2026

EXECUTIVE PRIORITIES FOR THE NEXT DIGITAL WORKPLACE ERA 2026

A research initiative canvassing the views of Australian business leaders on:

- → Business priorities for 2026 and beyond
- → Challenges and opportunities in today's digital workplace
- → Employee engagement, happiness, and job satisfaction
- → AI adoption and governance in the face of uncertainty
- → The future of work and the need to build better human-centred workplaces

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INTRODUCTION

WELCOME TO EXECUTIVE PRIORITIES FOR THE NEXT DIGITAL WORKPLACE ERA 2026

With 2026 bringing both opportunity and challenge, Australia's senior business leaders face unprecedented change. Competing priorities, global market forces, and geopolitical uncertainties are placing increasing pressure on executives to balance performance with transformation. Success in this new environment requires that leaders combine digital fluency – including the effective implementation of technologies like Artificial Intelligence (AI) – with a more human-centred approach grounded in empathy and trust.

In this challenging and exciting time for business, we wanted to better understand what is happening inside Australia's top companies as they prepare for the digital workplace era. How are the nation's most senior leaders managing change and the resulting challenges and opportunities? How are leaders being held to account, and how is the employee experience being managed?

Against this backdrop, we're proud to launch our inaugural C-level research report, ***Executive Priorities for the Next Digital Workplace Era 2026***. The report canvasses the views of more than 100 Australian senior executives engaged in workforce management and digital transformation. It dives into current challenges and opportunities facing modern business leaders, and their plans for how to leap ahead.

Our research also features independent analysis of the ASX 100 companies, to examine how Australia's most senior leaders are being measured and held accountable – what makes up their performance scorecards, and what does this tell us? This complements our global research, which focuses on employees' feelings on disruption and uncertainty, giving us a unique perspective on the gaps and synergies between leaders and their people.

At a high level, our research shows that leaders are optimistic about progress toward becoming a winning workplace in the next digital era. However, caution remains about the role of AI in the future of work and its effects on the employee experience. Despite this, many organisations still rank people and culture below other priorities, such as mergers and acquisitions (M&As), restructuring, investor and stakeholder pressures, revenue growth, and cost control.

This presents a risk. Our report finds that **employee engagement, happiness, and job satisfaction may come under pressure** as AI adoption grows. If leaders fail to prioritise people and culture, digital transformation strategies will fail, and employees will become more dissatisfied. Conversely, organisations that elevate people and culture as a strategic priority stand to strengthen business performance and unlock greater profits through improved workforce outcomes.

The future of work in Australia will be shaped by leaders who can successfully pair technological ambition with human-centred leadership. This report explores the priorities, risks, and opportunities that will shape the next era of the digital workplace in 2026 and beyond.

Ramak Salamat

Regional Vice President – JAPAC, Staffbase

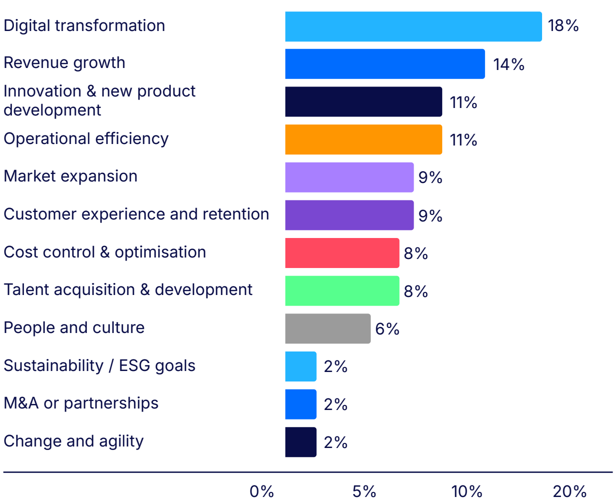
TOP 2026 EXECUTIVE INSIGHTS

Our report highlights that the future of work is defined by digital transformation, AI adoption, governance, and topline and bottom-line growth. There is a gap in people and culture strategies at the top, resulting in a mismatch in C-level and employee expectations.

Digital transformation and growth strategies are the top priorities

Unsurprisingly, our report found that **digital transformation** is the top strategic priority for Australian leaders over the next 12–18 months (18%). This is followed closely by **revenue growth** (14%) as well as **innovation and new product development**, and **operational efficiency**, both at 11%. People and culture rank towards the bottom of the list, alongside ESG goals, partnerships, and change management. Our data suggests a clear leadership focus on financial performance and unlocking future opportunities through digital technologies, rather than through people and culture.

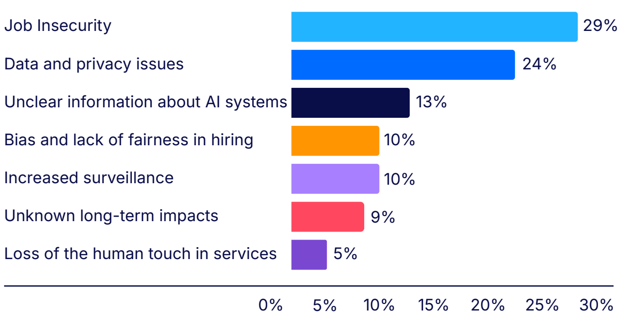
Figure 1: Top 3 strategic priorities over the next 12–18 months



Leaders acknowledge that employees are concerned about job security

Today's leaders recognise that, when it comes to AI, employees' top concern is job insecurity (29%). This is followed by data security and privacy issues (24%), as well as insufficient information about the company's AI policy (13%). Further concerns are bias, increased surveillance, and uncertainty around the long-term impacts of AI. From the top down, a strong focus on clear communication and human-centred design is needed to instil trust among teams. Employees also need reassurance that AI is there to enable, not replace, their unique skills and roles.

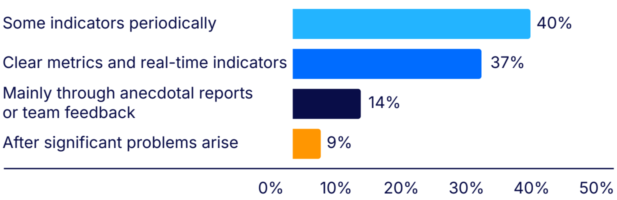
Figure 2: What concerns do employees raise most about AI?



Leaders have more work to do on their communications

The good news is that most leaders (77%) prioritise monitoring the employee experience with key metrics. However, we also know that less than half consistently check that team communication is understood. This reflects a bias towards broadcast communication rather than verified, reciprocal communication, and a worrying lack of effective CEO-led communication strategies in today's digital workplaces. It also suggests that a people and culture gap is creating friction across teams and leadership.

