
The productivity payoff
Unlocking competitiveness with generative AI
accenture

Contents

Page 04-05

Introduction

Page 06-08

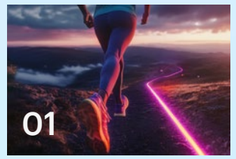
The productivity gap: Its impact and opportunity

Page 09-12

A new productivity equation is emerging

Page 13-32

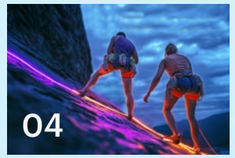
The path to productivity: The 5 behaviors of high productivity companies and how they gain a competitive edge



Redefine productivity and how it's measured

Invest in productivity for growth & competitiveness

Supercharge productivity with generative AI



Empower talent with human-centered strategy

Embrace change, break through barriers

Page 33

Are you ready to reach your productivity payoff?

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Introduction

Over the past decade, we've seen major technological advances that promised to boost productivity, the ultimate driver of competitiveness and growth. But despite significant investments in technology, many companies have yet to see the productivity payoff, as global productivity growth has remained flat. Even more concerning is that 40% of large global companies have seen negative productivity growth annually.

In the past, productivity initiatives have mostly focused on the input — on cutting costs and driving efficiencies. And our analysis shows that many CEOs continue to have this cost management orientation. The reality is that productivity is fundamentally about the relationship between input (effort required) and output (value created). Now, the impact of generative AI and other technologies is forcing companies to redefine productivity, essentially requiring new ways of working.

PRODUCTIVITY BY THE NUMBERS

1.4%

Global productivity, measured as inflation adjusted EBIT[1] per employee, has only increased by 1.4% per year since 2000

2.8%

The productivity growth of large, global companies has performed somewhat better, averaging 2.8% CAGR since 2015 despite significant year-to-year fluctuations

However many companies are already achieving real productivity gains — one-quarter of them have increased their productivity by more than 8% per year. These companies are not simply reducing costs; they are investing for growth and using technology, like generative AI, as a multiplier to drive innovation and enhance both the speed and quality of their work.

The bold actions, ambitions and attitudes of these companies regarding productivity growth is paramount to success and to realizing a productivity payoff.

8%

The top 25% of companies are growing their productivity more than 8% annually, with these companies found across all industries and geographies

ABOUT THE RESEARCH

Our extensive research on productivity combines insights from a survey of senior executives, earnings call analysis, company-level financial analysis and advanced productivity modeling.

We surveyed executives from 2,000 large companies across multiple industries and countries, exploring their strategies for unlocking productivity and where they invest gains. This survey data was integrated with historical productivity trends to discern effective management practices.

In parallel, we analyzed over 63,000 earnings calls from ~1,000 companies, using AI tools, to understand how leaders communicated to investors about productivity.

We also updated our Generative AI Labor Productivity Model, incorporating the latest findings from AI research by leading academia and AI labs, assessing the potential of generative AI to enhance both the efficiency and quality of work across various tasks.

We analyzed the P&L of nearly 1,400 Forbes Global 2000 companies to understand the financial drivers behind productivity growth over the years.

Finally, we modelled what the productivity growth at stake looks like by assessing how much a median productivity growth company can gain by actioning on the new productivity equation according to high performing productivity trends and prospective generative AI value analysis.

The productivity gap: Its impact and opportunity

The gap between high and low productivity growth companies has doubled over the past eight years—and quadrupled in the last four (see **Figure 1**).

What's driving this gap? Companies with high productivity growth aren't cutting costs; instead, they grow revenues faster than their spend and invest strategically in key areas—maintaining a healthier output/input ratio.

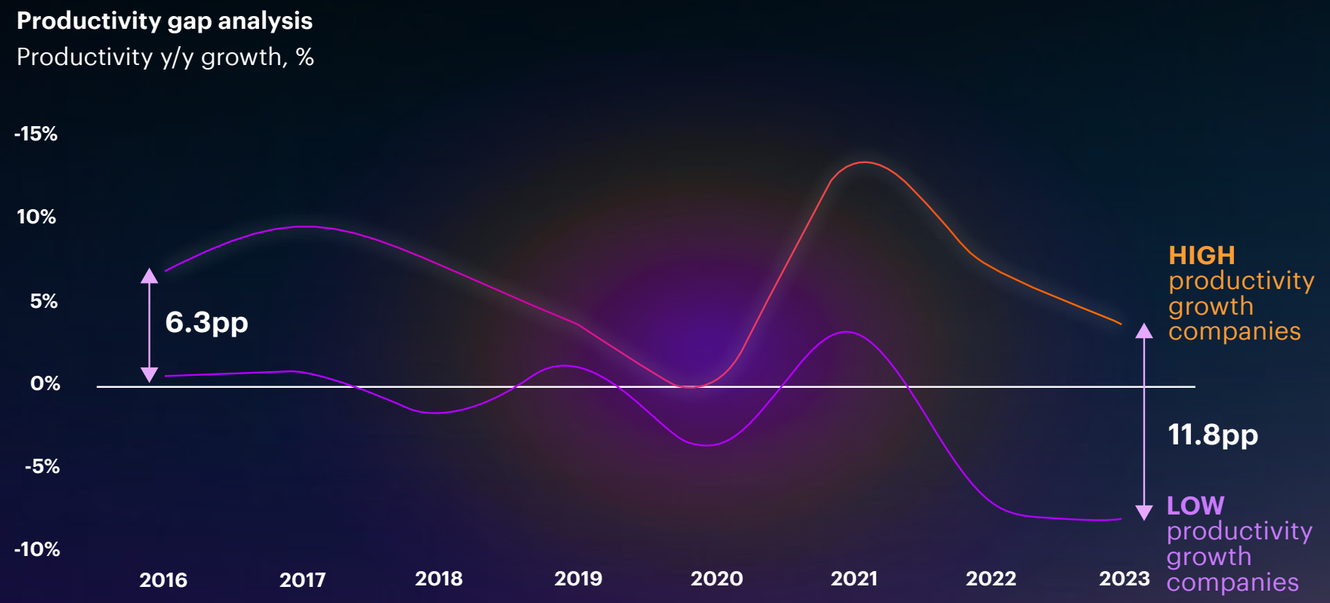
For instance, they:

- Achieve cost efficiency ratios (revenue/cost) that are ~4.5% higher than peers
- Increase revenues by ~1.3% for every 1% increase in total costs
- Grow revenues per employee by 7% annually, while total costs per employee rise by ~6%
- Invest more in cultivating complementary skills across the organization and demonstrate a stronger strategic commitment to adopting data and AI

Figure 1.

Mind the gap: Productivity growth leaders gain a competitive edge

The gap in annual productivity growth rates has increased from 6.3 percentage points (pp) in 2016 to 11.8pp in 2023

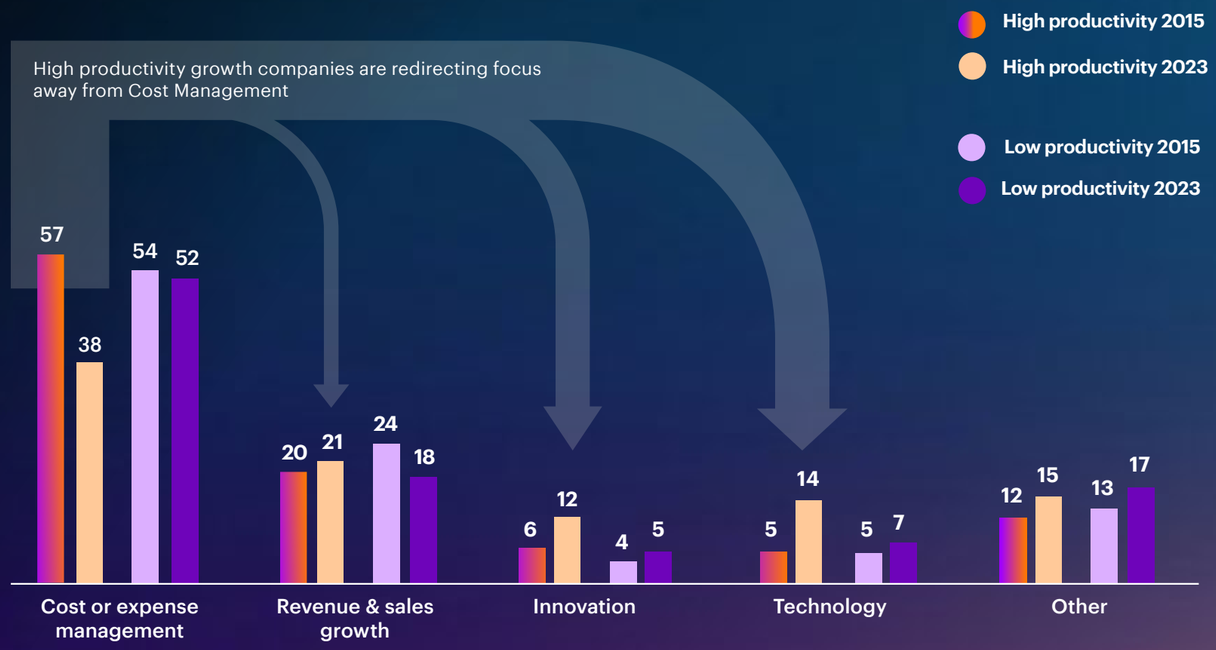


Source: Accenture Research. Productivity Growth Analysis of 1,392 global companies adjusted for inflation.

Figure 2.

