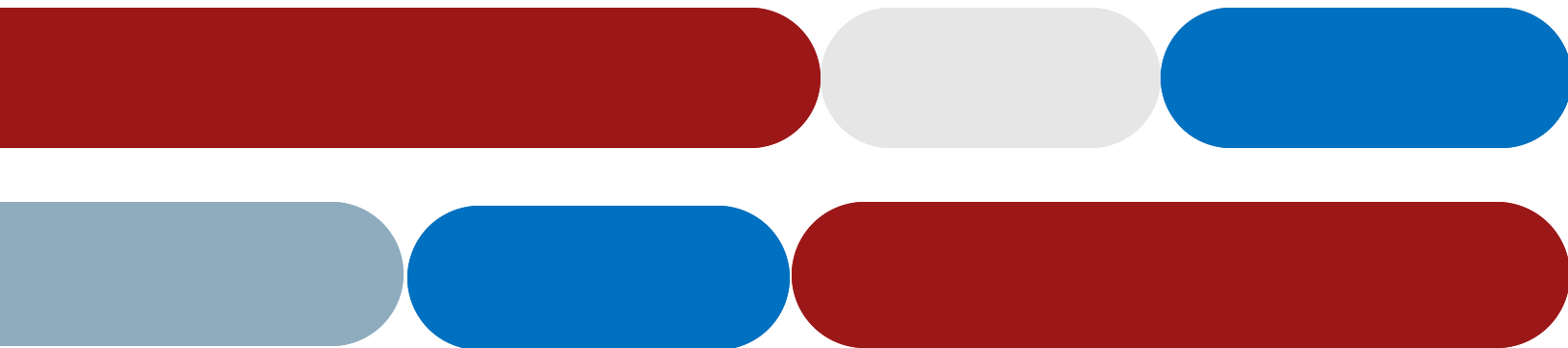


Designing Work That Works: A Systems-Thinking Approach to Canadian Productivity

Deep dives into productivity futures



Published by: Canadian Productivity Council



Table of Contents



Executive Summary 03

Introduction 03

Productivity Problem in Canada 04

Productivity by Design: A New Lens 05

Case in Focus: From Bottleneck to Flow 06

Strategic Implications for Leaders 07

Conclusions and Recommendations 07

Reference 08



01

Executive Summary



Canada's productivity performance has stalled, undermining growth, wages, and competitiveness. To move forward, organizations must shift from the mindset of "doing more" to "designing better", intentionally structuring roles, workflows, tools, and feedback systems to support high performance. This white paper outlines the productivity challenge, introduces the Productivity by Design framework, presents a case example, and offers actionable recommendations for leaders, teams and policy-makers.

Introduction

1. The Productivity Problem in Canada

1.1 Productivity Lag & Decline

Measured as output per hour of labour, Canada's productivity levels lag behind many comparable high-income nations. For example, in 2023 Canada's hourly output (USD PPP) was around USD 74.7 compared with USD 97.0 in the United States.

[Raising business sector productivity: OECD Economic Surveys: Canada 2025 | OECD](#)

Recent data show that labour productivity in Canadian businesses fell by 1.8% in 2023, the worst in the OECD. [The Daily, Labour productivity, hourly compensation and unit labour cost, fourth quarter 2023](#) Although it rebounded by 0.6% over the full year of 2024, growth remains modest. [Canadian productivity increased in 2024, reversing a three-year trend | Wealth Professional](#)



02

The Productivity Problem in Canada



Productivity Lag & Decline

Measured as output per hour of labour, Canada's productivity levels lag behind many comparable high-income nations. For example, in 2023 Canada's hourly output (USD PPP) was around USD 74.7 compared with USD 97.0 in the United States. [Raising business sector productivity: OECD Economic Surveys: Canada 2025 | OECD](#)

Recent data show that labour productivity in Canadian businesses fell by 1.8% in 2023, the worst in the OECD. [The Daily, Labour productivity, hourly compensation and unit labour cost, fourth quarter 2023](#) Although it rebounded by 0.6% over the full year of 2024, growth remains modest. [Canadian productivity increased in 2024, reversing a three-year trend | Wealth Professional](#)

Root Causes: Structural Issues

- The performance gap is attributed to multiple factors:
 - Relatively low business-sector investment in innovation and new technologies. [OECD Economic Surveys: Canada 2025 | OECD](#)
 - Market-structure constraints such as internal trade barriers and labour mobility across provinces. [OECD urges Canada to boost productivity, tackle housing costs – Investment Executive](#)
 - Sector-wide broad inefficiencies rather than one narrow domain — the lag appears “spread widely across sectors”. [Raising business sector productivity: OECD Economic Surveys: Canada 2025 | OECD](#)

Why This Matters

- Productivity underpins living standards, wage growth and economic resilience. As noted by Bank of Canada leaders, Canada's persistent productivity weakness has been described as an “economy's Achilles heel”. [MarketWatch](#) Without improvements, Canada risks falling further behind globally and facing constrained growth.