Figure 3: How do you know when a poor employee experience starts to impact productivity or trust?



THE MODERN LEADERSHIP LANDSCAPE

CHALLENGES AND PRIORITIES

Australian business leaders are under scrutiny to deliver sustainable financial outcomes, yet feel constrained by external forces. They are overlooking people and culture in future planning, weighed down by AI, economic uncertainty, and global events.

Leaders focused on surviving through digital strategies

Business leaders are very concerned about survival in disruptive times. Our report found that **M&As** and/or **restructuring** are the top concerns keeping leaders awake as companies undergo or anticipate significant structural change to survive in the next digital age. This concern is followed by **pressure** from investors and shareholders. Our data suggests a strong emphasis on accountability and managing performance expectations to keep external stakeholders happy – a reality also evident in our ASX 100 Executive Score Card analysis, where financial metrics account for approximately 50% of the measures against which executives are held accountable.

Revenue growth, cost control, and optimisation are also highly ranked as key challenges for leaders. This aligns with our ASX 100 analysis, where the C-suite continues to prioritise financial metrics amidst uncertainty. The data suggests that leaders are grappling with the accelerated pace of digital change and the need for AI adoption and innovation. They are assessing whether their business models still stack up and what their revenue models should look like while tightening the purse strings.

People and culture are not a top priority in the minds of leaders

Concerns related to **people and culture** ranked at the bottom of a leader's list of concerns, as did the impact of AI on the **future of work** and **talent acquisition.**

This points to a gap in leadership priorities, with the role of people and culture in performance metrics largely overlooked. Again, this finding is consistent with our ASX 100 analysis, which notes the people and culture gap at the top.

Figure 4: As a leader, what are the three biggest concerns keeping you up at night?

Top biggest concern keeping leaders up at night

1. **Mergers, acquisitions, or restructuring**
2. **Investor/stakeholder pressure**
3. **Revenue growth**

According to our research, **digital transformation** is the top strategic priority for 2026 and beyond for business leaders (18%), followed by **revenue growth** (14%), and **innovation through new products** (11%). The focus on technology, innovation, and growth illustrates a forward-thinking mindset.

The C-suite is failing to prioritise people and culture and to address employee disengagement and disillusionment, even as they seek to reimagine the digital workplace with AI. People and culture were towards the bottom of the priority list (6%), along with sustainability (2%), M&As (2%), and change and agility (2%). There is a mismatch in employee engagement priorities versus leadership priorities to get ahead with technology.

LEADERSHIP STYLE IN THE AI ERA

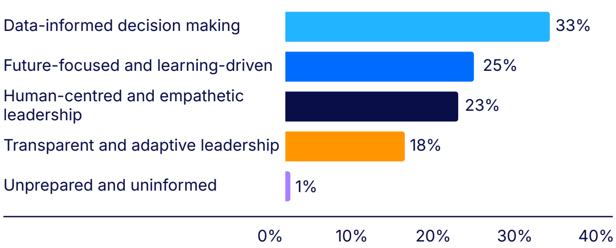
Our research shows few leaders are focused on human-centred, empathetic leadership. With many leaders neglecting the human touch, teams are feeling a sense of disconnect, unhappiness, and growing mistrust at work.

Executives lead with data over the human touch

According to our data, 1 in 3 executives (33%) identify with a leadership style that prioritises **data-informed decision making**, reflecting the growing influence of AI and analytics in shaping strategy. This indicates a shift toward evidence-based, performance-oriented leadership, where decisions are guided by insights rather than intuition.

A quarter of surveyed leaders (25%) are focused on **continuous learning** and **future readiness**, signalling awareness of rapid change and the need to evolve skills, capabilities, and business models. This aligns well with the broader push toward digital transformation and innovation in the modern digital era.

Figure 5: What best describes your leadership approach in today's AI-driven world?



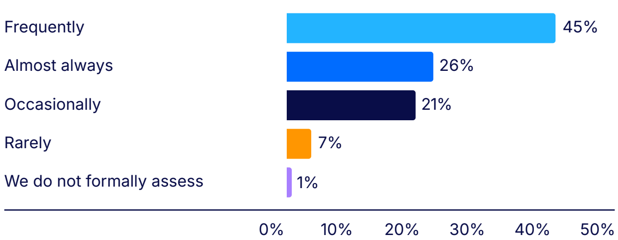
Despite ongoing transformation, fewer leaders prioritise empathy and people-centred approaches (23%) and transparent and agile leadership (18%). This points to a gap in leadership strategies as organisations navigate change – a period when employee engagement, trust, and culture are critical to success.

Senior executives today are focusing on what they want to achieve with data-informed decision-making and learning. Yet far less attention is being paid to how to lead the change with people, culture, and adaptivity at the core of change management strategies.

Leaders have their wires crossed with communications

Our research found that leaders lack confidence in the full execution of communication strategies. While almost half of our respondents (45%) indicate that they frequently validate understanding internally, inconsistencies remain, with 26% of leaders considering communication complete once sent.

Figure 6: How often do leadership decisions rely on the assumption that 'this has been communicated'?



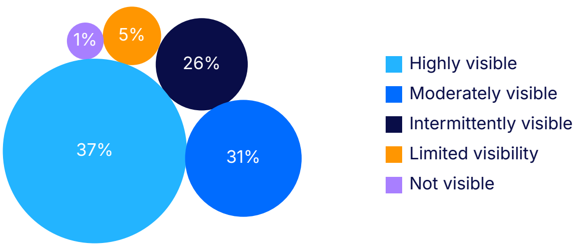
Our data suggests that leaders are getting their wires crossed and overlooking more comprehensive, wraparound communication strategies. Of the leaders surveyed, close to three quarters (71%) assume decisions are always understood or verified, showing a bias toward 'communication = alignment' without a deeper look at where and how messages are being received. Verification of messaging is inconsistent and situational, rather than systematic.

The fact that 21% of C-levels communicate only on matters related to major projects points to daily changes being left under-communicated. It appears that there is uneven communication across teams and initiatives. True verification of messaging is inconsistent and situational, rather than systematic.

Employee friction is visible, yet largely unaddressed

Of our surveyed executives, more than two-thirds (68%) said that employee confusion or friction is moderately to highly visible to the executive team. Almost 1 in 3 leaders (31%) admit there is limited visibility of these core metrics. Our findings suggest a problem with communication workflows and the low prioritisation of people and culture across some organisations.

Figure 7: How visible is employee confusion or friction to the executive team today?



Our findings suggest a problem with communication workflows and the low prioritisation of people and culture across some organisations.

