In Parallel · Research Report · June 2026

The Coordination Tax Index 2026

How much of management is spent managing the work about the work. A five-country survey of 247 team leads, directors and executives on meetings, re-explaining, searching — and what AI still can't see.

The index reads

31 /100

Nearly a third of management capacity is consumed by coordination overhead before any actual work happens.

In Parallel · Helsinki · in-parallel.com Markku Mäkeläinen & Kristian Luoma

Executive summary

Two days a week, gone before the work begins.

We asked 247 managers across the United States, the United Kingdom, Canada, Australia and Germany to itemize where their week actually goes. Not how they feel about meetings — the hours themselves: status meetings, re-explaining context someone already had, searching for decisions already made. The result is the first **Coordination Tax Index**: a composite measure of how much management capacity organisations forfeit to the work about the work.

31/100 **The Index, 2026** Composite of measured coordination hours and self-assessed loss. 48% of managers sit in the High or Severe band.	16.5 hrs **Coordination hours per week** 8.1 hrs status meetings + 4.6 hrs re-explaining + 3.8 hrs searching. That is 2.1 working days, every week.	$64,600 **Per manager, per year** 760 hours annually at a loaded cost of $85/hour. Over half a million dollars for a team of eight managers.
2× **The perception gap** Managers self-report losing 21% of their week. Their own itemized hours add up to 41%. The tax is invisible to the people paying it.	86% **Use AI — and it hasn't helped** Daily AI users carry more coordination load than non-users (20.3 vs 9.1 hrs/week). Personal AI doesn't touch a team-level problem.	4.4 hrs **The shared-context dividend** Hours per week managers say they'd recover if their AI could access the team's shared context — 27% of the tax, stated by the market itself.

Five findings

1 — The tax is structural, not behavioural. It rises with span of control (directors index 8 points above team leads), with tool count (nearly 2× more hours at 7–10 tools than at 1–3; 2.4× past ten), and with organisational complexity. You cannot train it away; it is built into how work is coordinated.

2 — Its payers cannot see it. Self-reported loss is half of itemized loss. Costs that arrive in fifteen-minute slices never hit a budget line — which is why the largest unmanaged cost in knowledge work has stayed unmanaged.

3 — AI adoption is done; the tax is untouched. 86% of managers already use AI assistants. The heaviest users pay the highest tax. The bottleneck has moved from model capability to context access.

4 — Decisions have no home. Meeting decisions scatter across an average of two destinations — shared docs, email, chat, personal notes — and 9% live nowhere but memory. A decision recorded everywhere has no source of truth.

5 — The recovered time would go to management, not leisure. Given the hours back, 53% would spend them on strategic thinking and 47% on developing their people. Only 6% would simply leave earlier.

The headline

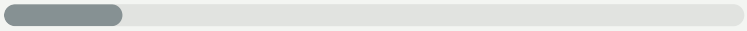
Organisations are not short of management capacity. They are spending **a third of it** reconciling versions of the truth — and the AI they bought to fix it can't see the truth either.

What the Index is, and why it reads 31.

The Coordination Tax Index blends two views of the same loss. Half is **measured**: the sum of three itemized weekly hour counts — status meetings, re-explaining, searching — as a share of a 40-hour week. Half is **perceived**: the share of the week respondents say they lose to coordination overhead overall. Each respondent receives a score from 0 to 100; the Index is the mean.

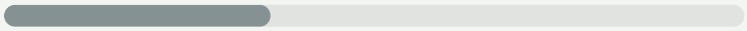
Distribution of respondents

Low (index < 15) — coordination under control



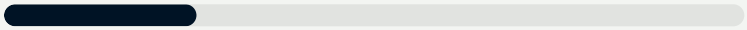
16% of managers (n=40)

Moderate (15–30) — a day a week or less



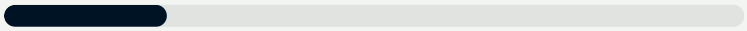
36% (n=88)

High (30–45) — more than a day a week



26% (n=64)

Severe (45+) — coordination is the job



22% (n=55)

The median manager scores 27.5. The top decile scores 54 or above — for these managers, coordination overhead is no longer a tax on the job. It is the job.

