

THINK, DESIGN AND DO: TOWARD A FRAMEWORK FOR TIME ALLOCATION IN SME LEADERSHIP

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The fact that a single executive or a small management team must simultaneously handle strategic, tactical, and operational functions is a challenge faced by executives and entrepreneurs in small and medium-sized enterprises (SMEs), whereas their counterparts in large corporations rarely find themselves in such a situation. This article examines the consequences of this situation for leadership effectiveness and organisational performance, using the ‘Think, Design and Do’ triad as an analytical framework to analyse how managerial attention is distributed, and how its bias towards operational execution comes at the expense of strategic clarity and organisational design. This paper argues that the deliberate allocation of time across the three levels is not merely a productivity technique, but a structural leadership discipline with measurable implications for the organisational effectiveness of SMEs. It also incorporates the emerging role of generative artificial intelligence as a facilitating mechanism capable of reducing the cognitive and time burden of low-value operational tasks, thereby creating space for higher-order strategic attention. Finally, this article adopts a practice-based conceptual research approach, grounded in the author’s longitudinal executive experience in the financial and industrial sectors, as well as my previous doctoral research on disruptive entrepreneurship. It proposes a diagnostic framework that includes an ‘Organisational Complexity Index’, a ‘TDD Balance Matrix’ and a task taxonomy to help SME leaders achieve a more effective and sustainable managerial balance. The contribution lies at the intersection of strategic leadership, organisational design and management practice.

THEORETICAL BACKGROUND

The Structural Problem: Role Concentration in SME Leadership

The academic literature on small and medium-sized enterprises consistently identifies a paradox at the heart of SME management where the same individuals who are responsible for

setting the company’s strategic direction are often also its main operational worker. Unlike large corporations, where the organisational hierarchy creates a natural distinction between strategic, tactical and operational functions, SMEs often lack the structural depth necessary to maintain such a separation. The consequence is a form of permanent role ambiguity that (Mintzberg, 1973) anticipated in his very relevant typology

of managerial work, in which describes that executives move fluidly between interpersonal, informational and decision-making functions, but which is worsened when these transitions occur within a single working day across those three fundamentally different cognitive situations. Prof. Dr. Henry Mintzberg is one of the authors who best describes the work environment of managers through any of his books, and some of them will be used to support this paper.

Furthermore, (Beaver & Prince, 2004) observe that this concentration of functions is not merely an organisational inconvenience, but a systemic constraint on the growth of SMEs. When leadership attention is structurally captured by operational demands, the firm's capacity to generate strategic vision and design adaptive responses is consequently diminished. This is also consistent with (Simon, 1947) formulation of "limited rationality" due to the fact that attention is finite and, therefore, its allocation is already a strategic choice, whether recognised as such or not.

The "Attention-Based View" and its SME Implications

As a continuation of Simon's work (1947), (Ocasio, 1997) developed the "Attention-Based View" (ABV) of a firm, providing a rigorous theoretical foundation for the framework proposed in this article. The ABV's theory affirms that what a firm does is determined by what its decision-makers pay attention to, and that the distribution of attention within the firm is determined by its structures, norms and communication channels. In large organisations, these structures channel attention towards specific levels and functions. In SMEs, such channelling mechanisms are weak or non-existent, leaving leaders without the organisational design that might

otherwise shield strategic attention out of operational distractions.

Experienced SME leaders will intuitively recognise themselves in Ocasio's (1997) model given that, without deliberate intervention, operational urgency will systematically displace their strategic reflection. This is not a failure of individual discipline, but a structural outcome that demands a structural response. My 'Think/Design/Do' framework proposed here aims to be precisely a guide to an architecture of attention consciously constructed for SME senior leadership.

Theoretical Antecedents of the 'Think/Design/Do' Triad

The division of organisational activity into three parts, namely, strategic thinking, tactical design and operational execution, has multiple theoretical antecedents. (Anthony, 1965) classic framework of management control distinguishes between strategic planning, management control and operational or technical control as three hierarchically nested processes that require different types of information, time horizons and managerial competencies.

Years later, the distinction between exploration and exploitation described by (March, 1991) captures a related tension, where organisations that invest excessively in "exploitation" (typically, the review of existing activities) they risk losing the adaptability that comes from "exploration" (innovation) and strategic thinking. Therefore and in the context of SMEs, the executive absorbed in operational execution is, in March's sense, over-exploiting at the expense of "exploration". My view of the 'Think' layer of the proposed triad, is the primary level or definition of "exploration"; the

‘Do’ layer, the stratum of “exploitation”, while the ‘Design’ layer, a kind of transmission belt between the two axes.

