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2026 WHAT GREAT BUSINESSES DO DIFFERENTLY

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What Great Businesses Do Differently

Every business wants to be better than just good … they want to be great.

Owners invest time, money and energy into building something that performs - that delivers results for customers, financial returns for stakeholders, and a place people genuinely want to work. And yet, despite similar effort and intention, some businesses consistently outperform others. The gap between them is rarely about luck.

HR Coach Australasia has been measuring this question for more than two decades. What actually separates high-performing businesses from low-performing ones? Not what owners think, or hope, or assume - but what the data actually shows.

The answer, as it turns out, is remarkably consistent. Across nearly 1,000 Australasian small to medium businesses, the same patterns emerge time and again. High performers do specific things differently from low performers - and the gaps between them are measurable, significant and, critically, actionable.

This White Paper draws on data from 969 organisations, with a focused lens on 176 businesses surveyed since 2020 - post the disruptions of COVID-19, the labour market shifts that followed, and the new operating environment that businesses now navigate.

The findings are fresh, the gaps are large, and the implications for any business owner are hard to ignore.

> **If you are an Australasian business looking to remain a high performer or become one, this is essential reading.**

The Research Behind This Paper

HR Coach Australasia has published annual research since 2002. Each year, a new dimension of business performance is examined - from generational dynamics and succession planning to management culture and psychosocial risk. Below are several of the most relevant recent papers:

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The Data: What Has Changed Since 2020?

The STAR Workplace Program has now collected data from 969 Australasian businesses. For this paper, we focus specifically on the businesses surveyed since 2020 - a period that tested businesses in ways few could have anticipated. What the data reveals is both encouraging and sobering.

Encouraging because the markers of high performance are clear and consistent.

Sobering because the gaps between high and low performers have, in several critical areas, grown larger than they were in 2018.

Employers in high-performing organisations are 19% more strategically aligned than their counterparts in low-performing businesses. This translates into 25% greater satisfaction with financial performance. High performers also report their teams are more productive, more accountable, better led and more culturally aligned.

Across the five areas where the gap is widest, the average difference between high and low performers exceeds 40 percentage points. These are not marginal differences. They represent fundamentally different ways of running a business.

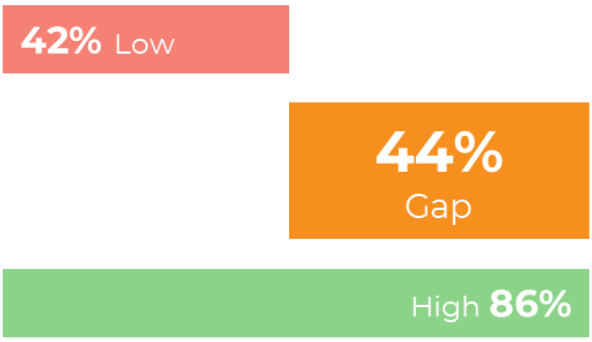
The Five Biggest Gaps – Post-2020 Data

44%	gap on management team efficiency - the single largest differentiator in the entire dataset.
43%	gap on employee productivity measures - high performers measure outcomes; low performers measure activity.
41%	gap on accountability for results - in low performers, accountability is imposed; in high performers, it is owned.
39%	gap on HR planning quality - high performers treat people planning as a strategic function, not an admin task.
39%	gap on organisational culture alignment - varied culture is the silent performance killer.

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Gap #1: Efficiency of the Management Team

This is the number-one differentiator in the post-2020 dataset, and it has been the number-one finding since 2018. The gap has not closed. If anything, the expectations placed on management teams have intensified, and the divide between businesses that have invested in their managers and those that have not is wider than ever.



The management team is the conduit between the business owner and the work that gets done. They are the people who turn strategy into action, maximise performance, minimise waste, and, when things go sideways, keep the wheels turning. In low-performing businesses, this is not done effectively, and the burden falls directly on the owner.