Talk the talk: High-productivity companies focus less on cost, more on growth

Proportion **(%)** of statements related to key productivity topics during earning calls where productivity was discussed



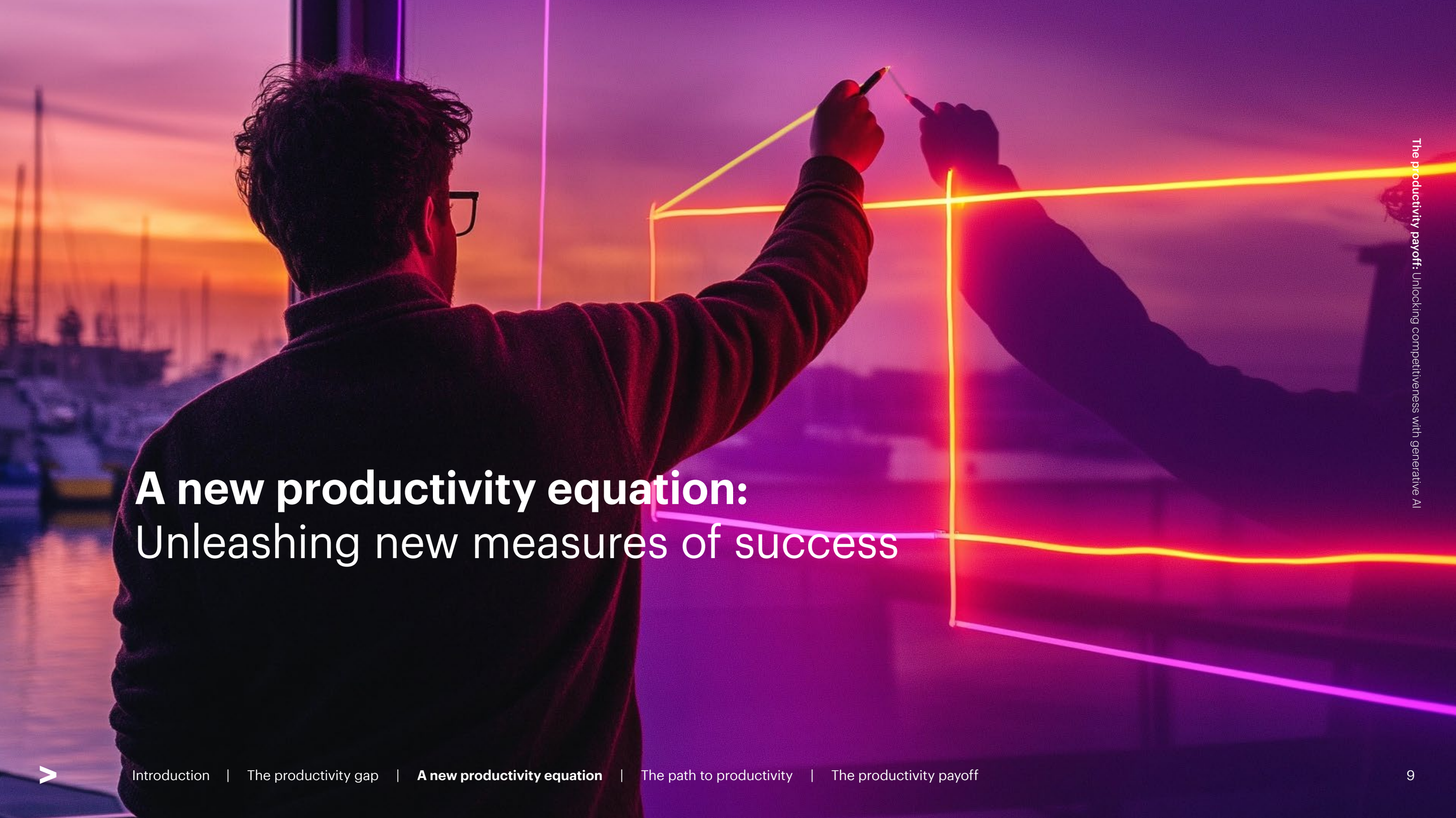
Note: LLM-powered classification of 63,528 earnings calls of G2000 companies, from 2015 to June 2024.
Source: Accenture Research.

We also see another critical gap at play: how executives view productivity in today's business context. Too often, executives still see productivity in terms of cost reduction.

For example, when we analyzed 63,000 earnings calls of G2000 companies from 2015 and 2023, we found that of those that mentioned productivity, almost half focused on cost management, while only 20% of such calls discussed growth.

On the other hand, CEOs of high productivity growth companies are increasingly coupling productivity discussions with the focus areas of revenue growth, innovation and technology (see **Figure 2**). These productivity leaders see productivity as much more than cost. For them, productivity reflects how well the company uses all its resources — capital, labor, technology and knowledge — to improve efficiency, speed, quality and innovation.

The traditional focus on cost optimization must give way to cost and productivity reinvention. That's what the high productivity companies are doing. This new approach enables productivity leaders to not only achieve cost efficiencies (despite investing more per employee) *and* revenue growth, but also sustain and widen their lead over typical companies.



A new productivity equation:
Unleashing new measures of success

A new productivity equation is emerging

In recent years, companies have navigated through various phases of cost transformation, underpinned by a zero-based approach that primarily targeted SG&A and other selected operational expenses. These have been relatively straightforward actions to address productivity.

In fact, over the last decade, 60% of companies have demonstrated meaningful productivity gains relative to SG&A, compared to only 37% extending efficiency gains to all operating expenses.

But by primarily targeting costs, many companies have missed the opportunity to increase output quality through knowledge-intensive process improvements, especially those around innovation and differentiation qualities needed for higher competitiveness and growth.

60%

While 60% demonstrated meaningful productivity gains relative to SG&A

37%

Only 37% extended efficiency gains to all operating expenses

That's because the conventional notion of productivity — simply focusing on lowering input — overlooks the 'knowledge productivity' that is critical in today's hyper-competitive, tech-driven economy.

In the new equation (see **Figure 3**), generative AI serves as a multiplier to cost inputs and organizational effectiveness to drive productivity growth. In this view, traditional cost transformation efforts are amplified by new ways of working and the adoption of generative AI, leading to a structural shift in positioning on the performance frontier and representing a new level of performance.

KNOWLEDGE IS POWER

One of the reasons companies can achieve such significant productivity gains is by unleashing 'knowledge productivity'.

To achieve knowledge-based productivity gains, leaders need to reframe how they think about productivity by identifying and prioritizing knowledge-intensive areas of the value chain that offer significant opportunities to improve not only cost – but speed, quality, and innovation, which we call knowledge productivity.

Figure 3.

The multiplier effect

In the new equation of productivity-driven performance, generative AI serves as a multiplier to cost inputs and organizational effectiveness.

Productivity Growth =

Cost
Inputs

Actions that a company takes to reduce costs per unit and reduce budgets, typically by rationalizing, constraining or optimizing spend within SG&A and OpEx.

Productivity leaders' cost efficiency (ratio of revenues to costs) is on average 4.5% higher than for other companies.

x

Effectiveness
Factor

Actions across the value chain that increase the output per unit of input, by changing how work is performed, often through organization changes, technology investments or reskilling of people.

Productivity leaders grow revenues almost 1.3% for every 1% of additional growth in costs.

x

Gen AI
Multiplier

The combination of time savings and product quality improvements that can be generated via the reinvention of work through the development and adoption of generative AI applications.

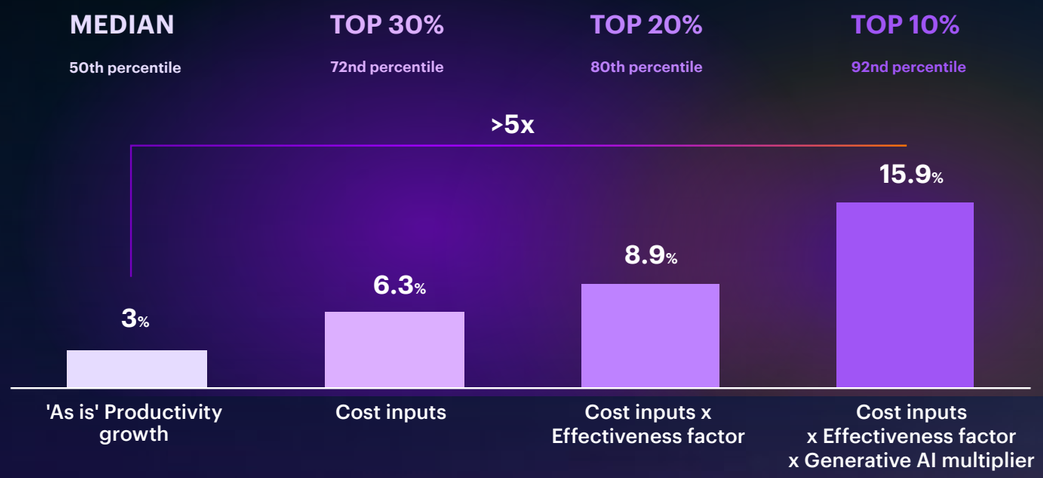
Generative AI has the potential to save over 12% of company working hours and increase quality by 8.5%.

Figure 4.

Long-term productivity growth at stake

Increase in EBIT per worker, CAGR %, 10-year horizon

By actioning on the three equation factors simultaneously, the median company can achieve more than 5x its current long-term productivity growth, from 3% a year to 16% a year.



Note: Productivity growth analysis of 1,392 global companies, adjusted for inflation. Baseline productivity growth is approximated with historical CAGR of revenues, costs and employees for 2015 to 2023.
Source: Accenture Research.