Reading the number

An index of 31 means that for the average manager, roughly **a third of working capacity** is consumed by coordination overhead — alignment that produces no new decision, no new work, no new value.

For one manager, that is an annoyance. Across a management layer, it is the largest single line item nobody budgets for.

Who we asked

247	5	9
Respondents	**Countries**	**Industries**
Team leads (62%), directors (29%), executives and founders. 94% manage people directly.	United States, United Kingdom, Canada, Australia (50 each), Germany (47).	Technology, manufacturing & logistics, financial services, healthcare, professional services, government and more.

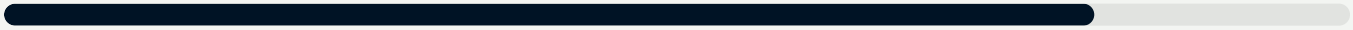
Fielded June 2026 via Pollfish. Full methodology on the final page. Throughout this report, annualisation assumes 46 working weeks; cost figures assume a fully loaded manager cost of $85/hour.

Part two · Anatomy

Where 16.5 hours a week actually go.

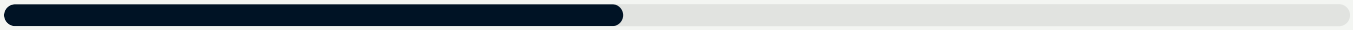
We did not ask managers to estimate "coordination" in the abstract. We asked for three specific, recognisable hour counts. Together they average **16.5 hours per week — 41% of a standard week**. The median is 15; a quarter of managers report 24 hours or more.

Status meetings — meetings whose primary purpose is sharing status, not deciding



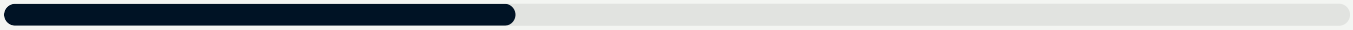
8.1 hrs/week · 49% of the tax

Re-explaining — repeating context someone else already had



4.6 hrs/week · 28% of the tax

Searching — hunting for decisions, agreements and information that already exist



3.8 hrs/week · 23% of the tax

The frequency behind the hours

90% leave at least one meeting a week thinking "that could have been a message" — 43% experience it three or more times a week.

86% re-explain the same decision or project context more than once in the same week; 38% do it three times or more.

None of these are exotic failures. They are the default operating condition of team-based work.

> "It's exhausting and frustrating to waste so much time, and though it seems like trivially short periods, they accumulate."
>
> **Survey respondent, verbatim**

The bill

Unit	Annual cost
Hours per manager	**760 hrs**
Cost per manager (@$85/hr loaded)	**$64,600**
Team of 8 managers	**$517,000**
Management layer of 100	**$6.5M**

For comparison: $6.5M is roughly the fully loaded cost of **35 additional managers** — capacity organisations already employ but cannot use.

The point

The coordination tax is not a meetings problem. Meetings are only half of it. The other half — re-explaining and searching — is **memory failure**: the organisation forgetting, every week, what it already knew.

Managers underestimate the tax by half.

Asked directly how much of their week coordination overhead consumes, managers said **21%** on average. Asked to itemize the hours, the same managers reported **41%** of a standard week. The correlation between the two answers is just 0.59 — managers genuinely cannot see their own overhead.

21%

What managers say they lose

"How much of your working week do you feel you lose to coordination overhead?" — mean answer across 247 managers.

41%

What their own hours add up to

Status meetings + re-explaining + searching, itemized by the same respondents, as a share of a 40-hour week.

Why the blindness matters

Costs that arrive in fifteen-minute slices never hit a budget line. A manager who loses a full day each week to re-explanation files it under "busy", not under "loss" — so no one owns the number, no one tracks it, and no one is accountable for reducing it.

This is what makes coordination the **dark matter of the P&L**: it is the largest cost in knowledge work that appears in no ledger.

The blindness is worst at the top

Department heads and directors itemize **20.1 hours a week** — half their working time — yet self-report losing only 23%. The people with the most spans to reconcile are the least able to see what reconciliation costs them.