The “dynamic capabilities” framework of (Teece et al., 1997) adds a further dimension to March’s view. Senior leaders should never delegate their ability to perceive changes in the environment, seize new opportunities and reconfigure internal resources, calling this function “strategizing”. When SME leaders are structurally confined to the ‘Do’ layer, the firm’s dynamic capabilities atrophy, considering this layer as the most operational or bottom level of an organisation tasks’ execution.

It should be noted that rigid implementations of this tripartite structure in large corporate environments, where thinking, designing and doing are assigned exclusively to distinct hierarchical levels without cross-level interaction, have been documented as counterproductive, as they lead to the loss of talent and stifle the generative flow of ideas from operational levels (Hamel & Zanini, 2020). In addition to this, my practical evidence on which this article is based, detailed in section “The Autoethnographic Element” under the Methods chapter, includes direct observation of such an attempt, and it is precisely this rigidity that the present framework aims to avoid: the objective is not hierarchical segregation, but a deliberate and balanced allocation of attention across the three layers of tasks distribution among any organisational levels.

¹ Generative artificial intelligence (GenAI) refers to a class of machine learning models capable of producing original content—including text, code, images and structured data—in response to prompts written in natural language. Unlike previous AI systems designed for classification or prediction, GenAI models

“Upper Echelons Theory” and the Leadership Quality Premium

Hambrick and Mason’s (1984) theory of upper organisational levels posits that organisational outcomes are, to a large extent, a reflection of senior managers’ values, cognitive frameworks and patterns of, again, attention. In SMEs, where the management team is small and its influence on organisational behaviour is extremely direct, the effect described by Hambrick and Mason is even amplified. The time a senior executive allocates to strategic thinking is not merely a personal preference but an organisational resource with measurable consequences for leadership, culture and performance.

This idea underlies the central argument of this article as the allocation of leadership time across the ‘Think/Design/Do’ triad is not a matter of planning, but of governance, and management style. This will create a culture starting from the Board of Directors, down to the middle management level.

Generative AI as an Attention Multiplier

A new element of the framework I would like to propose is the recent and crucial incorporation of generative artificial intelligence (GenAI)¹ as a structural enabler of efficiency. Recent literature has begun to examine the organisational implications of large language models and tools related to more efficient work performance

(such as large language models) generate outputs by learning statistical patterns from vast corpora of training data. For the purposes of this document, the term refers specifically to tools based on large language models applied to intellectual tasks, such as writing, summarising, translating and synthesising information.

(Brynjolfsson et al., 2025). The emerging consensus is that GenAI has the greatest impact on productivity in tasks like those that require low or basic skillset, are repetitive and involve the synthesis of information. These are precisely the category of operational and administrative tasks that consume a significant amount of time for SME executives, such as building a presentation to any stakeholders, synthesise monthly reports, or manage their email inboxes.

If the central problem is the structural capture of attention by the ‘Do’ layer, GenAI offers a partial structural remedy by automating or substantially accelerating certain operational tasks. It can free up time for the ‘Think’ and ‘Design’ layers without requiring organisational restructuring. For SMEs that cannot afford to hire additional staff to free leaders from operational tasks, this represents an intervention of great practical importance. Therefore, the framework for this article views the adoption of GenAI not as a technological strategy, but as a leadership attention strategy.

METHODS

Research Design and Epistemological Position

This article adopts a practice-based conceptual research design rooted in the interpretative approach (Gioia et al., 2013). Rather than generating primary empirical data through surveys or experimental methods, I have developed a theoretical framework by systematically integrating three sources of academic knowledge: the established management literature on managerial functions, attention/time allocation and leadership culture and style in SMEs. All this backed by my broad executive and

advisory experience in the financial and industrial sectors spanning more than twenty-five years, as well as reflective case evidence derived from my previous doctoral research on disruptive entrepreneurship (Fèvre, 2025).

This approach is consistent with the epistemological tradition of engaged academic-practitioner research exposed specifically by (Van de Ven & Johnson, 2006) and (Rynes et al., 2001), which holds that managerial experience, when subjected to systematic reflection and theoretical scrutiny, constitutes a legitimate and distinctive form of academic knowledge. The engaged management community, in particular, recognises the academic-professional not merely as a researcher who happens to have industry experience, but as someone whose professional knowledge is a primary source of theoretical insight (Tenkasi & Hay, 2008).