In conjunction with our findings, research by Gallup also shows that people who feel connected to their team and organisational culture are 4.3x more likely to be engaged at work [1].

When people feel seen, heard, and supported by management, they are less likely to become disengaged. This suggests that executives can address employee friction by embedding people into the heart of transformation.

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IN CONVERSATION WITH **STEVE VAMOS,**

CEO, Author and Former CEO at Xero, Microsoft Australia, Apple Asia Pacific

Steve Vamos is a global executive and former CEO of Xero. With over 40 years' experience leading major technology shifts at Microsoft, Apple, and IBM, Steve's core philosophy is that technology does not innovate - people do. By leveraging technology as an amplifier for human potential, Steve builds high-performance cultures by bridging technical strategy and employee experience through clarity, strategic alignment, and empathy.

What are your views on prioritising people and culture in the modern workplace?

What would you have if your organisation had no people? Understanding that the humans in your organisation are the most important ingredient, and having conviction about it is the most foundational thing to wrap your head around if you want to succeed in the world as it is evolving.

> **"Technology does not innovate. Technology has not disrupted any industry. It's people who have. All technology does is amplify the potential of people."**
>
> Steve Vamos
>
> CEO, Author and Former CEO at Xero, Microsoft Australia, Apple Asia Pacific

If you want to understand and navigate a future in the fast-changing conditions we're living in, you need to be people-centric.

You need to look at how technology amplifies the potential of your people and your organisation as a result.

Organisations don't change – only people do. Which is why people-centricity is core to how I think and act, because it really works. And I just am astounded that it isn't more commonly recognised as: why are we having this conversation? It's obvious.

Do you think accelerated change is causing leaders to overlook people and culture?

This goes back to the fact that we come from an industrial age, when humans were the "arms and legs" of the enterprise. Now they are the "heads and hearts". But leadership has not yet evolved at a pace that matches what is happening with technology. There is a clear gap.

When it comes to CEOs, we talk a lot about what they do, but we don't talk enough about how they do it. When you get into the fundamentals of how a CEO does their job, the people-centricity of that has to be elevated.

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When it comes to outcomes, the problem isn't that executive scorecards give more weight to financial outcomes than people. It is that scorecards don't reveal enough about whether a CEO is driving the best possible financial outcomes by doing the right things to enable their people to do their best work.

> "There is a gap between what is required in the world we now live in, and where leadership is generally sitting."
>
> **Steve Vamos**
> CEO, Author and Former CEO at Xero, Microsoft Australia, Apple Asia Pacific

How do you get people to connect with your vision as a leader? What is your "secret sauce"?

I make sure to break down strategic priorities and intentions into cross-functional, co-ordinated actions, with clear leader and supporter roles. This ensures there's accountability to execute and that adequate resources are allocated to achieve effective results.

The devil is in the details. You need to be monitoring the execution of strategy in detail. A lot of leaders think that this is someone else's job. But as a CEO, if you aren't personally involved in the details of execution, it becomes all too easy to get pretty "loosey-goosey" with prioritisation and resource allocation.

Do you see too many silos in business today, and does AI force any of these silos or contribute to them?

AI will force more discipline into businesses operationally because an AI agent cannot function with the same lack of clarity and support that people do.

> "I know how the strategy is going to be executed, who is accountable, and how it is cross-functionally coordinated. It's called alignment."
>
> **Steve Vamos**
> CEO, Author and Former CEO at Xero, Microsoft Australia, Apple Asia Pacific

So, one of the things about AI is you're going to have to manage better – if you have a people management problem, you're going to have an AI management problem.

> "If you have a people management problem, you're going to have an AI management problem."
>
> **Steve Vamos**
> CEO, Author and Former CEO at Xero, Microsoft Australia, Apple Asia Pacific

What do you see the future workforce evolving into?

I think we are really good at seeing which jobs are going to be negatively impacted, but we're pretty bad at seeing which new jobs will emerge.

With more and more products being built by more and more people, sales and marketing becomes even more important. Getting the attention of customers becomes even more challenging as the plethora of solutions grows.

> **"In the attention economy, sales and marketing become even more important because as solutions multiply, getting noticed becomes the ultimate challenge."**
>
> **Steve Vamos**
> CEO, Author and Former CEO at Xero, Microsoft Australia, Apple Asia Pacific

And then there is the dilemma of build versus buy. When customers start thinking 'I'll just build it myself', then what business are you in? It's inevitable. It all comes back to your people.

Why do you think relationship skills, empathy, and curiosity are important in leadership?

They were already needed 20 years ago. It's misleading to think that all of a sudden, employees want leaders who are good at relating to others, who are curious, who challenge, who show empathy. These attributes that people want today will remain the same in the future. You don't have to guess, it's clear.

In terms of what new roles will be created, I reckon there's a much more credible [case] to say everybody is a CEO than it is to say that everybody is out of work. Because there'll be way more CEOs tomorrow than there already are today – it's accelerating. And the idea that AI will destroy entry level jobs is good news. Because that means these people with no experience can do jobs that are real jobs. We need to stop underestimating what young people can do.

> **"The most important capability you need to develop is the ability to change – and then helping your organisation do the same."**
>
> **Steve Vamos**
> CEO, Author and Former CEO at Xero, Microsoft Australia, Apple Asia Pacific

The most important capability leaders need to bring to their organisation is the capability to change. In my book, I talk about the 8 must-do things that are common sense but not common practice, because whilst they may seem easy to understand – but they are not always easy to execute.

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MANAGING PEOPLE & CULTURE IN THE CONNECTED WORKPLACE

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LEADERS ARE ACCOUNTABLE FOR THE EMPLOYEE EXPERIENCE, BUT MISTRUST REMAINS

While some leaders state that their company is delivering consistency in the digital workplace experience, there is still a sizeable gap in equitable access to information, companies have only moderate levels of trust in AI and its benefits, indicating a trust gap.

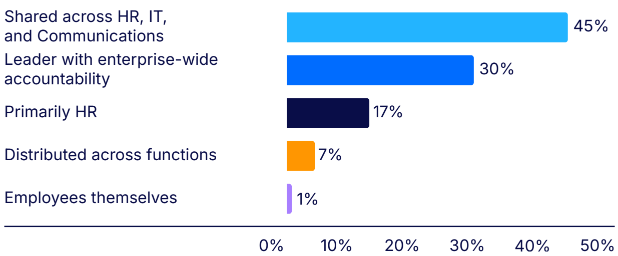
Shared leadership accountability for the employee experience

Of our surveyed leaders, almost 1 in 2 (45%) perceive the employee experience as a shared responsibility across HR, IT, and Communications in today's AI-driven workplace. A further 30% see the employee experience as being predominately owned by an executive leader that sits across the enterprise, while 17% indicate that only HR is responsible for the employee experience with limited cross-functional integration.