> "Creates a state of entropy and wasted time where people do not work but instead ruminating about how to work."
>
> Survey respondent, verbatim

The implication

You cannot manage what you systematically underestimate by half. The first step out of the coordination tax is not a new tool or a meeting policy — it is **seeing the number**.

The tax compounds with structure, not effort.

If coordination overhead were a discipline problem, it would be randomly distributed. It isn't. It rises predictably with **span of control**, **organisational size**, and **hybrid work** — exactly as a structural cost should.

By role

Role	Hrs/wk	Index
Department head / director (9–30 reports)	**20.1**	**36.5**
Team lead / manager (2–8 reports)	**14.8**	**28.2**
Individual contributor	**15.4**	**28.6**

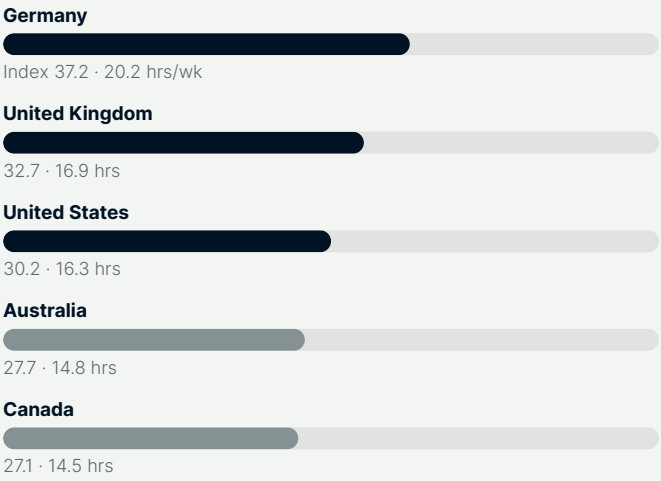
Every step up the ladder buys more of the same hours. Directors pay **35% more coordination hours** than team leads — the more people you lead, the more of your job becomes re-explaining your job.

By work mode

Mode	Hrs/wk	Index
Hybrid (2–3 days in office)	**18.3**	**34.6**
Fully remote	**17.5**	**31.5**
Mostly in-office (4–5 days)	**14.0**	**26.2**

Hybrid teams pay the highest tax — 8 index points above in-office. Flexibility is real and worth keeping; its coordination cost is currently paid in re-explanation.

By country



By industry (top of the table)

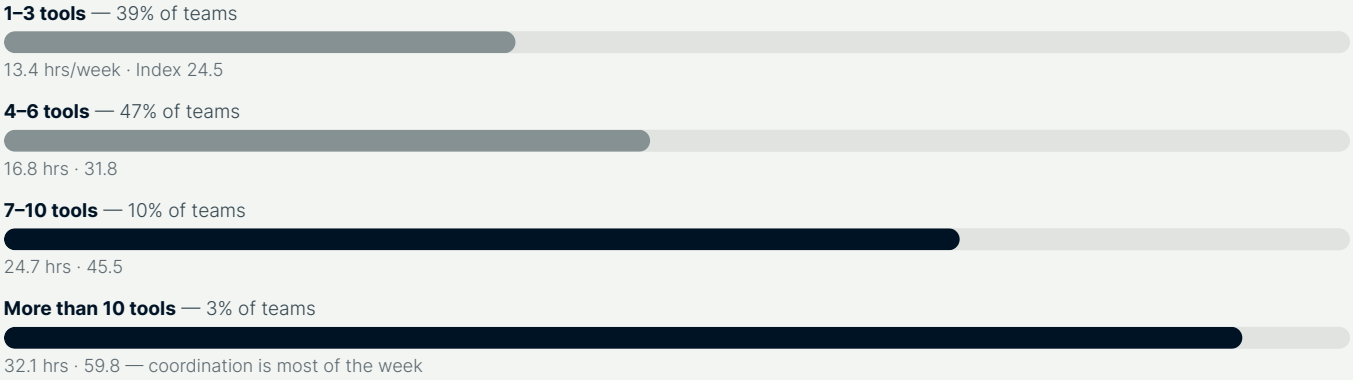
Industry	Index
Financial services	**37.2**
Technology / software	**35.2**
Healthcare / life sciences	**34.7**
Professional services	**33.1**
Manufacturing / logistics	**29.5**
Government / public sector	**27.8**

The most regulated, documentation-heavy industries pay the most. The mid-size organisation (51–1,000 people) is the danger zone: big enough for layers, too small for dedicated coordination infrastructure.