The “Autoethnographic” Element

A specific methodological contribution of this article is the integration of “autoethnographic approach” as referred by (Ellis et al., 2011) in his work. My experience as a senior executive in multinational companies, board director, strategic advisor, and, subsequently, as leader of a disruptive SME in the packaging sector (Fèvre, 2025) offers a first-hand, empirical account of the structural tension between the strategic, tactical and operational demands that require leadership’s attention. This lived experience is not presented as an anecdote, but as primary data from a professional, subjected to the same analytical framework applied to the theoretical literature.

As (Mintzberg, 2004) argued in his critique of conventional management education, the separation of managerial knowledge from managerial experience,

produces executives who can theorise fluently but perform poorly. The professional-researcher stance adopted in this article seeks to bridge that gap, treating my executive career as a real case study of the dynamics of time allocation within the 'Think/Design/Do' triad.

One influential episode in my career deserves a detailed explanation, as it constitutes the direct experiential origin of the framework proposed in this article. During my tenure as a senior executive at a large multinational, I witnessed first-hand the attempt to impose an extremely rigid hierarchical structure in which the 'Think' layer (strategic direction and long-term planning) was reserved exclusively for senior executives at the company's global headquarters; the 'Design' layer was assigned to heads of divisions or geographical regions; while production centres were limited solely to 'Do' functions, without being able to propose improvements or contribute beyond the execution of the most operational tasks.

This structural initiative was ultimately not implemented across the organisation. Many leaders were highly critical of it, arguing (correctly, in my view) that it would alienate talent from the lower levels of the organisation and jeopardise the generation of ideas and professional growth. The episode made a deep impression on me as it made me clear that the pitfall to be avoided is not the three-way distinction in itself, but its transformation into a rigid system of hierarchical permissions, in which certain people are structurally prohibited from 'Thinking' or 'Designing'. When I later began managing and advising SMEs, I observed the reverse pathology just as frequently: leaders who had the structural right to 'Think' and 'Design',

but who focused on the operational demands ('Do') to completely supplant both activities. The misalignment of the triad (whether through rigid exclusion or operational seizure) has since become one of my key indicators when assessing individual and team performance. It is this dual observation, from both ends of the organisational spectrum, that informs the diagnostic framework developed in this article.

Framework Development Process

The framework proposed in this article was developed through an iterative process of "abductive reasoning" as suggested by (Peirce, 1934) and later followed by (Locke et al., 2008), where they propose alternating between the theoretical constructs identified in the literature and the patterns observed in executive practice until a coherent explanatory structure emerged. The 'Think/Design/Do' triad serves as an organisational typology, based both on Mintzberg's "taxonomy of managerial functions" (1973) and March's "exploration-exploitation framework" (1991), whilst adapting these concepts to the specific structural conditions of SMEs.

The Organisational Complexity Index (OCI) that will be developed in the 'Finding' Section, was derived by combining established conventions for classifying SMEs based on size (European Commission, 2003)² with the number of organisational levels as an indicator of structural delegation capacity, which itself is considered a variable identified in the "Contingency Theory" literature as a key moderator of leadership behaviour (Donaldson, 2001). The resulting composite index and the values of the cells in the proposed

² The European Commission's Recommendation (2003/361/EC) classifies enterprises by headcount into three tiers: Micro

(fewer than 10 employees), Small (fewer than 50 employees), and Medium (fewer than 250 employees)

‘Think/Design/Do’ Balance Matrix (or just ‘TDD Balance Matrix’) are derived theoretically based on the frameworks and methods exposed previously. This matrix has been already shared with the SMEs’ executives during my advisory services, and its structure empirically constructed, however it is still explicitly presented as a basis for subsequent extensive practical validation.

FINDINGS

The Three Layers Defined

As briefly introduced previously, the framework proposes a three-part architecture for organising the time and attention of managers in SMEs, structured around three qualitatively distinct levels or layers:

The ‘Think’ level encompasses activities associated with strategic leadership: analysis of the competitive environment, definition of objectives, identification of long-term opportunities, establishment of values, and questioning of the company’s fundamental competitive logic. This is the field of (Mintzberg, 1973) entrepreneurial role and (Hambrick & Mason, 1984) top-level function. Activity at the ‘Think’ level requires sustained, uninterrupted attention that is structurally incompatible with operational interruptions.

The ‘Design’ layer corresponds to tactical management: organisational architecture, process design, resource allocation, capability development, and

the translation of strategic intent into an implementable structure. It is the bridge between leadership and action. In the micro or small SMEs, this layer is often absent (where leaders move directly from the strategic statement to operational implementation, without going through organisational design) or, in medium SMEs, is delegated without sufficient guidance to middle management, who lack the strategic context to execute it coherently.