History is replete with examples of highly aligned teams of good players defeating lesser teams of great individuals. The coaching staff makes the difference on the sporting field, just as the management team does in business. You can have talented individuals in every role, but without a management team that works efficiently together, those individuals will never perform at their peak.

In the post-2020 environment, this challenge has grown more complex. Managers are now expected to lead across flexible and hybrid arrangements, support employee wellbeing, navigate constant change and still deliver results. Most of them were never trained to do any of this. They were promoted because they were good at their technical role, not because they were equipped to lead.

Gallup's most recent research confirms the scale of this problem: 70% of the variance in team engagement is directly attributable to the manager. Their 2025 Workplace Report found that global manager engagement has fallen to just 27% - a new low. Businesses that invest in developing their management teams are not just doing the right thing by their people; they are making a sound financial decision.

> **When the management team is not working well, the owner becomes the bottleneck. Every decision, every problem, every people issue lands on their desk.**

What high-performing businesses do differently

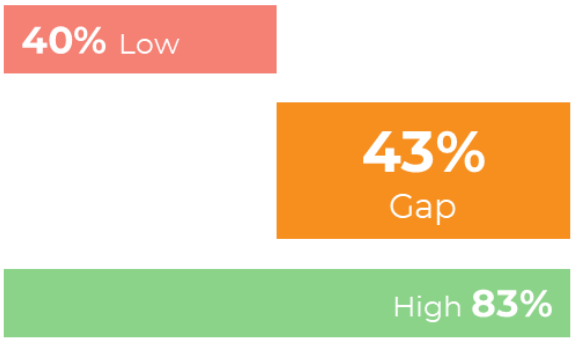
High performers do not just manage individual performance - they invest in making the management team work as a unit. They create deliberate alignment around shared goals, clear communication channels and mutual accountability. They understand that a management team that trusts one another,

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constructively challenges one another, and commits to shared outcomes will consistently outperform one filled with talented but misaligned individuals.

Gap #2: Employee Productivity Measures

This gap appears in the top five for the first time since the original research - and its emergence tells a clear story about what the post-2020 working environment has exposed in many businesses.



High-performing businesses do not just expect productivity - they measure it in ways that are meaningful, visible, and understood by the people doing the work. Low-performing businesses either do not measure productivity at all or measure the wrong things: hours logged, emails answered, tasks ticked off. Activity is not the same as output, and output is not the same as impact.

The sports analogy is apt here: every serious team keeps score. Players know what winning looks like. They know when they are ahead, when they are behind, and what they need to do to shift the result. The scoreboard is visible to everyone. In low-performing businesses, the equivalent of the scoreboard is either missing, wrong or visible only to the owner.

The shift to flexible and hybrid working arrangements since 2020 has made this more pressing. When employees are not physically present, the old proxy measures for productivity - being at your desk, looking busy, being seen to work - are gone. Businesses that had never built genuine productivity measures found themselves exposed. High performers, who had already moved to outcome-based measurement, largely did not miss a beat.

Australia's Productivity Commission has consistently highlighted that labour productivity growth in Australia has stagnated. **For SMEs, which employ approximately 70% of the Australian workforce, this is not an abstract macroeconomic issue - it is a daily operational reality.** The businesses in our high-performing group are demonstrating that better measurement is one of the most direct levers available.

> **You cannot improve what you do not measure. High-performers know their score at every point of the game.**

What high-performing businesses do differently

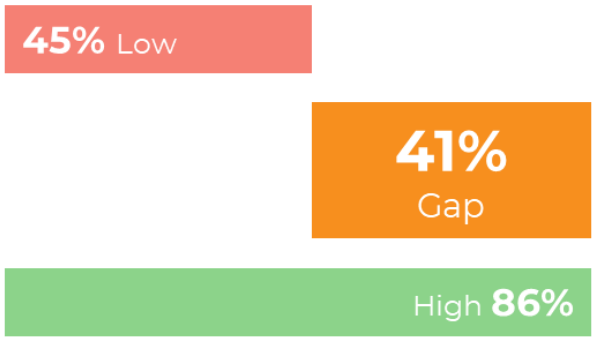
High performers work with employees to define what good performance actually looks like for each role - in terms of outputs and outcomes, not activities. These

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measures are co-created, not imposed, which means employees understand them and buy into them. They are tracked regularly, discussed openly and linked to the strategic goals of the business.