Applying this new approach to productivity and performance pays real dividends.

Based on historical company-level productivity trends and informed by evidence on the potential impact of generative AI, our analysis indicates that taking a holistic approach to productivity that encompasses actions across the three dimensions could increase the productivity growth of the median company up to 16% annually (see **Figure 4**). This growth rate is similar to that from the top 10% of companies in the G2000.

Our modeling shows that, for an average-productivity performance company, this could translate to a boost of 2.8x its EBIT over a 10-year period.*

*For companies that successfully adopt and apply the combination of the three dimensions outlined in Figure 3.

The path to productivity:

The 5 behaviors of productivity leaders and how they gain a competitive edge

By examining what productivity leaders do differently, we can begin to form a blueprint that others can follow.
The following actions have widened the year-on-year productivity growth gap between high and low performing companies.

01
Redefine
productivity and how it's measured

02
Invest
deliberately in productivity for growth and competitiveness

03
Super charge
productivity with generative AI

04
Empower
talent with human-centered strategy

05
Embrace
change, break through barriers

01

Redefine productivity and how it's measured

Companies that achieve high productivity growth define productivity differently. They look beyond costs and piecemeal productivity improvements and focus on output quality and how the organization functions to maximize productivity and create value.

To that end, they are boosting productivity by reducing business model complexity, simplifying the organization and its processes, leveraging value chain partners for speed and outcome quality and impact, and building technology capabilities to continually strengthen their business and operating models. A growing number of business leaders are adopting these productivity performance measures.

Yet only 36% of executives we surveyed use quality improvements as a measure of their productivity programs' success. As quality enhancements (including process and product or service characteristics) become an increasingly important outcome of productivity programs, they must be consistently monitored and measured.

Fortunately, a growing number of business leaders are expanding the lens through which they measure productivity performance.

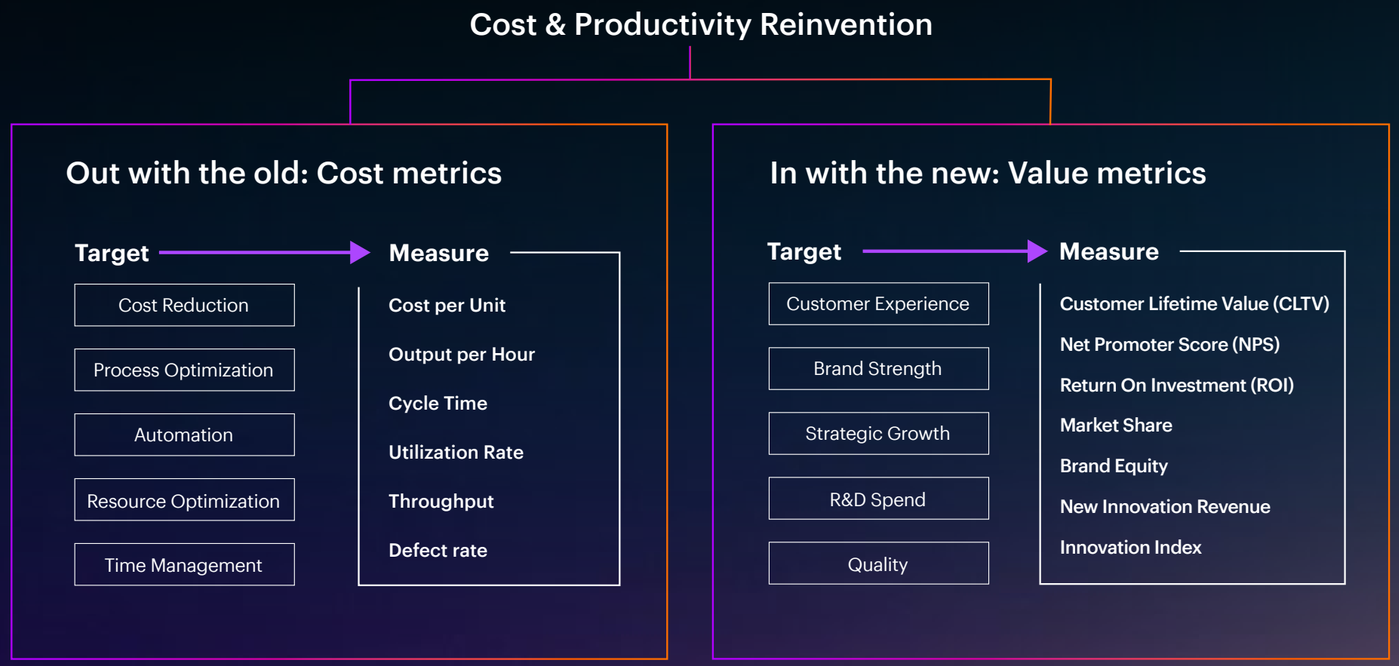
They start with a new framework that focuses on productivity's future value (see **Figure 5** on the following page), as well as a new definition of productivity — one that measures quality across a range of inputs and outputs to achieve new levels of performance.

36%

Only 36% of executives surveyed use quality improvements as a measure of their productivity programs' success

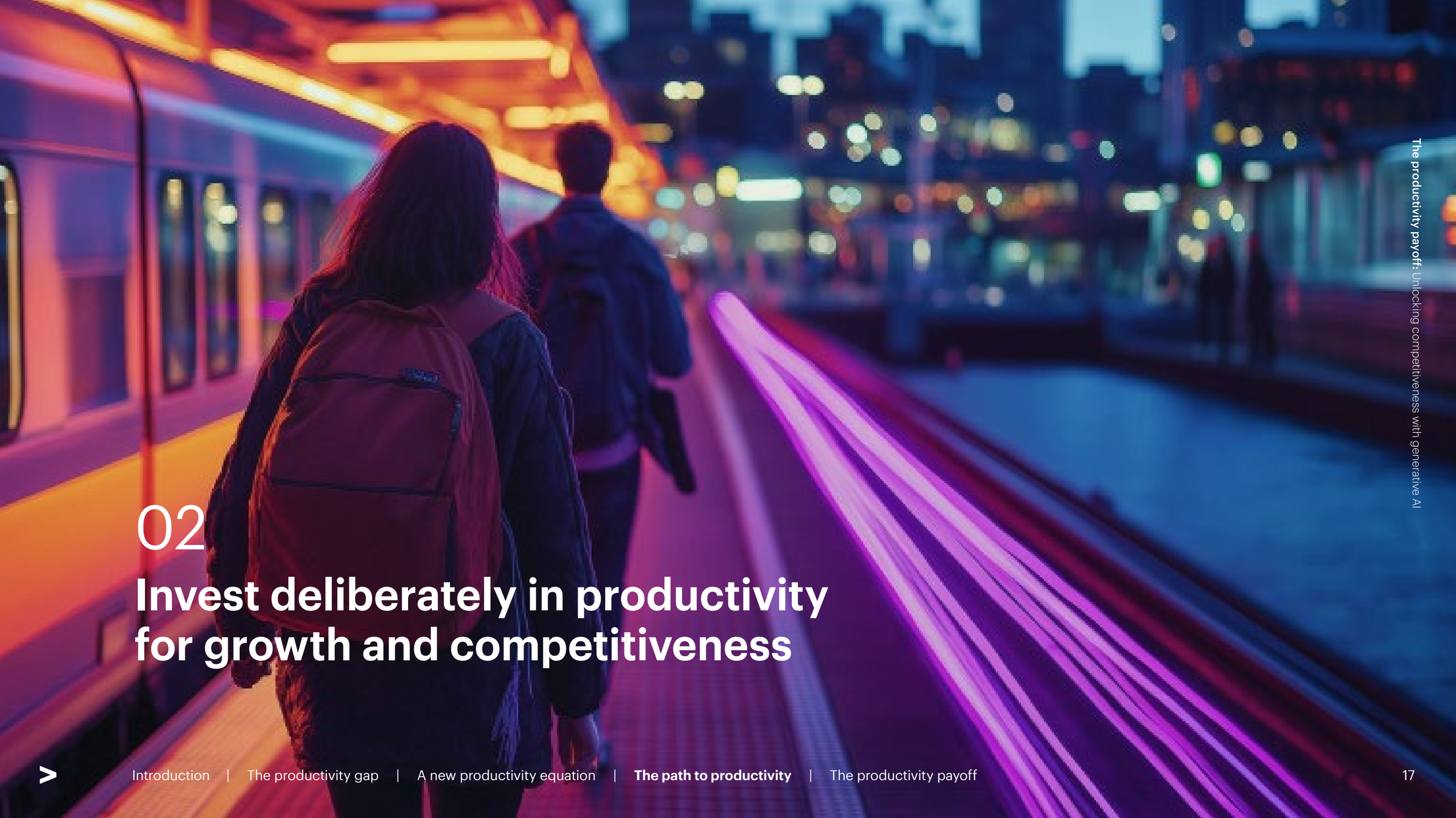
Figure 5.

The productivity payoff: From efficiency to value creation



This is not an easy task. As companies are increasingly faced with hundreds of decisions regarding processes, systems and their impact on people and value, they require a more comprehensive fact base to identify and prioritize improvement opportunities. This creates alignment on the decisions and value for process-led transformation initiatives.

Using this process value alignment approach helps organizations understand and quantify the relationships between people, efficiency, effectiveness, the systems involved, and the value created. The framework enables businesses to connect their processes to strategic outcomes, determine the cost of complexity, find root causes of pain points, and capture cross-functional transaction flows.