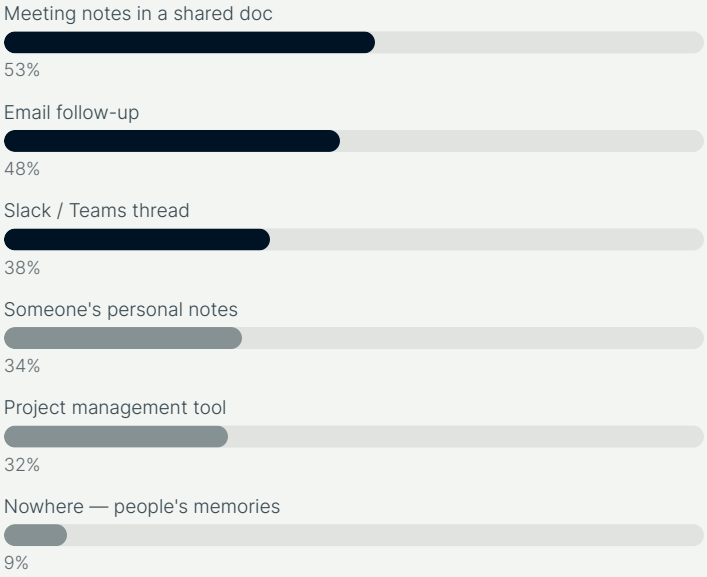
Every tool you add mints a new place for truth to hide.

Tool count is the strongest structural multiplier of the tax in our data (r = 0.42). Moving from a 1–3 tool stack to a 7–10 tool stack nearly **doubles** weekly coordination hours; past ten tools, it is **2.4×**.

Coordination hours by size of communication stack



Where decisions actually end up



The same decision, everywhere and nowhere

Respondents selected an average of **two destinations** per decision. The problem isn't that decisions go unrecorded — it's that they are recorded **everywhere at once**, in systems that never reconcile.

A third of teams route decisions through someone's **personal notes** — knowledge that resigns when they do. The 3.8 weekly hours managers spend searching for decisions already made is the direct interest payment on this fragmentation.

> "A few meetings a week could be avoided by having a source of information that would update everyone on the team as needed."
>
> **Survey respondent, verbatim**

The point

Fragmentation is not a tooling annoyance. It is **the engine of the tax** — each added system promises to organise work and instead mints a new version of the truth that someone must reconcile by hand.

AI adoption is done. The tax didn't move.

If personal AI assistants reduced coordination overhead, the heaviest users would pay the lowest tax. The data says the opposite: **86% of managers use AI at work** — and daily users carry more than twice the coordination load of non-users.

Coordination hours by AI usage

Causality runs both ways — managers drowning in coordination reach for AI. The conclusion stands either way: a year into mass adoption, individual AI has not cut the coordination tax for its heaviest users.

The re-briefing ritual

Every new AI conversation starts from zero. Among AI users, **91% must load context manually** before the assistant is useful for work; **55% spend 3–10+ minutes per session** re-explaining what the team already knows.

Only **9%** say their assistant "usually knows enough." Managers now re-explain context twice: once to colleagues, once to the machine.

Why AI can't see the tax

The coordination tax lives **between people** — in decisions made in rooms, commitments exchanged in conversation, context that never lands in any system a model can read.

A per-seat copilot makes the individual faster at producing more material for everyone else to reconcile. **A faster engine on a stale map drives into the same wall — sooner, and with more confidence.**

The paradox, resolved

AI was sold as the end of busywork, and managers bought it — 86% adoption. But the binding constraint was never the model. It is **context access**: the AI cannot reduce coordination overhead because the coordination layer is exactly the part of the organisation it cannot see.

The market has already spec'd the solution.

We asked a simple hypothetical: if your AI assistant could access your team's shared context — past meeting decisions, project history, who owns what — how many hours a week would it save you? The average answer: **4.4 hours a week**. From the people who know AI best — daily users — **5.9**.