Many Australian leaders are driving coordinated governance and accountability for the employee experience. There is increasing recognition that the digital workplace requires multidimensional effort across people, technology, and communication channels. However, greater alignment across business functions is required.

Deeper alignment will reduce silos and create more balanced decisions that consider both the employee experience and technical feasibility.

Figure 8: Who ultimately owns the employee experience in your organisation?



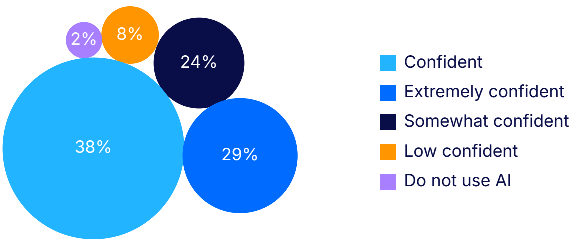
Mismatch in leadership efforts versus employee confidence in AI

The C-suite is taking shared accountability for the employee experience, but there is a mismatch in the collaborative efforts of leadership versus employee access to information, confidence, and trust. Of the leaders we spoke to, 67% say their employees are 'confident' or 'extremely confident' that they are getting accurate, AI-led information. And yet, almost a quarter of respondents (24%) feel their employees are only 'somewhat confident' in their access to information and AI, indicating a trust issue.

Approximately 10% of our respondents are very 'low in confidence' or 'not confident at all' in AI-related communication, suggesting that communication around AI initiatives must be clearer. While AI tools are increasingly being relied upon for delivering the employee experience, many firms have only moderate levels of trust among their people, as well as inconsistent and unverified communication.

Research by McKinsey & Company also shows that employee mistrust is on the rise, with 91% of respondents in a recent survey saying they doubt their organisation's ability to prepare, implement, and scale technology safely and responsibly[2]. Overall, this points to a need for stronger governance, auditing, and verification practices to ensure accuracy, reliability, and trust in AI-driven interactions.

Figure 9: How confident are you that employees are getting accurate information from AI tools?

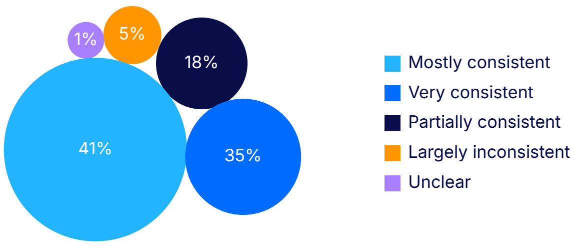


The employee experience is more consistent overall, but gaps remain

Almost half of Australian organisations (41%) report delivering moderate or high consistency in digital workplace experiences. However, gaps exist for certain roles, such as frontline and desk-based employees. This is because these employees are more likely to have inconsistent access to data, and therefore materially different experiences compared to more senior executives.

More than one-third of companies (35%) report equitable access to information, tools, and support across all roles. However, 18% of respondents note obvious gaps in access, communication, or enablement across the employee experience. These gaps are causing inefficiencies in workflows, frustration among teams, and the uneven adoption of digital tools in hybrid or deskless workplaces.

Figure 10: How consistent is the employee experience delivered on the frontline?



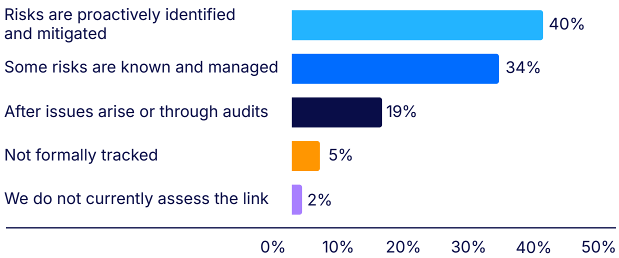
Better risk management is on the rise across employees and operations

Most Australian firms today see risk caused by breakdowns in the employee experience as being carefully managed with structured controls and measures. Our survey found that 40% of leaders actively identify and mitigate and monitor these risks. Meanwhile, more than 1 in 3 organisations (34%) manage some risks caused by disengaged people, but not consistently across all business functions.

19% of our respondents identify risks only after problems occur or during audits. This indicates a reactive approach rather than a proactive one, exposing enterprises to potential security and compliance issues. This gap is also likely to compromise both employee engagement and operational efficiency.

A small cohort of leaders (5%) said they suspect risk-related impacts are occurring but don't formally track them. These companies are high-risk, with limited insight into how the employee experience affects operations and compliance. Such organisations are rendering themselves vulnerable to employee disengagement, unseen operational inefficiencies, and heightened regulatory risk.

Figure 11: Where do breakdowns in the employee experience create operational inefficiencies or compliance risk within your organisation?



ASX 100: HOW DO AUSTRALIA'S TOP COMPANIES MEASURE UP?

We analysed the performance metrics of ASX 100 companies to gauge where Australia's top 100 companies sit on key business functions such as leadership, people, culture, and revenue growth.

The fundamental importance of people and culture at the top

Our ASX 100 analysis suggests that CEOs of some of Australia's largest companies are not being held accountable for the way they engage their people or how they foster culture. We found that 50% of the ASX 100 companies showed an average weighting of only 5–10% of people and culture in their executive scorecards. The average weighting placed on people and culture across the board was 11%, indicating a relatively modest emphasis on human capital considerations in executive performance scorecards.

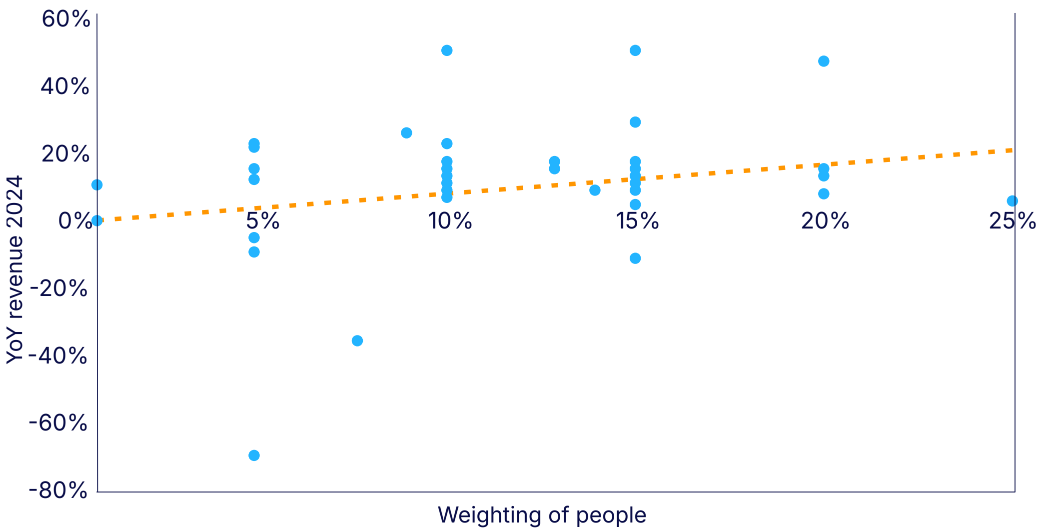
Of the ASX 100 with published executive scorecards, 32% disclosed that they had outperformed their target goals for each performance metric within their Executive Scorecards.