02

Invest deliberately in productivity for growth and competitiveness

The bolder, more focused investment strategy of productivity leaders helps ensure their revenues grow faster than costs.

However this approach is the exception. When we surveyed 2,000 large companies we found that, on average, they reinvest only **one-third** of their productivity programs' gains into fueling growth and emerging businesses. The rest goes, almost entirely, to protect the core business.

But productivity growth calls for more than creating new businesses and playing defense with mature ones. It calls for bold investment strategies that strengthen customer experience, build brand strength, and that drive strategic growth, return on innovation and quality.

1/3

Only one-third of productivity programs' gains are being reinvested into fueling growth and emerging businesses

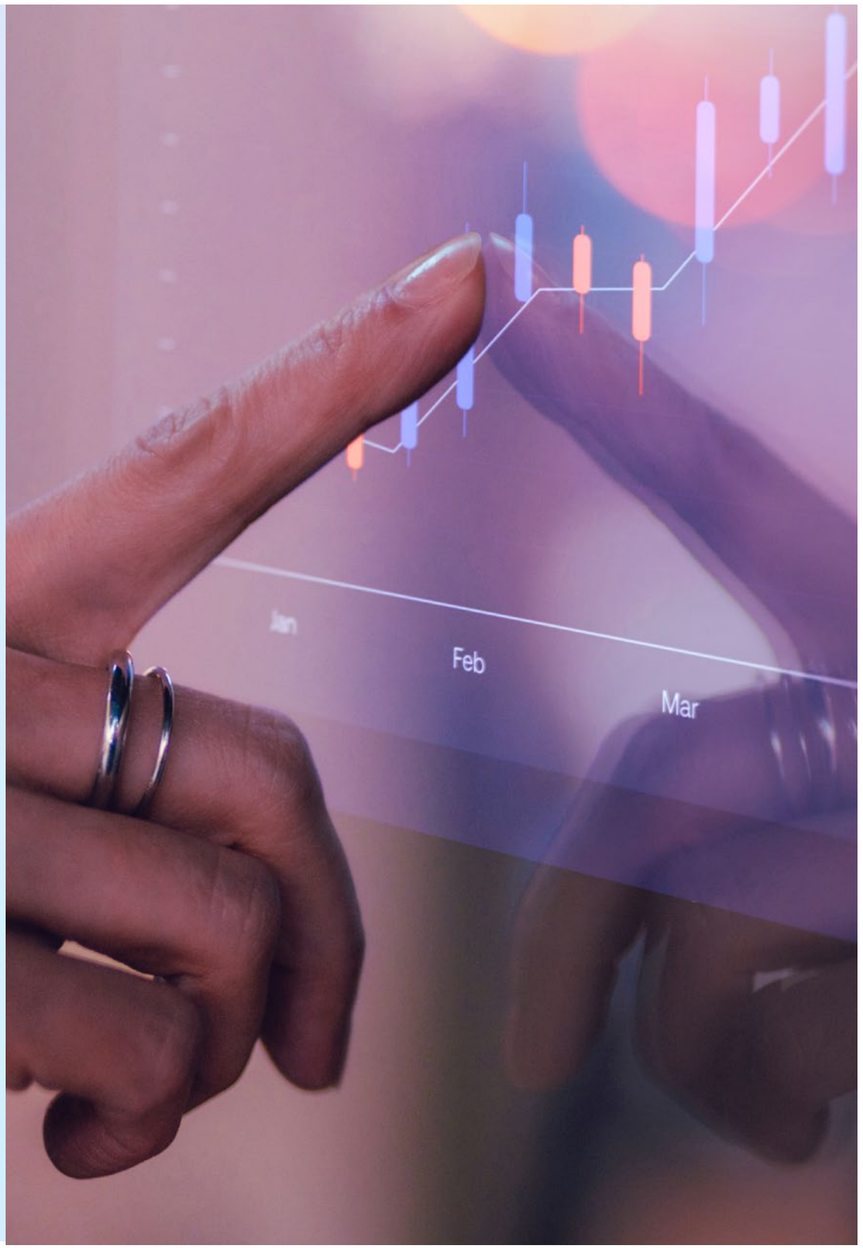
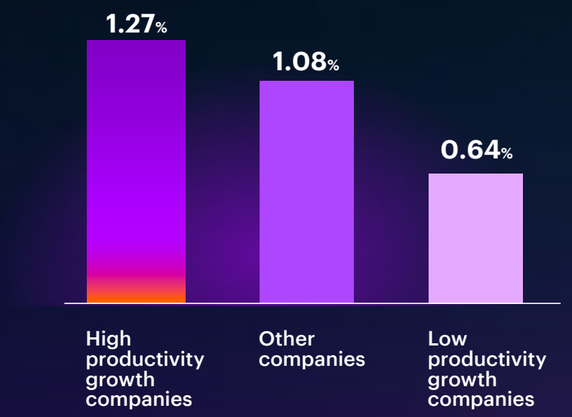


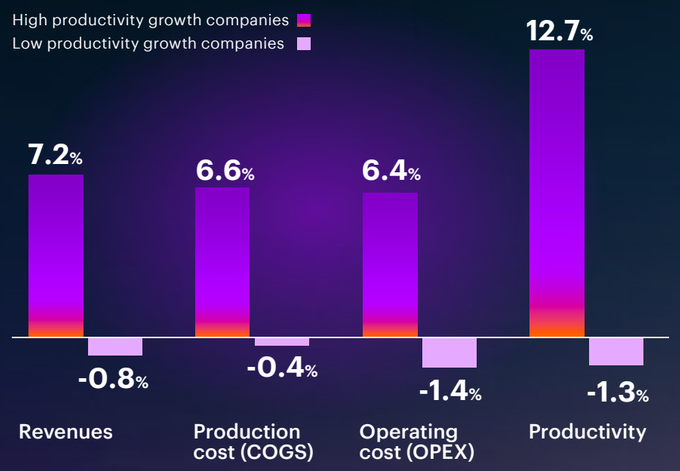
Figure 6.

Productivity leaders spend more, grow more

Ratio of revenue growth to total spend increase
Ratio: % Revenue growth / % Total cost increase



Change in Revenues, Costs and Productivity per Employee
Annualized growth (CAGR %) of values per employee, 2015-2023.



Note: Productivity growth analysis of 1,392 global companies, adjusted for inflation. Growth of revenues and various cost components were estimated in per employee terms, which total to CAGR of real productivity (inflation-adjusted EBIT per employee) in 2015-23.
Source: Accenture Research.

Investment strategies like those employed by productivity leaders ensure that revenues grow faster than costs: for every 1% increase in total spend, they grow revenues by 1.3% (see **Figure 6**). This is specifically attributed to their higher ability to convert production variable costs into revenue.

These bold approaches mean spending more to grow more. Since 2015, productivity leaders have grown their production and operating costs per employee by over 6% per year, and have achieved similar levels of revenue growth per employee.All while their less productive peers focus on reducing costs year-on-year. And while these peers achieve the cost reduction, they fail to increase revenues.

When assessing what these leaders spend more on, there's a clear focus. The resource allocation strategies of productivity leaders prioritize long-term investments. For example, when it comes to technology investments, they not only spend **2x** as much on IT per employee as their less productive peers, but also grow this spend **3x** as fast. This investment is reinforced with investments in building skills, technology fluency and expanding the potential of knowledge productivity.

CASE STUDY

Right fit investment for European retailer

A prominent European department store seeking to revitalize the business undertook a digital transformation, starting with a comprehensive three-month evaluation of their organizational structure and processes, leveraging data-driven insights and benchmarking against competitors.