03

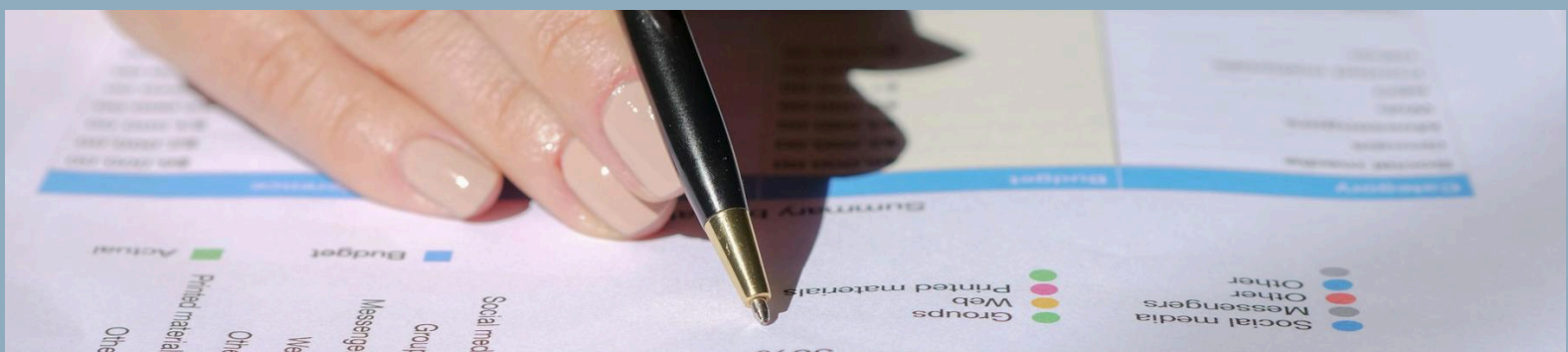
Productivity by Design: A New Lens



The traditional focus on “working harder” or “more hours” is no longer sufficient. The future lies in designing work systems intelligently, aligning purpose, roles, workflows, tools, feedback and scalability. The five core principles are:

- 1. Clarity of Purpose** – Ensuring every task connects to a meaningful outcome.
- 2. Workflow Alignment** – Tools, roles, steps and systems must support each other to minimize friction.
- 3. Feedback Loops** – Embedded mechanisms for reflection, adjustment and improvement.
- 4. Space for Focus** – Systems proactively protect deep work, minimizing green tape, confusion and interruptions.
- 5. Simplicity with Scalability** – Designs must work today and grow smoothly with minimal added complexity.

This design lens reflects systems thinking, viewing work as a flow rather than isolated tasks, and emphasizes that productivity is not just an individual performance metric but a structural and systemic outcome.



04

Case in Focus: From Bottleneck to Flow



Organization: A Canadian post-secondary institution's Registrar's Office, responsible for student records, transfers and scheduling (approx. 1,000 requests per semester).

Challenge: Average processing time 12 business days; repeated handoff delays; role confusion; low morale.

Approach: Using the Productivity Design Audit Worksheet, the team mapped their workflow, identified key friction points (e.g., redundant approvals, unclear roles, excessive email handoffs) and redesigned the process: delegated standard approvals to trained admin staff, introduced a shared tracking tool and weekly check-in huddle.

Results: Processing time dropped to 7 business days; handoff steps reduced from 3-4 to 1-2; staff clarity and morale improved; student complaints fell by ~70%.

Insights: Workflow transparency exposed hidden friction; redesigning roles & approvals mattered more than adding more effort; simple tracking tools facilitated flow.





05

Strategic Implications for Leaders

Leaders must recognize that productivity design is not just a “nice to have” but a strategic imperative. By treating workflows and systems as design artefacts, organizations can:

- Improve staff satisfaction by reducing frustration and ambiguity.
- Free capacity for innovation rather than endless throughput.
- Align with broader national productivity goals and economic resilience.

At the policy level, enabling environments (R&D incentives, reducing intra-provincial barriers, promoting digital adoption) support organizational design capabilities. [OECD Economic Surveys: Canada 2025](#) | [OECD](#)

06

Conclusion & Recommendations

Conclusion: Canada’s productivity challenge is structural and persistent. Addressing it requires a shift from harder work to better work design. Productivity by Design offers a clear, practical path for organizations to redesign their systems — aligning roles, workflows, tools and feedback for higher impact.

Recommendations:

1. Allocate time for workflow mapping and system diagnosis as part of strategic planning.
2. Prioritize design improvements with clear roles and decision-rights.
3. Leverage digital tools but focus first on system and human-workflow alignment.
4. Monitor productivity metrics (cycle time, error rates, throughput) beyond hours worked.
5. Engage leadership in reviewing and redesigning core processes annually, not just reacting.

CPC stands ready to support organizations with toolkits, facilitation and case-based learning through the CPC Knowledge Center.

07

Reference



- OECD. OECD Compendium of Productivity Indicators 2024. OECD Publishing. OECD
- OECD. OECD Economic Surveys: Canada 2025: Raising business sector productivity. OECD Publishing. OECD+1
- Statistics Canada. Labour productivity and related measures by business sector and province: Table 36-10-0480-01. Statistics Canada+1
- Statistics Canada. "Labour productivity measurement at Statistics Canada". 2024. Statistics Canada
- Bank of Canada. Time to break the glass: Fixing Canada's productivity problem. 2024. Bank of Canada
- Policy School (University of Calgary). Productivity Growth in Canada: What Is Going On? 2024. policyschool.ca
- OECD Ecoscope. "Boosting business-sector productivity in Canada". June 2025. oecdecoscope.blog
- BDO Canada. Canada's Productivity Paradox. 2025. BDO Canada



Connect with us. We are always looking forward to learning as a community.



www.productivitycouncil.ca



+1 (825) 556-4040



solutions@productivitycouncil.ca