4.4 hrs/wk	27%	5.9 hrs/wk
Average expected saving	**Of the measured tax**	**Expected by daily AI users**
201 hours per manager per year — equivalent to five working weeks returned.	Recoverable by connecting AI to shared context alone — before any process change.	The most experienced users see the most value. Context, not capability, is what they say is missing.

Demand is highest exactly where the tax is highest

Segment	Expected saving
Teams with 10+ tools	**7.1 hrs/wk**
Teams with 7–10 tools	**5.8**
Daily AI users	**5.9**
Financial services	**5.2**
Technology / software	**5.2**
Department heads / directors	**5.0**

This is the rare market where the customer has already described the product: **not a better model — shared organisational memory, connected to the AI they already use**.

The fragmented-stack teams, the senior managers, the heaviest AI users — the segments paying the highest tax are the ones most certain that shared context is what recovers it.

> "Explaining things multiple times is unproductive."
>
> **Survey respondent, verbatim**

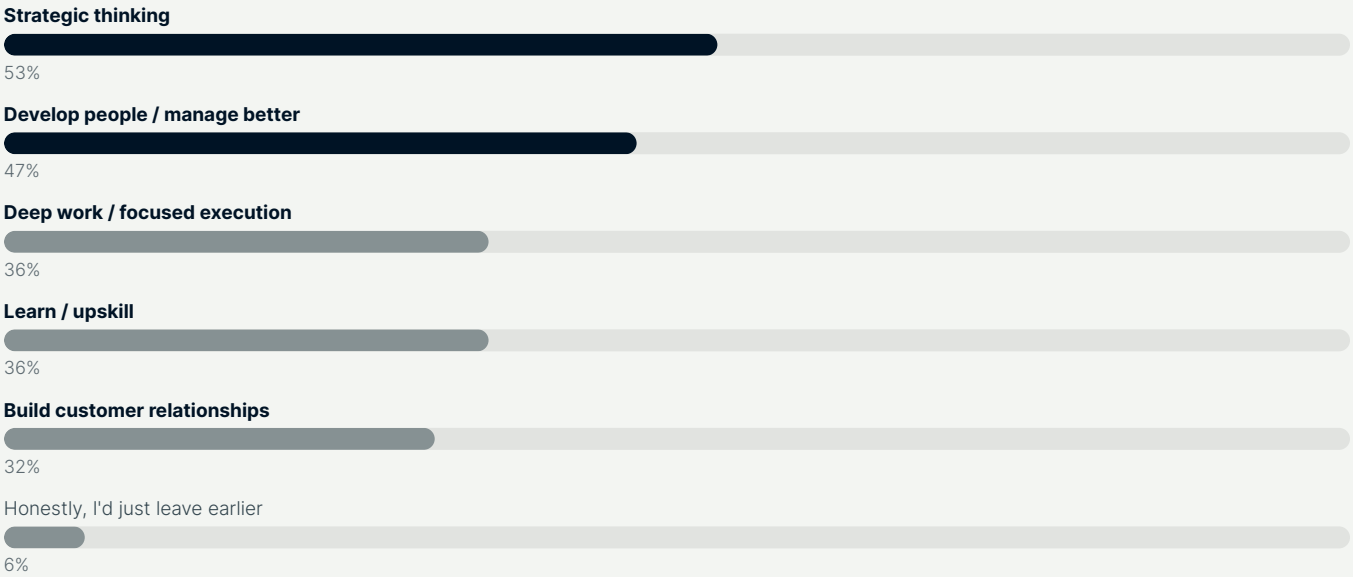
The arithmetic

4.4 hours a week at $85/hour is **~$17,000 per manager per year** — recoverable, by the respondents' own estimate, from a single change: giving AI access to the context the team already produces every day.

What managers would do with two days a week.

The coordination tax would matter less if the time it consumes were marginal time. It isn't. Asked what they would do with the recovered hours, managers chose the activities organisations say they most want from their leaders — and almost no one chose the door.

"If you could get the time back, what would you do with it?"