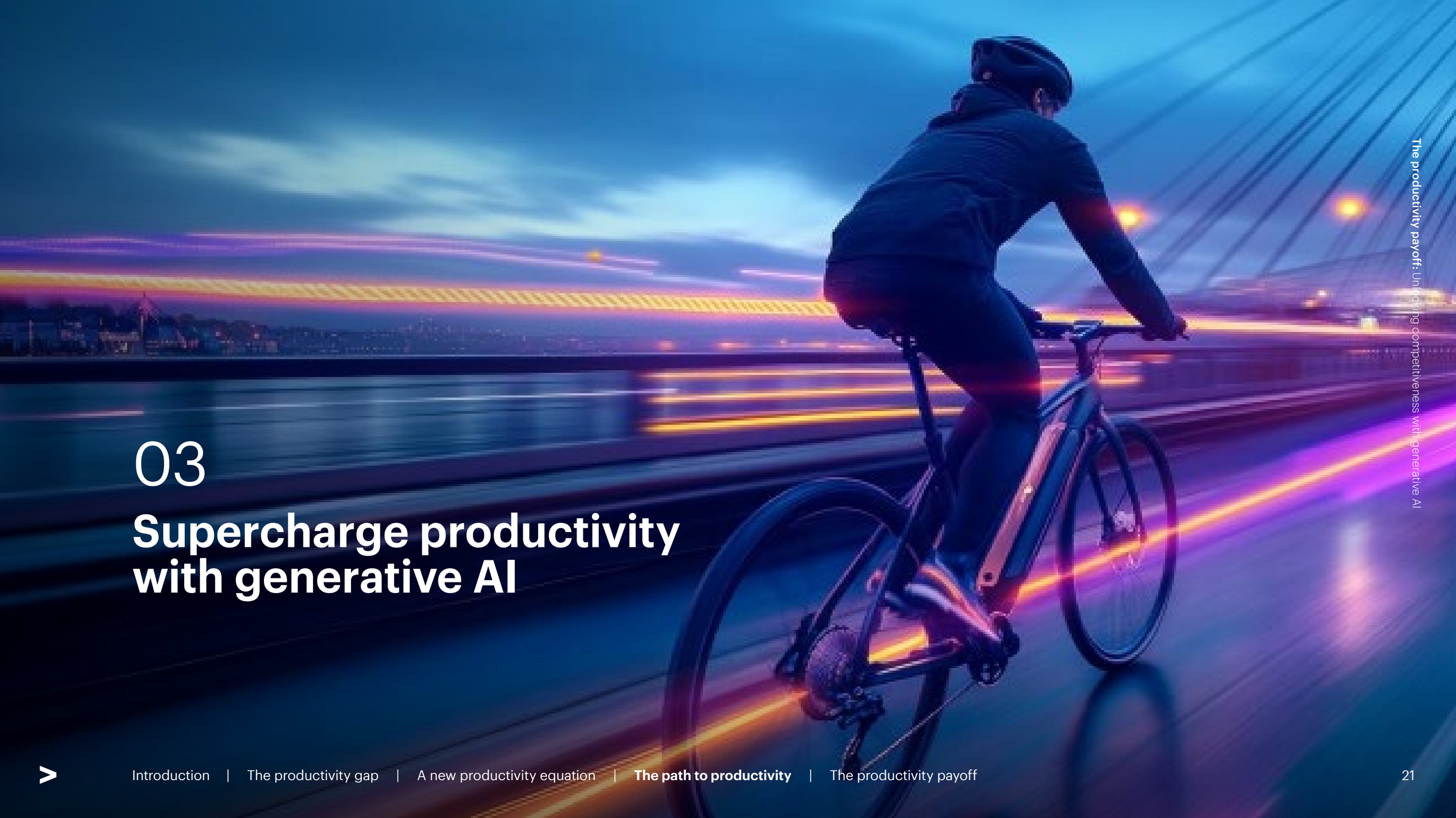
The analysis revealed over 100 potential initiatives to enhance efficiency and unlock productivity gains. That provided a roadmap and enabled them to focus on the most critical areas including processes, technology and people.

The company invested in third-party digital tools, automation of supply chain and sales channels, implementation of advanced warehouse robotization and development of sensor infrastructure for data analysis.

The company is making critical investments in its future with new capabilities that enhance the customer experience both in-store and online. The transformation also enables the store to introduce new delivery options and contribute to environmental sustainability by reducing waste and greenhouse gas emissions.

The store supported these changes by embracing an innovative business model to further enhance productivity. And they are fostering a culture of continuous improvement through incentive programs, talent development initiatives and strategic workforce planning.

By embracing digitalization and prioritizing innovation, the department store is poised to boost its productivity and achieve lasting success in an evolving retail landscape.[2]



03

Supercharge productivity with generative AI

In the new era of productivity-driven performance, generative AI serves as a multiplier that can help organizations reach new performance frontiers.

How is generative AI impacting productivity?

Generative AI has the potential to transform productivity, offering the ability to save over 12% of working hours while improving the quality of outputs by 8.5%, according to our estimates.

This technology goes beyond automating routine tasks — it reimagines and augments complex tasks, simplifying processes from design to customer service, while pushing performance boundaries even further. Recent Accenture research also showed productivity gains of up to 20% are anticipated in companies that are leading in AI adoption.[3]

HOW GENERATIVE AI IS CHANGING TWO DIMENSIONS OF PRODUCTIVITY

Generative AI is changing productivity in two main ways, by improving knowledge productivity and process productivity. Knowledge productivity refers to the quality of outputs, ensuring that the work done is more accurate, insightful, or creative. Process productivity refers to time savings — how much faster tasks can be completed.

Our analysis of 25 academic and AI lab experiments, combined with cross-industry data on hundreds of occupations and thousands of tasks, shows that 44% of working hours across industries could be impacted by generative AI, though not all tasks will experience both time savings and quality improvements simultaneously.

Yet another finding about the benefits of generative AI on productivity stands out: Whereas tasks with potentially high time savings require less human involvement, tasks with potential high quality improvements require much more human involvement.

PROCESS PRODUCTIVITY

Our regression model based on the experimental data suggests that the time savings generative AI can provide ranges from 10% to 43%, depending on the task. Some of these experiments included:

- 30% reduction in time spent on the task of retrieving information from emails and knowledge-sharing platforms
- 37% time saved in writing business plans
- 14% reduction in time required for customer support agents to assist clients.

KNOWLEDGE PRODUCTIVITY

Time savings, while valuable, are just the beginning. In many cases, generative AI improves the quality of work as well. Business analysts, for instance, saw:

- 23% improvement in the accuracy of their financial and logistics projections by using generative AI to analyze complex datasets.
- 18% improvement in the clarity of their communication for this same group.

In more creative and judgment-intensive roles, such as customer interactions and problem-solving, generative AI has also been shown to boost creativity:

- 130% increase in creativity for employees addressing customer queries by phone, enabling more complex problem-solving.
- 54% improvement in the accuracy of software developers' work, when debugging and fixing coding issues.

Further, for more specialized tasks, such as developing innovative product concepts for niche markets, generative AI can provide both time savings and improved persuasiveness.

Our findings illustrate how generative AI can unlock sizable knowledge and process productivity, as shown in **Figure 7**. As noted earlier, we estimated that 44% of the hours worked in the United Stated involve tasks that could be transformed by generative AI. From these findings, we determined that work tasks exposed to generative AI can be placed into four major "zones" based on the likelihood that generative AI can improve them. We expect that 11.4% of work time will unlock both significant time savings and significant quality enhancements.

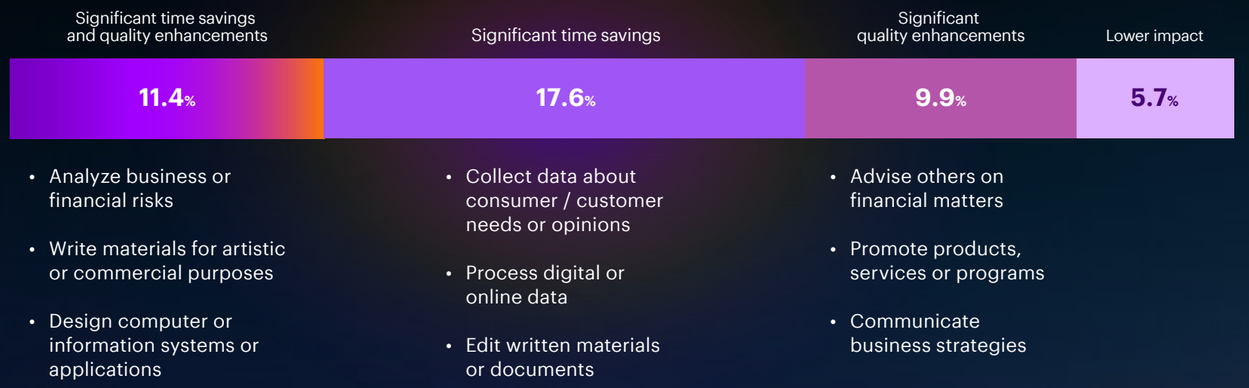
In addition to the quantitative benefits, there's another, often overlooked reason why leaders are increasingly embracing generative AI as a catalyst for productivity. Simply stated, AI is inspiring business leaders to expand the definition of productivity to encompass creativity, strategic value creation and the art of the possible.

The technology itself is evolving fast. So is business leaders' need to understand how to make the most of generative AI, either by building a strong digital core, partnering with AI experts or following a set of responsible guidelines to unlock more value. In our experience working with clients, we've found that relying on poor generative AI setups may result in unreliable or subpar outcomes, particularly for tasks requiring complex reasoning. This underscores the need for a higher level of organizational craft and precision in ways of working across all functions, from customer service and marketing to logistics and R&D, to fully realize the potential of generative AI.[4]

Figure 7.

Good time, made better

Breaking down the 44% of work time in the US exposed to generative AI



Note: Generative AI productivity modeling is based on 25 academic experiments on the impact of gen AI on work. The model evaluates over 19,000 tasks across more than 900 occupations from the O*Net database. We mapped treatment effects from the experiments to standard work tasks, using their characteristics (skills and ability requirements) to extrapolate to all 332 O*NET intermediate work activities to inform the likelihood that the current state of GenAI will either significantly reduce time spent on the task, significantly increase quality or both.

Significant time savings are tasks with a high probability of saving time above the average effect across experiments, but with a low probability of significant quality improvement. Significant time savings and quality enhancements are tasks with a high probability of saving time above the experimental mean, as well as a high probability of improving quality above the experimental mean. Significant quality enhancements are tasks with a high probability of improving quality above the average effects across experiments, but with a low probability of saving time above the experimental mean.
Source: Accenture Research.

CASE STUDY

BMW puts generative AI in the driver's seat – shifting enterprise knowledge into high gear

Turning enterprise data into knowledge entails sharing deep subject matter expertise between many people and sources. This process takes a considerable amount of time — days, weeks or even months.

But thanks to the power of generative AI, companies are now able to shorten that time frame, going from data to knowledge to real-time insights in just minutes.

BMW architected a generative AI platform called EKHO (Enterprise Knowledge Harmonizer and Orchestrator) that ingests and analyzes any kind of enterprise-wide data, using large language models to intelligently answer complex questions with precision. The heart of the platform contains multiple AI-enabled applications (called GPT agents) that intelligently choose the correct data source and pull information based on the user's intent. It also uses enterprise-specific data, which ensures that only the right information is analyzed.