Notably, out of those firms, two-thirds exceeded their set targets for people and culture metrics. This finding suggests that higher targets are not only achievable but extremely beneficial for Australian enterprises.

Among the top 15 performing ASX 100 companies, the average weighting assigned to people and culture metrics is 15%, which is higher than the overall average.

In contrast, companies that ranked in the bottom half (51–100) allocated an average of 12% to people and culture. Broadly speaking, there is an opportunity to place a higher priority on people and culture from a CEO accountability perspective.

Figure 12: Correlation between weighting of people and annual revenue for ASX-listed firms



Canvassing the correlation between people and annual revenue

ASX 100 companies reported an average annual revenue growth of 5.7% in FY24. Firms that exceeded their targeted outcomes for people and culture metrics achieved an average annual revenue growth of 17.2%, highlighting a strong correlation between prioritising people and higher financial outcomes. For firms that did not reach their people target, their average weighting sat around 5%, again reinforcing the importance of people in driving revenue growth.

Our research shows that when clear accountability and measures are in place at the executive level, organisations can outshine revenue targets and boost performance. When leaders have people and culture top of mind, they unlock healthier financial gains and higher business performance.

The need to prioritise psychological safety in Australian workplaces

Unhappiness is rising in workplaces globally, particularly in Australia. In fact, Australia ranked 11th on Gallup's World Happiness Report 2026, down from 10th in 2024 [3]. As discovered through our survey's findings, heightened fears about AI and the job losses associated with it have resulted in workplaces being increasingly deemed **psychologically unsafe**. This raises questions about how executives can boost happiness, well-being, satisfaction, and trust among teams.

Our research across the ASX 100 companies showed that **people and culture** are pivotal drivers of long-term organisational success. Among Australia's most successful enterprises, there is a clear link between a stronger emphasis on people and culture, and higher financial gains and performance for the future.

However, our analysis suggests that a rethink is still required when it comes to Executive Scorecards. There is an increasing need to align C-level organisational accountability with people and culture functions, including CEO-led and executive communication strategies.

What can CEOs do to improve organisational accountability?

Today's CEOs are primarily being held accountable for their enterprises' financial metrics, not people. Yet a significant proponent of organisational responsibility lies with those running the workplace. This means leaders have an inherent responsibility to improve executive communications.

As research by Forbes indicates, the modern-day leader must show up with **energy**, **empathy**, **kindness**, and **authenticity** [4]. This backs our findings that leaders must guide their people through unprecedented times with care and consideration, elevating employee satisfaction and engagement. And to show up as an empathetic and caring leader, quality executive communication is key.

What does this mean for HR and corporate professionals?

HR leaders and corporate professionals are facing increased pressures in a world of constant digital disruption. The new digital business era demands a greater emphasis on critical business functions such as people and culture, with transparent communication at the core of change management strategies.

There is a timely opportunity for Communications Professionals to guide the C-suite in crafting compelling and authentic narratives that resonate with diverse audiences. Communications Professionals can help their leaders build trust among their teams with relatable stories.

The Chief Communications Officer is now strategically positioned to shape leadership perception and cultural alignment across the organisation. Also, as research by HR University highlights, there is a largely untapped opportunity for the Chief Human Resources Officer (CHRO) to step up and take on a more active role in change management [5]. The CHRO can further advocate for increasing the visibility of people and culture priorities, ensuring that these metrics are linked to executive remuneration.

Then there is the role of the Chief Information Officer, Chief Technology Officer, and/or IT leader. With technology dominating so much of the business agenda, both Communications and IT experts must come together to co-create compelling and impactful narratives about future business priorities.

Our ASX 100 analysis methodology

We reviewed the 2024 annual reports of all ASX 100 companies and the Executive Scorecards for those companies that publish them as part of their annual reporting.

We found that 50 of the ASX 100 companies published Executive Scorecards clearly detailing what metrics the leaders are measured against. In contrast, the remaining 50 either did not have an Executive Scorecard published at all or lacked sufficient details for thorough analysis.

The Scorecards featured on average 50–60% weighting allocated to financial metrics and performance, with the remaining 40–50% split across other functions such as strategic growth and execution, sustainability, customer experience, risk, safety, and people and culture.

IN CONVERSATION WITH

LAWRENCE GOLDSTONE,

Founder & Co-CEO, Be Luminous

Lawrence Goldstone is a top Executive, Board Director, and Management Consulting Partner with more than 30 years of experience across Australia and the UK. He is Founder and Co-CEO of Be Luminous, an organisation reimagining the nature of work, as well as Chairman of OzHarvest, Australia's leading food rescue charity. Lawrence is passionate around unlocking the untapped potential in people and creating disruptive change.

What do you see as the current trends facing leaders?

In my various executive roles, I have been involved in many AI and future work strategies, with a focus on employee engagement and the employee experience. There are some key questions I'm always interested in, such as, what are the future trends that intersect across the workforce and transformational strategy? How will they impact us? And how do we upskill?

Currently, we are seeing the huge impact of culture on leadership and business success. In the age of AI, human skills are more important than ever. As such, leaders must ensure people's psychological safety is embedded in company culture: this should be top of mind.

> **"Culture will determine who wins in the next era of work."**
>
> **Lawrence Goldstone,**
> Founder & Co-CEO,
> Be Luminous

We also need to prioritise what I call 'narrative leadership' in the face of technological advancements. This approach cautions against short-term thinking and asks executives to reimagine how their organisation can adapt and co-design cultural change going forward.

What are some of the key challenges AI is creating for leaders today?

One of the core leadership challenges driven by AI is the ability to maintain alignment amidst AI-led disruption and constant change. I believe savvy executives must understand that the most successful organisations will be determined by culture, not purely AI and automation.