Gap #3: Accountability and Ownership

The data draws a clear distinction between two related but separate ideas: employees being held accountable for their results (42% gap) and individual accountability more broadly (40% gap). Both point to the same underlying dynamic, and together they form one of the most important themes in the research.



In low-performing businesses, accountability is imposed. Owners and managers set targets, chase results and discipline when things fall short. Employees work for the manager, not alongside them. When things go wrong, blame shifts sideways or downward. When things go right, credit is claimed from above. Nobody truly owns their outcomes. This is the parent-child dynamic - and it is as common as it is costly.

In high-performing businesses, accountability is owned. Employees propose their own performance measures aligned with the strategy, self-manage their outcomes, and take action when things are not on track. When setbacks occur, they own the problem. When success occurs, the manager acknowledges it. This is the adult-adult dynamic, one of the clearest hallmarks of a high-performing culture.

Think of a relay race. Every runner owns their leg. They do not wait to be told when to run, where to run or how fast. They know their role, they have prepared for it, and they take full responsibility for the baton handoff. When one runner drops the baton, they do not look for someone else to blame. The parallel in business is exact.

A comprehensive study of more than 40,000 workers found that 93% could not align their work with their organisation's desired results. Separately, the study found that just 15% of leaders have clearly communicated their key results to their teams. These two statistics are not unrelated.

The post-2020 environment has made accountability harder to impose and more important to build. Hybrid work, flexible arrangements and changing workforce expectations have eroded the traditional mechanisms of command-and-control management. Businesses that had already built genuine ownership were more resilient. Those who relied on imposition found that when the physical environment changed, so did the behaviour.

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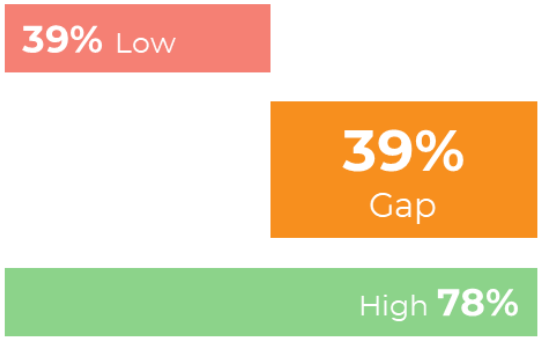
> **In high performing businesses, employees do not own their jobs because they are told to. They own them because the business has invested in building that ownership.**

What high-performing businesses do differently

High performers invest time in helping employees understand the connection between their individual role and the strategy of the business. They use structured conversations to align on performance expectations, check in regularly on progress and create a safe environment for employees to raise issues early rather than hide them.

Gap #4: Quality of HR Planning

This is the least glamorous item on the list. It does not feature in leadership keynotes. It rarely makes the front page of a business magazine. And yet it sits firmly in the top five gaps between high- and low-performing businesses in Australasia. The data is unambiguous: the quality of HR planning is a significant driver of performance.



For most SME business owners, HR planning conjures images of paperwork, compliance and policies. That is understandable, but it is also incomplete. Strategic HR planning is about ensuring the right people are in the right roles at the right time, with the capability to execute the business strategy. It is about workforce planning, succession, skills development, and retention - and treating all of these with the same rigour as financial planning.

The builder analogy is useful here: **you would not begin construction on a building without architectural plans**. Yet most small and medium businesses build their most important asset - their workforce - without anything resembling a plan. They hire reactively, develop ad hoc and only think about succession when a key person has already handed in their notice.