When a user asks a question through the platform's simple interface, it doesn't just give a list of possible answers. It selects the right knowledge base and continues to refine answers based on the user's feedback. EKHO can even solve new issues by learning from and applying past scenarios, pulling any new information added to the knowledge bases, in real time. It's like having a technical expert and a business leader in your pocket.

EKHO has provided BMW immediate and measurable value. So far, the platform has been implemented across several applications, boosting productivity by as much as 30-40%.

For example, in the Application Management space, this tool is being used to support deep domain-specific functional and technical queries, resolving complex issues on demand.[5]

04
Empower talent with human-centered strategy

Technologies including generative AI that drive productivity gains must be anchored in a fundamentally human-centered strategy.

A strategy that empowers — not replaces — workforces. One that emphasizes a culture of continuous learning and trust to drive cohesion and resilience and one focused on building new capabilities. Advances in technology present incredible new opportunities — especially the ability to unlock the full potential of people.

The payoff for companies that get it right is significant: Organizations that adopt responsible, people-centric approaches to generative AI at scale could generate an additional $10.3 trillion in economic value by 2038, according to our modeling and analysis.[6]

+33%

High productivity leaders were 33% more likely to provide ongoing training for their people, according to our research

Further, our research found that companies that simultaneously strengthen data, technology and people stand to gain a premium on top-line productivity, compared to when data and tech solutions are implemented alone. The critical difference? Putting people at the center.

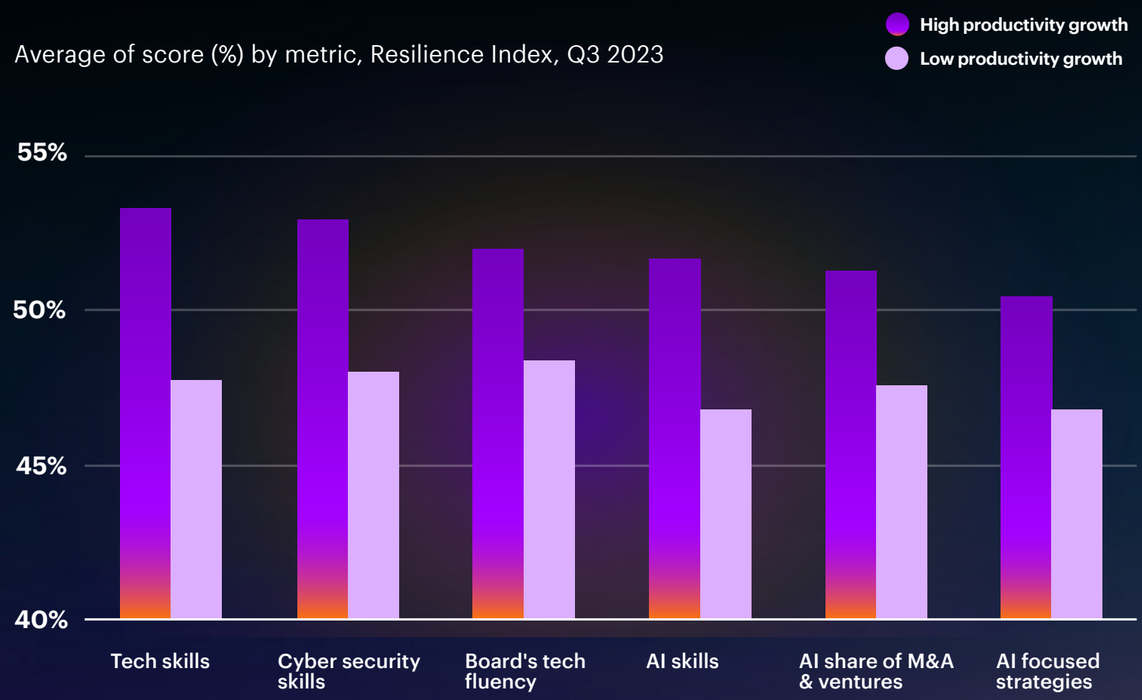
In fact, when surveyed, executives from high productivity companies were 33% more likely to view ongoing training for and continuous investment in their people as a key enabler of productivity. Such companies understand the imperative to think differently about skills and career journeys in the context of productivity.

Gone are the days of linear career paths and training workers for today's needs. Learning is now a skill to be cultivated across behavioral, functional and technical dimensions. It must be designed to enable upskilling for present and future needs at the same time. That includes learning behavioral and mindset skills as well as functional and technical skills. We found a striking difference between productivity leaders and others, in that leaders invested in providing workers sustained and continuous learning opportunities across multiple dimensions (see **Figure 8**).

Figure 8.

The will to skill

Average of score (%) by metric, Resilience Index, Q3 2023



Note: Productivity growth analysis of 1,392 global companies, adjusted for both inflation and the average of the technology score sub-components from our Resilience Index. "Tech skills" refer to the headcount the company employs and recruits with tech skills. "Cyber-security skills" refer to the headcount the company employs and recruits with cyber-security skills. "Board's tech fluency" refers to the share of Board members with tech education or work experience. "AI skills" refers to the headcount the company employs and recruits with AI skills. "AI-focused strategies" refers to the intensity of mentions of AI, data and related technologies in public articles and earnings calls. "AI-share of M&A & ventures" refers to the importance of AI-related VC and M&A investments, measured as a share of total VC and M&A investment.
Source: Accenture Research.

CASE STUDY

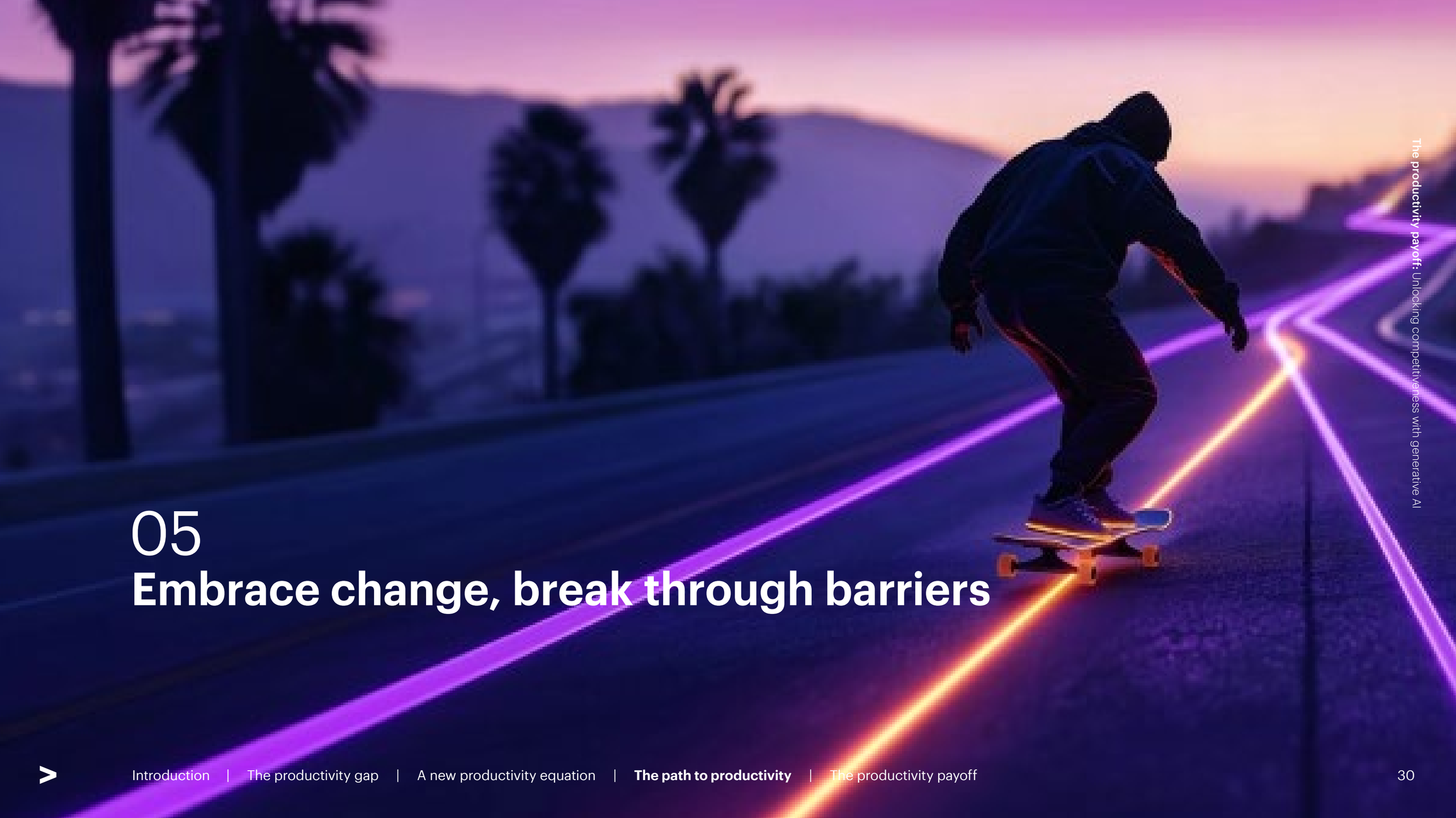
Global leader in engineering and technology driving value with digital fluency

Digital fluency plays a critical role in driving a successful, sustainable digital transformation, yet it often is an afterthought. When a global leader in engineering and technology launched a companywide transformation program, they started by focusing on employees' digital and analytics fluency first to build a solid foundation for transformation.

