognitive and relational capacity of effective organisations. This can be achieved through reducing system friction. As well as optimising the flow of care and support for individuals and implementing more robust and sophisticated work design. McKinsey's 2026 report [2] highlights that organisational productivity gains depend on refining workflows, redesigning work around technology-enabled workforces and maintaining strategic focus on a small number of high impact priority areas. Evidence from health organisations further demonstrates that targeted workflow interventions can deliver efficiency gains [3] while also producing meaningful improvements in wellbeing for our workforces.

Research and practice demonstrate that productivity is often constrained by workflow inefficiencies, administrative burden and excessive cognitive load rather than by deficiencies in workforce effort. Interventions that redesign work—through task redistribution, workflow simplification and reductions in cognitive load—can consistently improve both performance and system efficiency. In healthcare settings productivity is further limited by transaction costs, coordination failures and system friction. Effective leadership and management therefore create productivity not by intensifying performance demands but by redesigning work and strengthening inter agency collaboration to remove friction and optimise cognitive flow.

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