The cost of this approach has become more visible since 2020. Labour market volatility, record-high turnover rates and a genuine skills shortage across many industries have exposed businesses with poor HR planning. Australian research shows employee turnover is now costing businesses an average of $23,000 to $60,000 per person replaced, with some skilled roles reaching well above that. Across the Australian economy, employee turnover is estimated to cost businesses $3.8 billion annually.

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High-performing businesses in our data have clearly made a different choice. They plan for their people the same way they plan for their finances: with structure, foresight and intent. The result is lower turnover, higher capability, smoother succession and a workforce that is ready for growth rather than perpetually playing catch-up.

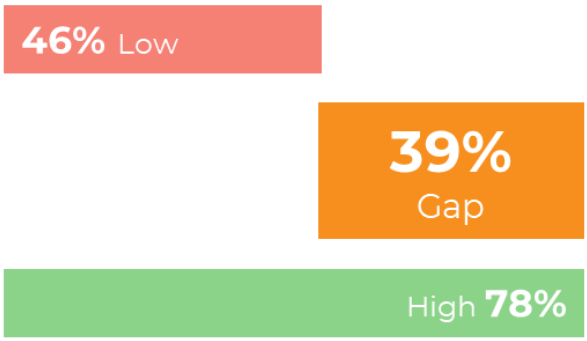
> **High performers treat HR planning as a strategic function. Low performers treat it as administration. The gap between them costs millions.**

What high-performing businesses do differently

High performers have a documented HR plan that sits alongside their business strategy. It covers workforce requirements for the next 12 to 36 months, capability gaps, succession for key roles and planned investment in learning and development. Critically, it is reviewed and updated regularly - not filed away and forgotten.

Gap #5: Varied Culture Within the Organisation

Culture is the pattern of behaviour that people, teams and departments demonstrate on a regular basis - particularly when things are under pressure. It is not the values on the wall or the words in the employee handbook. It is what actually happens when the owner is not in the room.



Varied culture - where different parts of the business operate according to different, misaligned norms - is one of the most consistently destructive forces in a low-performing organisation. It creates friction, miscommunication and inconsistency. Customers notice it. Employees are frustrated by it. And the owner spends an inordinate amount of time managing its consequences.

The high-performing businesses in our data have an aligned and adaptive culture. This does not mean everyone is the same - it means everyone is pointed in the same direction. The best sports teams are not made up of identical players. They are made up of different individuals who share the same values, play by the same rules and commit to the same goal.

Research from Built In's 2024 Culture Report found that 61% of employees would leave their current job for an organisation with a better culture. Separately, Gallup research shows disengagement costs organisations approximately 34% of a disengaged employee's salary in lost productivity. In a business where culture is

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misaligned across teams, these costs are not theoretical - they are showing up every week in the operational results.

This gap is particularly relevant in the post-2020 environment. Hybrid and flexible work arrangements mean that culture can no longer be transmitted through proximity - through the physical environment of a shared office, shared lunches and daily informal interactions. Culture must now be deliberately built and maintained. Businesses that relied on proximity to hold their culture together discovered its fragility when the proximity disappeared.

HR Coach's ongoing longitudinal research across Australasian SMEs has identified the core culture drivers for both managers and employees. Low-performing businesses score poorly on customer focus among employees and planning quality among managers. These are not coincidences - they reflect systemic cultural deficits that, left unaddressed, compound over time.

> **Culture is not what you say your business stands for. It is what your people do when no one is watching. High performers build it deliberately. Low performers inherit it by accident.**

What high-performing businesses do differently

High performers measure their culture rather than assuming it. They use structured surveys to understand what their employees and managers are actually experiencing, benchmark those results against other Australasian businesses and take targeted, sustained action on the findings. Culture improvement is led by the business owner and management team - not delegated to HR.