The company worked to design and implement a comprehensive digital fluency program to equip 4,000 employees with the necessary digital skills and mindset to navigate the rapidly evolving digital landscape. In addition, the company created 120 digital pioneers to help spearhead the program across the company.

The digital fluency program included customized learning journeys, art of the possible workshops, online training and subject matter expert sections. In addition, it included action-learning projects for all functions to drive learning by doing. Key to the program's success was top management's commitment and a dedicated change management program.

The program delivered 3x-4x improvement in digital maturity across the organization and 3x ROI through the 15 action learning projects.[7]



05
Embrace change, break through barriers

Continuous change is the new reality. Recent Accenture research on reinventing change found that 80% of organizations cite change as part of their long-term vision.

Most organizations have undergone two or more transformations in the past three years. And 100% of C-suite leaders anticipate significant changes to their workforce.[8]

Yet only 30% have confidence in their change capabilities at a time when generative AI is causing seismic shifts in markets, ways of working and the workforce.

The companies we surveyed reported facing several common barriers — regardless of whether they were at the top or the bottom in terms of productivity growth (see **Figure 9**).

Barriers included resistance to cultural shifts, misalignment between workforce capabilities and new technologies, inadequate training, and a lack of robust mechanisms to gather and apply feedback effectively. Notably "inability to predict challenges and opportunities" is among the C-suite's top concerns.

80%

of organizations cite change as part of their long-term vision[9]

30%

But only 30% have confidence in their change capabilities

Leaders of high productivity companies recognize the need for a cohesive strategy that not only identifies and tackles each challenge individually but also views them as interlinked components of a broader system. The interconnected nature of these barriers means that addressing them in isolation is less effective and could represent a missed opportunity for significant improvement.

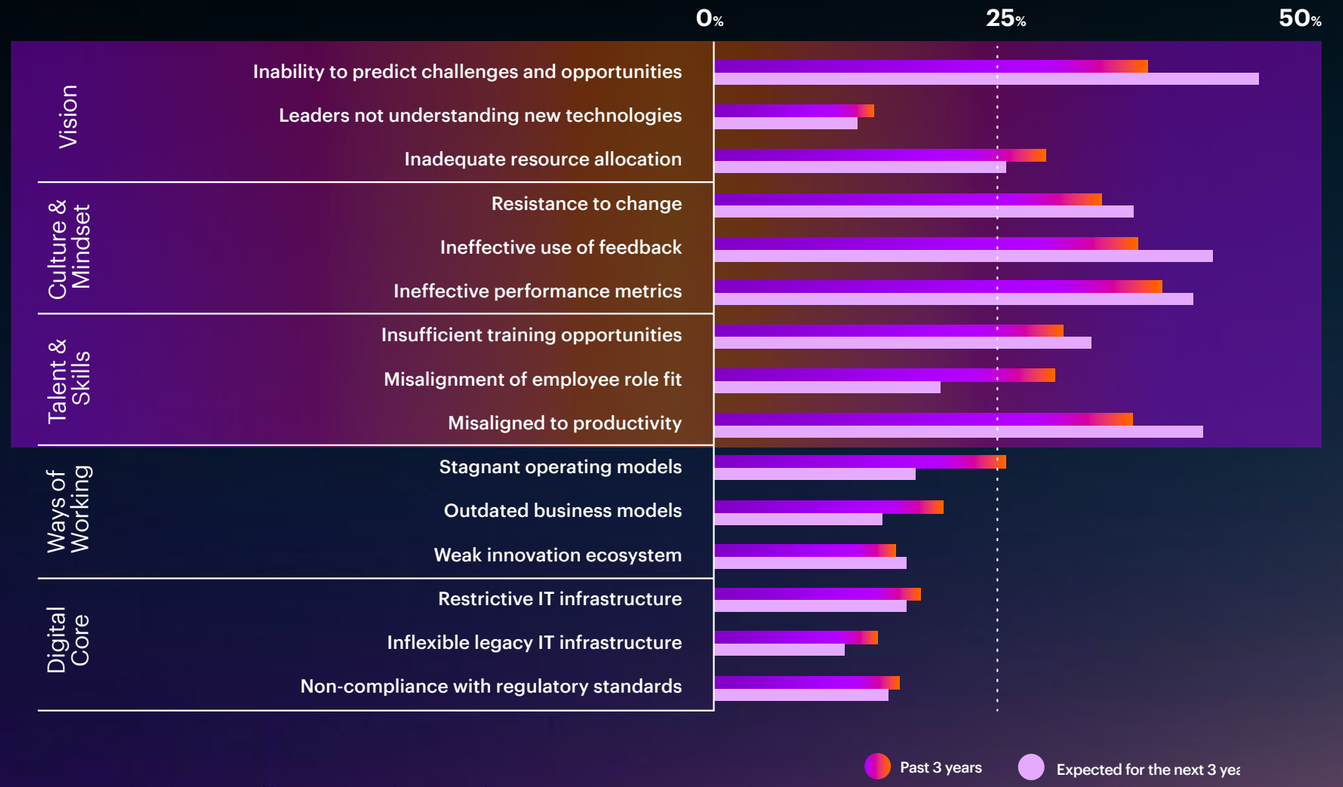
Instead, a comprehensive approach ensures that efforts are not just temporary fixes but transformative changes that convert today's barriers into tomorrow's enablers of productivity growth and competitive advantage.

Finally, a culture of trust is critical to bring together talent development (skills), technological adoption (tools) and productivity (outcomes). Organizations that prioritize trust are more productive, more cohesive and resilient.

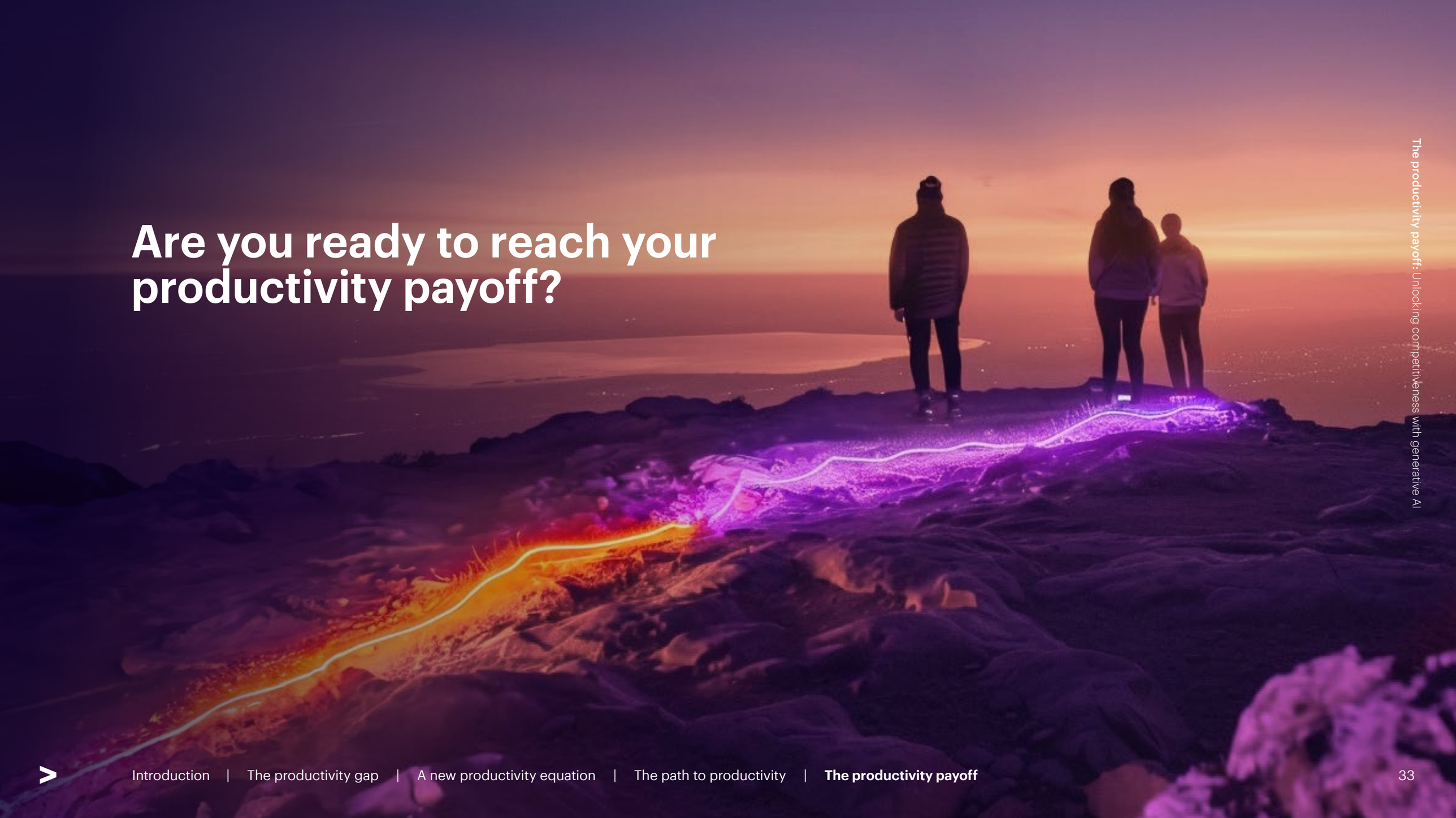
Figure 9.