AI is an augmenter and should not be thought of as a human replacement. In fact, recent findings from the World Economic Forum's Future of Jobs Report indicates that seven out of ten critical skills in business are human-centric rather than technical 'soft skills' [6]. These human-centric skills include creativity and problem-solving, and they are core components for the future survival of any organisation.

Fears around AI are also posing a challenge. With past technological advancements, the fear was there before the benefits and opportunities posed by the technology were realised. Everything was fear-driven and replacement-driven. So, despite rising fears about AI replacing people and jobs, data security risks and so on, it is simply the latest wave of technological change. I think we will adapt and thrive now just as we have in previous eras.

What are key benefits of AI that leaders are leveraging?

AI creates opportunities for organisations to automate repetitive tasks and free up time for skilled people to produce more valuable work. However, many companies are not yet fully equipped to pivot internally for this cultural and systematic change, nor are they future-ready for the new roles and skills needed in an AI-driven world.

For example, individuals often adopt tools faster than their companies. This means that employees are ahead of their leaders and internal change policies, creating a 'horizon one' focus on optimisation rather than reimagining ways of working in the long-term.

With AI, it is also important to remember that the technology itself is not enough. Leadership needs to drive the change with clear communication, energy, and momentum.

> **"Leaders play a key role in ensuring their people trust in AI transformation and have the confidence to use the new digital tools and systems. Organisational culture must adapt to the new way of working and wrap around it. At the same time, people need to feel a sense of belonging and commitment to the AI strategy and cultural change, or else it will fail."**
>
> **Lawrence Goldstone,**
> Founder & Co-CEO,
> Be Luminous

What can leaders do to 'own' the employee experience in the AI age?

Across any organisation, the CEO and the entire C-suite must collectively own the employee experience, moving beyond silos to foster an enterprise-wide mindset. There are three essential leadership capabilities needed to truly 'own' the employee experience. These elements form the basis for enhanced employee engagement. They are:

1. **Change literacy**: The first capability is change-specific literacy that gives people a more flexible mindset when facing uncertainty.
2. **Psychological safety**: The second capability is that leaders need to role-model and roll out psychological safety at scale, enabling innovation and experimentation.
3. **Narrative leadership**: The third capability is narrative leadership, aka a C-level's ability to inspire a shared vision and purpose across their team.

> **"Without people, there would be no conversations around how AI enables, reskills, and upskills people. Technology amplifies the culture that already exists."**
>
> **Lawrence Goldstone,**
> Founder & Co-CEO,
> Be Luminous

When leaders demonstrate such courageous qualities, they are well-positioned to spark meaningful change and inspire confidence in their people. Along the way, communication is key; especially in the age of AI where traditional communication methods are less effective.

It is worth noting that AI tools can help to amplify human interaction and communication for employees. These tools can also provide personalised coaching for people.

So, the aim is not for AI to replace people, but to help them better communicate with each other. Along the way, digital interaction should not fully replace in-person interaction, as face-to-face conversations foster deeper, more meaningful relationships between people.

What do you think is driving the decision-making of today's leaders?

Across the C-suite, those who are truly leading decision-making and change think differently. They ask questions like: how do we build curiosity and uplift capability? What would a different model and mode of work look like? How can we take initiative to remain agile?

> **"If I had one criticism of the organisations being left behind, it would be a lack of boldness and ambition among leadership, with a limited ability to see beyond the horizon and prioritise culture above all."**
>
> **Lawrence Goldstone,**
> Founder & Co-CEO,
> Be Luminous

The most successful executives today are flexible and agile in their decisions. They are hiring people with specialist skills and proven track records. They are building an ecosystem of best-in-class experts in AI who align with the company's creative, transformational vision.

I do think many companies are struggling with alignment. There is so much pressure from external forces that C-level executives are tempted to simply bunker down and cope day-to-day, without staying aligned as a leadership team across strategy and future planning. And it is not a technology challenge creating this disconnect – it is a culture challenge.

How can leaders and organisations help their people adapt to change?

We know that technological transformation and change is already happening all around us. What is left is the people – and people are at the heart of how organisations adopt, embrace, and inspire change with AI. This is the new way of working.

In this high-stakes environment, the C-suite must help their people adapt or be left behind. Managers have a responsibility to ensure their employees feel psychologically safe and to help them acquire the technical know-how and skills to pivot internally.

It is also key to double down on the human skills; the attributes that stand out. After all, people are still human. They want to feel valued. They want human connection, they want to be trusted with information, and they want to be taken on the journey, not told what to do.

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My advice is to invest in your workforce and culture, and to find moments to bring people together through narrative leadership. Create connection, meaning, and purpose, and you will ensure people feel a sense of belonging, not just a need to adapt. You will then have a far stronger, more resilient workforce in the age of AI and digital disruption.

> **"I think the next dominant narrative is going to be about culture. Because organisations win when their people trust in leadership. The ideal culture looks like people who feel connected to their organisation and have deep psychological safety in the work they are doing."**
>
> **Lawrence Goldstone,**
> Founder & Co-CEO,
> Be Luminous

How can we help people feel connected to their team and culture?

Creating meaning is a competitive advantage for your employees and organisational culture. The purpose of your organisation is why people want to work there. And it is how they feel connected to the team, culture, and overarching business strategy.

Employees want to have meaning, belief, and trust in their work. They want to enjoy the workplace they are a part of. Trust is crucial: management must have plan in place to be able to help people move and adapt into what comes next.

The more engaged people are, the more adaptive, innovative, and resilient they become. Leaders need to effectively communicate the 'why, what, who, when, and how' of what a future strategy is, and be able to back it up with evidence. People will not come along on a change management journey without understanding the reasons behind the decision.

What will the future of work will look like?

The digital workplace era of tomorrow does not belong to the most automated organisation. It belongs to the most human one.

It feels like so much of the AI conversation is about replacement and fear of change. Yet most leaders want to have a bold and ambitious plan centred around bringing change into their organisation. With the fear comes risk aversion, and a focus on getting the basics right before leaders look to catapult and amplify their business into daring new territory.

I believe that you have got to be playing in both fields: the short game and the long game. The most innovative organisations are playing across both fields. They are managing sensibly in the now, but they are also driven by a determination to realise future goals. The future of work will look like getting the balance right between engaging your people in the present and co-designing a courageous vision for tomorrow.

AI AND TECHNOLOGY TRENDS

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AI ADOPTION IS GROWING BUT IS IT WORKING FOR YOUR PEOPLE?

Our findings show that a large proportion of enterprises are actively redesigning data analysis and storage with AI, as well as general technology platforms. However, it is still important for management to include its people in technology decisions.