The tax is eating precisely what organisations claim to want more of: strategy, coaching, customer time. Companies are not short of leadership capacity — **they are spending it on archaeology**: finding the decision, repeating the context, attending the status readout.

Only 6% would bank the time as personal leisure. This is not a workforce looking for an easier week. It is a management layer asking for its actual job back.

> "Honestly having more time with my team would help me not micro manage but to check in a little more often."
>
> Survey respondent, verbatim

> "I find I could accomplish more for the team if given the time."
>
> Survey respondent, verbatim

> "It reduces time that could have been spent on doing actual productive work."
>
> Survey respondent, verbatim

The reframe

The coordination tax is not a productivity problem. It is a **management quality problem** — and the first dividend of the AI transition, done right, is not headcount. It is giving managers back the parts of the job that only humans can do.

Part nine · Implications

The tax is structural. The answer must be too.

Three conclusions follow from the data — and together they explain why two decades of meeting hygiene, tool consolidation and productivity training have not moved the number.

1 — You cannot train your way out. The tax rises with span of control, organisational size and stack fragmentation — structural variables, not behavioural ones. Two people need one conversation; ten people need forty-five. It is a math problem, and math problems require structural answers.

2 — You cannot buy your way out with systems of record. Decisions already land in an average of two systems, and the searching continues — because every record depends on humans to keep it current, and humans are busy. The record drifts from reality the moment it is written. Adding AI on top of stale records accelerates the problem; it does not fix it.

3 — You cannot prompt your way out. 86% of managers use AI; the heaviest users pay the highest tax and spend minutes per session re-briefing the machine. The constraint is no longer model capability. It is that the most valuable substrate in any organisation — the decisions, commitments and context exchanged between people — never reaches any system an AI can see.

What the structural answer looks like

A **shared context layer**: organisational memory that is captured as the work happens — in meetings, threads and decisions — kept current automatically rather than by human discipline, and made accessible to every team member and every AI tool the company already runs.

By the respondents' own arithmetic, that single change recovers **4.4 hours per manager per week** — 27% of the tax — before any process is redesigned, any meeting cancelled, or any tool replaced.

Appendix

Methodology & notes.

Survey design

The Coordination Tax Index 2026 survey was fielded in June 2026 through the Pollfish research platform. **247 respondents** completed a 19-question instrument covering weekly coordination hours, meeting and re-explanation frequency, tool usage, AI adoption and expected savings from context-aware AI.

Sample. United States (50), United Kingdom (50), Canada (50), Australia (50), Germany (47). Respondents screened for employment in team-based work; 94% manage people directly — 62% team leads/managers (2–8 reports), 29% department heads/directors (9–30 reports), plus executives, founders and senior individual contributors. Nine industry groups; organisation sizes from under 10 to over 5,000 employees, with the median respondent in a 51–1,000 person organisation.

Index construction

Each respondent's score (0–100) is the equally weighted average of: (a) **measured load** — the sum of three itemized weekly hour counts (status meetings, re-explaining context, searching for existing decisions) divided by a 40-hour week, capped at 100%; and (b) **perceived load** — the self-reported share of the working week lost to coordination overhead. The Index is the sample mean. Bands: Low <15, Moderate 15–30, High 30–45, Severe 45+.

Assumptions

Annualisation uses **46 working weeks**. Monetary figures use a fully loaded manager cost of **$85/hour** (salary, benefits, employer costs) — a deliberately conservative blend across the five surveyed markets. Teams should substitute their own loaded rates; the per-hour findings are presented separately to allow this.

Limitations

All time figures are self-reported and should be read as directional rather than audited. Self-reported hours may over- or under-state true values; the report's central perception-gap finding suggests under-counting is the more likely direction. Sub-group figures with n < 25 (founders, executives, some industries) are reported for completeness but not relied on for headline conclusions. Correlations reported (tool count × hours, r = 0.42; measured × perceived load, r = 0.59) are associations, not causal estimates.

Citation

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Benchmark your team

Want your team's own Index — measured from real meetings rather than recall? In Parallel Diagnostics scores how your organisation actually runs, traceable to transcript evidence. **in-parallel.com**

Companion to The Coordination Tax, Vol. I — A diagnosis by Markku Mäkeläinen & Kristian Luoma.

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