Beware of barriers

% of companies that identify a given challenge as a key barrier to productivity



Note: Productivity payoff survey in July 2024 of 2,000 senior executives who lead businesses headquartered in 11 countries and spanning 18 industries.
Source: Accenture Research.



Are you ready to reach your productivity payoff?

Getting started

Leaders can shift both their mindset and their actions now to capture the greatest value from their productivity programs and bridge the gap with high productivity leaders. Here we outline three areas to start with on the path to productivity growth.

Are you ready to reach your productivity payoff?

Invest in productivity to create a competitive edge

To drive sustainable productivity growth, CEOs and their management teams must **move beyond traditional cost-cutting measures** and embrace a holistic approach to cost and productivity reinvention.

They need to redefine productivity not just as a measure of efficiency but as a **means of value creation** through innovation and knowledge.

It means moving beyond savings to focus on reducing business model complexity, simplifying processes, and using technology to enhance output quality. And it means **investing in technology, particularly AI and data, and reskilling people to build a competitive edge** that others can't copy.

Unlock knowledge productivity with generative AI

Because generative AI has emerged as a powerful tool for driving significant improvements in efficiency and output quality, CEOs and their teams should prioritize integrating generative AI across their operations—with a special emphasis on areas where the **technology can amplify human capabilities, streamline processes and multiply value**.

They must also ensure they have a strong digital core capable of harnessing the full potential of this technology, while meeting the specific needs of the organization.

Realize human potential, break down barriers

To fully realize productivity gains, leaders must **prioritize a human-centered approach** that emphasizes continuous learning and adaptability.

In a rapidly changing business environment, where technologies like generative AI are reshaping industries, **companies that invest in reskilling and upskilling** their workforce will thrive.

For their part, CEOs must foster a culture of continuous **learning and encourage their people to develop new skills and embrace innovation and change**. This requires rethinking traditional career paths and building higher levels of engagement and resilience among those who will ultimately enable sustained productivity growth.

References

1. Unless otherwise indicated, all analysis in this report is derived from Accenture Productivity Payoff research, including a July 2024 survey of 2,000 C-suite executives, whose companies are headquartered in 11 countries and operate in 18 industries
2. Accenture client experience
3. Accenture, "Work, workforce, workers: Reinvented in the age of AI", Jan. 2024
4. Ibid
5. Accenture client experience
6. Generative AI productivity modeling, based on 25 experiments from academia and leading AI labs that assessed the impact of generative AI on work
7. Accenture client experience
8. Accenture "Reinventing Change" CXO survey, 2024. N = 1,000
9. Ibid

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About the Research

Our research for this report is based on four key methods. The first two explored business leaders' perspectives on productivity, while the other two examined objective data through financial and generative AI modeling, providing deeper insights into productivity performance and potential across industries.

Listening to executives

Productivity survey: What companies tell us

In July 2024, we surveyed 2,000 senior executives, whose companies operate in 18 industries and are headquartered in 11 countries, to understand. their views on productivity. The survey explored where leaders see the greatest potential for productivity improvements within their organizations, the strategies they employ to unlock those gains, the challenges they face and how they reinvest those gains. The responses were analyzed alongside historical operational productivity data, offering insights into the impact of management practices across industries.

Productivity earnings calls: What companies tell investors

We analyzed over 63,000 earnings calls from companies in the Global 2000 (G2000) list, spanning 2015 to 2023. The sample grew from 852 companies in 2015 to 1,076 companies in 2023. We focused solely on interventions made by executives, while excluding moderator comments. Using a pre-built dictionary of productivity-related terms, we refined the analysis further with Large Language Model (LLM) text classification, supervised by human experts. This helped us link what executives communicate to investors with actual productivity performance, cross-analyzing it with historical operational productivity data.

Quantifying productivity

Productivity growth analysis: What financial statements tell us

We conducted a thorough financial analysis of 1,392 large global public companies from the G2000 list. We measured productivity using EBIT per employee, adjusted for inflation by applying Value Added industry deflators, and weighted results by company size across geographies. We defined top-performing companies as those in the top quartile of productivity growth (CAGR above 8%) from 2015 to 2023. Conversely, 40% of companies were identified as having negative productivity growth during the same period. These findings remained consistent across different industry trends. We used these clusters to examine the connections between productivity growth and management practices, as identified in the survey and earnings call analysis.

Generative AI impact on work modeling: Time and quality gains

We reviewed 25 experiments conducted by leading AI labs and academic researchers to assess the impact of generative AI on work. These findings updated our workforce impact model, which assesses generative AI's potential to save time, improve quality or both. The model evaluates over 19,000 tasks across 900 occupations from the O*Net database. Our analysis aggregated these results by tasks, occupations, enterprise functions, and industries, providing actionable insights for business leaders on where and how to focus their productivity investments.

Bringing it all together

Productivity growth at stake

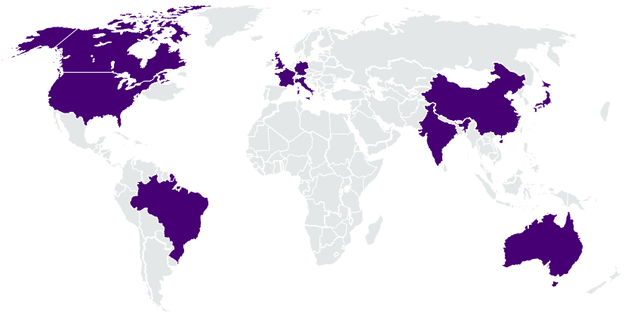
Combining insights from the Productivity Growth Analysis and Generative AI Productivity Modeling, we developed a model to estimate potential productivity gains at the company level.

This model focuses on three productivity coefficients:

- Cost transformation: The ability to produce the same with fewer resources.
- The productivity factor: More effective production with the same investment.
- The Gen AI multiplier: Time savings and quality improvements driven by generative AI.
- insights for business leaders on where and how to focus their productivity investments.

About the Research – Demographics for the 2,000 executives surveyed

Companies headquartered in 11 countries

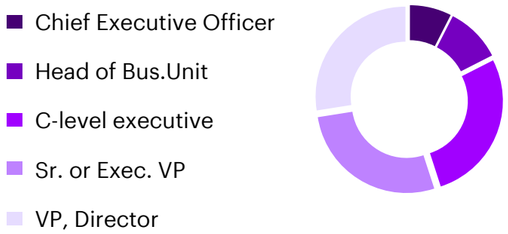


Australia, Brazil, Canada, China, France, Germany, India, Italy, Japan, United Kingdom, United States

18 industries

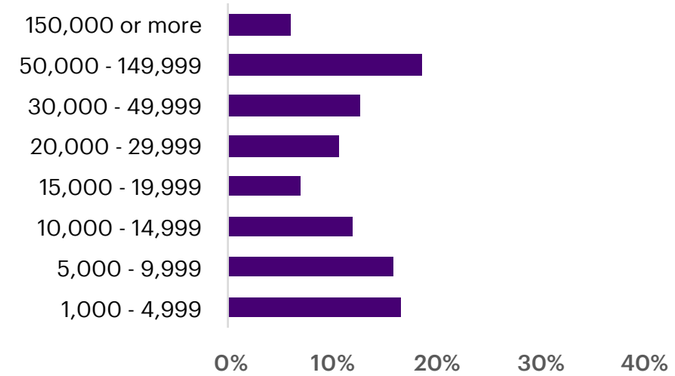
Aerospace & Defense	Healthcare
Airline, Travel, Transport	High Tech
Automotive	Industrial Goods & Equipment
Banking (Retail)	Insurance
Capital Markets & Inv. Banking	Natural Resources
Chemicals	Pharma, Bio Tech, Life Sciences
Comms., Media, & Entertainment	Retail
Consumer Goods & Services	Software & Platforms
Energy	Utilities

Organizational level

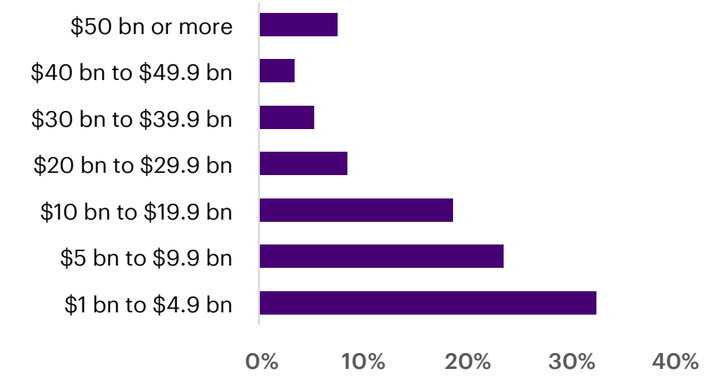


Organizational Functions

Company size, by number of people



Company size, by annual revenues



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Accenture is a leading global professional services company that helps the world's leading businesses, governments and other organizations build their digital core, optimize their operations, accelerate revenue growth and enhance citizen services—creating tangible value at speed and scale. We are a talent and innovation led company with 738,000 people serving clients in more than 120 countries. Technology is at the core of change today, and we are one of the world's leaders in helping drive that change, with strong ecosystem relationships. We combine our strength in technology with unmatched industry experience, functional expertise and global delivery capability. We are uniquely able to deliver tangible outcomes because of our broad range of services, solutions and assets across Strategy & Consulting, Technology, Operations, Industry X and Accenture Song. These capabilities, together with our culture of shared success and commitment to creating 360° value, enable us to help our clients succeed and build trusted, lasting relationships. We measure our success by the 360° value we create for our clients, each other, our shareholders, partners and communities.

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