Workflows are being redesigned with AI in promising ways

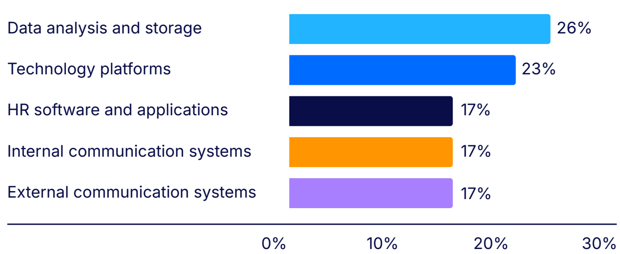
Almost half of our survey respondents (49%) are actively redesigning data analysis and storage with AI, as well as general technology platforms. A further 23% of enterprises are updating core technology platforms to integrate more sophisticated AI tools, improve the employee experience, and enhance interoperability. While 17% are looking at improvements to HR software and applications, indicating a positive focus on recruiting, onboarding, and retaining top talent. Both internal and external communications systems are now on the radar too for a small cohort of leaders.

Our findings reflect a data-first approach for modern-day enterprises, with AI driving improved automation, deeper data-led insights, and faster overall decision-making across teams. McKinsey & Company's research complements our report findings, suggesting that organisations are actively redesigning data management and workflows with the goal of adopting and scaling AI [7].

In this promising context, scaling AI's impact still requires strategic priority setting and effective change management from leadership. Fortunately, our research shows that a strategic approach to AI and technology is top of mind for leaders. Platforms that offer AI-powered, highly integrated communication solutions – linking data, collaboration tools, and customer interaction systems – will be well-positioned to support employee engagement.

Our research shows that a strategic approach to AI and technology is top of mind for leaders. Platforms that offer AI-powered, highly integrated communication solutions – linking data, collaboration tools, and customer interaction systems – will be well-positioned to support employee engagement. Real-time intelligence, automation, and seamless integration will be key areas of focus to align with digital transformation priorities.

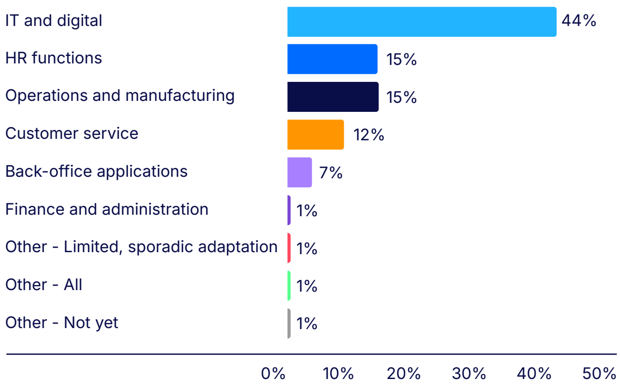
Figure 13: Which workflows are you actively redesigning because of AI?



AI adoption is high on the agenda across several business functions

For most of our surveyed leaders, AI agents and implementation are high on the boardroom agenda, with AI adoption strongest in IT and digital functions for almost 1 in 2 leaders (44%). This is followed by the integration of AI agents across HR functions (15%) and operations and manufacturing (15%), as well as customer service functions on the frontline (12%). In contrast, focus on embedding AI in areas such as finance and back-office applications is very low.

Figure 14: In what areas are you using AI agents in your business? What are your confidence levels in providing you with the right guidance?

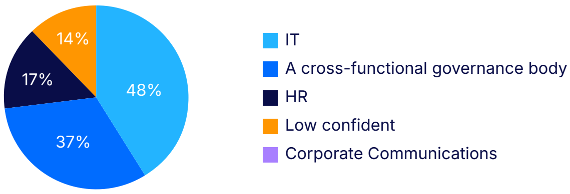


Our research illustrates that forward-thinking Australian firms are looking to enable new ways of working with AI agents and technology adoption. There is a clear prioritisation of IT and digital aspects of the business, whereas AI adoption is more limited to administrative areas. This highlights an opportunity to scale AI more broadly by using proven IT and digital frameworks to improve manual and administrative workflows.

Leaders view AI as part of the IT function

Our report shows that almost half of the surveyed leaders (48%) view AI as part of the IT function, failing to see AI in a broader light across the enterprise. In fact, less than a quarter of leaders report AI as a business area with cross-functional responsibility. Only 17% of respondents view AI governance through a people, policies, and workforce lens, and 14% see a link to corporate communications.

Figure 15: Where does the governance of employee-facing AI sit?



Our data suggests that AI is still led by IT and digital teams in terms of strategy, adoption and governance, and companies are yet to catch up on the broader role of AI and its complexities. This is especially true of the impact of AI on people and teams.

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IN CONVERSATION WITH DR. SURESH SOOD,

Director, Behavioural Big Data

Dr. Suresh Sood is one of Australia's most prominent voices in AI and data science, with extensive experience across AI analysis, behaviour, and sustainability. Suresh is the Director of Behavioural Big Data, Brain Value Pty Ltd. He is a renowned PhD Supervisor at the University of Technology, Sydney, and a Content Developer at Torrens University's Innovation Office.

As an experienced executive and academic in AI and technology, what are some key trends you are seeing?

In recent years, I have observed an increasing disconnect between leadership and the workforce. This disconnect between people is an unfortunate trend and a core failure of AI.

Leaders believe that they understand digital transformation, yet they are structurally excluded from the day-to-day reality. Why? Because they are not having conversations with their teams: the people who understand and oversee the technology. Executives are making decisions about AI without visibility into the real work. It is not a tooling problem; it is structural blindness.

Why do you think AI strategies so often fail? What can executives do?

Many companies are trying to implement AI into organisational structures they do not understand, for a workforce they do not see in its entirety, using tools they cannot yet control. Meanwhile, trust, knowledge, and human connection are collapsing underneath them.

Amid this complex interplay, I believe that AI is being misapplied; that is why it so often fails. AI is being treated as merely a tool without the system thinking behind it.

In fact, most organisations are playing with the tools instead of thinking strategically about redesigning the work.

> **"The brutal reality is that leaders do not have an AI problem but rather, a design and execution problem. We need to work together to change this reality."**
>
> **Dr. Suresh Sood**
> Director,
> Behavioural Big Data

How can we empower workforces to share their AI expertise?

The missing 'workforce architecture' in AI adoption offers space for technical talent to step up and share their skills and expertise at every level. However, they cannot do so without the support, encouragement, and understanding of upper management and the C-suite.True commercial success relies on empowering talent across IT architecture, data architecture, and AI architecture. Currently, there is no labour force architecture.

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How do you see shadow AI impacting current workforce trends?

With shadow AI, there is an underlying behavioural layer that is hidden from leadership. Invisible work is occurring, driven by shadow behaviour, and executives must put workarounds in place.