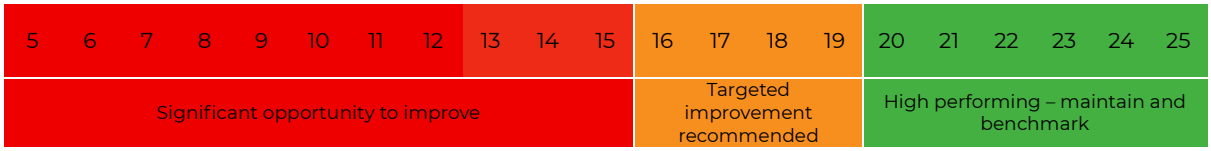
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Assess How Your Business is Performing

Take this quick review and measure how your business is performing across the five areas where the gap between high and low performers is greatest.

Use a scale of 1 to 5 to rate your business on each statement, where 5 means your business is a role model for this and a 1 means there is significant work still to do. Be honest — the aim is to flush out the good, the bad and the opportunities.

High Performance Business Indicator	Rating (1-5)
Our management team works together efficiently and effectively. They trust each other, communicate openly, commit to shared decisions and hold each other accountable for results.	
We have clear, meaningful productivity measures for every role in the business. Employees understand what great performance looks like and can track their own progress against it.	
Our employees own their roles and results. They set their own targets in line with the business strategy and take accountability for outcomes — without needing to be chased.	
We have a clear HR plan that aligns our people strategy with our business strategy. It covers capability gaps, succession and planned investment in our people for the next 12-36 months.	
Our culture is consistent and aligned across all teams and departments. Everyone understands our direction and demonstrates the same core behaviours, whether the owner is present or not.	
TOTAL	



If you scored below 19, the gaps identified in this paper are directly relevant to your business. The good news is that each of these areas is measurable, improvable and - with the right support - closeable. The research shows that businesses that consistently close them move from the low-performing group to the high-performing group, leading to improved productivity, sustainability and profitability.

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How to Become (or Stay) a High-Performing Business

The research shows there are five key anchoring measures that separate high-performing businesses from the rest. Here are the specific actions and solutions that work:

Business Imperative	Rating (1-5)
Management Team - Efficient and Effective	Build Manager capability through Everything DiSC Management: Direction and Delegation/Motivation/Development/Managing Upwards. Assess your management team as a unit, not just as individuals. Use Work of Leaders to build leadership capability and performance covering: Vision/Alignment/Execution Use 5 Behaviours of a Cohesive Team to build alignment, trust and shared accountability across your management group. Benchmark management culture scores against Australasian SMEs using STAR Workplace or Fusion Culture.
Employee Productivity Measures	Co-create meaningful outcome-based measures for every role in the business. Implement a Performance Feedback Matrix to link individual outputs to business results. Use STAR Workplace benchmarking to establish baseline productivity and track improvement over time.
Accountability and Ownership	Use the 5 Effective Conversations framework to build regular, structured dialogue between managers and employees. Ensure position descriptions are linked to strategy. Use a Career Monitor to support employee ownership of development. Benchmark your culture using STAR Workplace or Fusion Culture to identify where accountability gaps exist across teams.
Quality of HR Planning	Complete a Business Growth plan to align your people strategy with your business direction. Conduct a regular HR Business Assessment to identify process and systems gaps. Implement succession planning tools to ensure key roles are covered, and internal talent is being identified and developed.
Consistent Culture Throughout the Business	Measure business culture across all sites, teams and departments using STAR Workplace or Fusion Culture and benchmark against Australasian SMEs. Use the 5 Behaviours of a Cohesive Team to assess and build alignment. Culture improvement must be led by the business owner and management team — it cannot be delegated.

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About HR Coach

HR Coach Australasia consists of an Independent Member Network delivering human resource and strategic alignment solutions to businesses.

HR Coaches work with businesses to establish and maintain the link between People and Business Strategy to improve performance and profitability. HR Coaches have researched the Australasian small to medium business sector for over twenty years. They use this research, patented tools, and methodologies to deliver practical, timely, and effective solutions for businesses.

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