Shadow behaviour points to uncomfortable truths in your workforce. If you do not see how daily work happens, your AI strategy is fiction. And there is a clear trust gap. Ask yourself: why are staff using shadow AI? It is not the technology itself but the behaviours that need to change.

What is the impact of misunderstandings in AI use and why is trust an issue?

There is a missing layer in coherence and understanding with AI. What is missing in the workplace is not an AI tool; it is human-led change management: the how and why of the work.

A lack of trust is also having a significant impact. We are experiencing a trust crisis and 'source of truth' problem. Employees are unsure whether to place their trust in new AI platform or system. Yet the problem is not the AI risk but trusting what is real versus what is generated. It is the output that matters, and employees are wary of AI output in a world of synthetic content.

> **"AI fails when employees lack understanding, leaders do not explain it, and no system connects the dots. AI requires clarity and strong leadership. That is the solution."**
>
> **Dr. Suresh Sood**
> Director,
> Behavioural Big Data

What is the role of leadership in driving digital transformation?

Many organisations are slow to adopt AI and digital transformation due to leadership issues. Leaders are still thinking in traditional terms; they are structurally behind and may have zero hands-on experience with AI. They are also hiring symbolic roles such as Chief AI to avoid structural change. In this way, leadership is lagging and misdiagnosing the problem of why.

What do you see as the human cost of AI and remote work?

We are seeing a human cost of AI and remote work, with the rise of loneliness and social breakdown. This is the emotional undercurrent of increasingly siloed workforces across multiple geographies. As such, the employee experience is no longer a 'nice to have'; it is an essential component of psychological infrastructure and safety for your people. A culture of safety and trust will reduce the risk of loneliness and isolation among your team members.

> **"Today, loneliness is a massive epidemic. People look at AI platforms and think, 'How's that going to solve my loneliness?'"**
>
> **Dr. Suresh Sood**
> Director,
> Behavioural Big Data

What are some key challenges executives must firstly overcome?

Soon, robots are going to be able to learn on the spot from video. AI poses incredible opportunities to innovate and boost productivity. However, your people need to trust in it to truly reap the benefits. At present, there is a massive wedge between AI's potential and people's fears around deepfakes, AI-generated content, and misinformation, to name a few examples.

WHAT'S NEXT?

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FIVE EXECUTIVE ACTIONS

FROM THE RESEARCH: WHAT LEADERS MUST DO NEXT

Our research highlights a shift toward ***connected, human-centric workplaces*** driven by empathetic leadership, clear communication, and improved employee experience – with the C-suite building trust in AI-led transformation. Below are the five actions every Australian executive should act on now.

01 Include people in AI & workflow redesign from day one

A clear gap in people and culture strategies is leaving employees behind. Firms have strong appetite for AI and digital transformation — but change management only works when teams understand and trust the process. Leaders must prioritise people, culture, and open communication in tandem with AI adoption.

49% actively redesigning workflows with AI — but most aren't bringing people along

02 Reassure talent: AI is there to enable – not replace – them

Many employees are anxious and fearful about AI replacing their roles. Job insecurity is the #1 concern, driving low morale and dissatisfaction. **Human-centred leadership and clearly communicated AI plans are pivotal.** People need consistent reassurance — not announcements, but ongoing, verified dialogue.

29% of employees cite job insecurity as their top AI concern

03 Ensure equitable access to communication & information

Executives recognise the need for equitable access to data and communication — but many don't know where to begin. AI-enabled, integrated communication platforms offer a path to fairer, more inclusive access, particularly for frontline and deskless workers who currently experience materially different digital workplaces.

18% of firms report obvious gaps in access or enablement across the employee experience

04 Improve the connected digital workplace to unlock growth

Most enterprises achieve moderate consistency in digital workplace experiences — but frontline, hybrid, and deskless workers are being left behind, leading to lower engagement and uneven digital adoption. Clearer communication, trust-based teamwork, and empathetic leadership are the levers that convert digital investment into measurable growth.

41% report moderate–high consistency — but 18% note clear gaps for frontline workers

05 Give governance and people equal weight in transformation

Leaders are investing in AI and digital transformation underpinned by strong data governance and security controls — and rightly so. But people and culture must carry equal weight. The C-suite must ensure that workforce ethics, well-being, and the human implications of data governance sit alongside the technical agenda — not below it.

11% avg people & culture weighting in ASX 100 scorecards

2/3 of outperforming firms exceeded their people targets

METHODOLOGY

Research design and analysis for Staffbase's ***Executive Priorities for the Next Digital Workplace Era 2026*** was conducted by Manning & Co., with field work conducted by Staffbase.

The report draws on detailed survey findings and insights gathered from 104 respondents and 3 interviewed senior executives in Australia. The survey findings were collected from 1st February to 1st April 2026, with data analysis conducted throughout April 2026.

Participants stem from a diverse range of industries, including Professional Services, Scientific and Technical Services, Financial Services, Insurance, Healthcare, Construction, and Information Technology. Almost half of the surveyed leaders work (47%) for large or listed companies.

Figure 16: What best describes the size of your organisation?

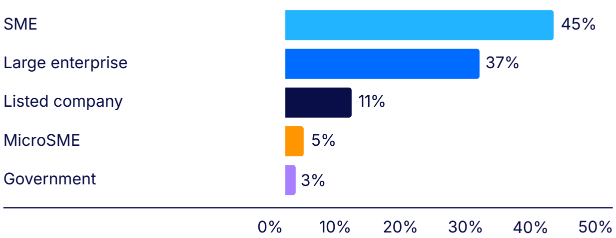
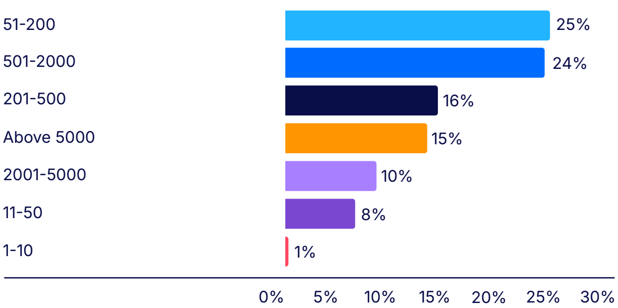


Figure 17: What is the employee size of your organisation?



About Staffbase

Staffbase was founded in 2014 with the goal of equipping companies to reach frontline employees with engaging experiences – a key to impacting business success. More than 1500 enterprises later, we help the world's best organisations close the gap between strategy and execution by delivering trusted information, proactive communication, and AI-powered support to their entire workforce.

Please get in touch with us for further information about our service offerings and how we can help.

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