The ‘Do’ layer encompasses operational execution: the day-to-day running of processes, the delivery of products and services, the management of transactions, and the handling of operational exceptions. It is indispensable, but it is also the layer most likely to monopolise leadership attention beyond what is appropriate, precisely because its demands are immediate, visible and measurable, whilst the benefits of investment in the ‘Think’ and ‘Design’ layers are often deferred and intangible.

Tasks Taxonomy by Level

To ensure that the framework is practical and can be used by professionals, Table 1 provides a structured taxonomy of management activities classified by level. This taxonomy serves two purposes, first, it acts as a diagnostic tool for self-assessment, and second, it serves as a reference for the time-allocation exercise described in the section the ‘Organizational Complexity Index’ (OCI) that will be reviewed later.

TABLE 1
‘Think/Design/Do’ Task Taxonomy for SMEs

Layer	Category	Typical Task Examples
THINK	Strategic direction	Define or revisit the firm's mission, vision, values, and long-term objectives; define the firm's fundamental competitive logic
	Market & environment	Scan the competitive landscape; identify emerging trends, threats, and opportunities; assess macro-environmental shifts
	Innovation & growth	Identify new markets, products, or business model configurations; assess disruptive threats from emerging competitors
	Stakeholder positioning	Shape relationships with investors, board members, key partners, and institutional actors; manage the firm's external narrative
	Resource strategy	Long-range decisions on capital allocation, M&A targets, strategic partnerships, and portfolio configuration
	Leadership reflection	Personal development, executive coaching, peer learning, scenario planning, and structured strategic review processes
DESIGN	Organizational architecture	Define reporting lines, roles, and decision rights; design or redesign organizational structure in response to strategic change
	Process design	Map, standardise, and improve key operational and managerial processes; eliminate structural sources of operational exception
	Performance systems	Design KPIs, OKRs, incentive structures, and management control dashboards; translate strategic direction into measurable targets
	Talent architecture	Succession planning, capability assessment, hiring criteria for key roles; design learning and development frameworks
	Technology & systems	Select and design enabling technology (ERP, CRM, MES, GenAI tools, etc) at a governance level; define firm's digital architecture
	Culture & communication	Design internal communication frameworks; operationalise organizational values; plan and manage change initiatives
DO	Client management	Handle client relationships; resolve operational escalations; attend routine account or delivery meetings
	Transaction execution	Approve routine purchases; sign operational contracts; process day-to-day operational decisions below strategic threshold
	Internal coordination	Attend to status update meetings; resolve team conflicts; answer operational queries
	Administrative tasks	Prepare or review routine reports, correspondence, scheduling, and compliance filings (primary candidates for GenAI automation)
	Production oversight	Direct involvement in delivery, quality control, or service execution; filling in for absent operational staff
	Crisis management	Respond to unplanned operational failures, supply disruptions, or staff absences (a symptom of inadequate ‘Design’ layer investment)

Nevertheless, this taxonomy is illustrative rather than exhaustive. The categorization of any specific task will vary depending on each company’s context; the diagnostic value lies in the

distribution pattern, not in the classification of a single activity. Particular attention should be paid to the final example in the ‘Do’ layer (Crisis management) which I have identified as

a structural symptom of insufficient investment in the ‘Design’ layer, given that organisations with well-designed processes and a clear distribution of decision-making powers face fewer operational crises that require management intervention.

The Structural Distortion in SMEs

The main conclusion of this framework analysis is that SME senior leaders systematically over-invest in the ‘Do’ level, to the detriment of the ‘Think’ and ‘Design’ levels; this is not due to a lack of individual discipline, but to structural conditions inherent to the very nature of SMEs. I have identified four mechanisms driving this distortion:

Firstly, *the predominance of urgency*: operational problems present themselves with immediate visibility and emotional relevance, triggering fast and reactive call-to-action. Strategic thinking though, requires the intervention of slower, deliberate and analytical actions, which are systematically displaced by operational urgency.

Secondly, *the structural absence of a delegation infrastructure*: in large companies, operational demands are absorbed by specific functional layers. In SMEs, such layers are scarce or non-existent, meaning that operational problems are escalated to or dealt directly by executive level, regardless of their strategic importance.

Thirdly, *identity capture*: many SME founders and executives derive their professional identity from the operational domain, such as technical expertise, direct customer relations or production ability. This creates a psychological pull towards execution-level activities that is independent of organisational need.

Fourthly, *the asymmetry of visibility*: in SMEs with small leadership teams, executives are directly observed by staff, customers and stakeholders, primarily in operational contexts. The invisible work of strategic thinking does not generate a comparable social reward, which further diverts attention away from the ‘Think’ layer.

The ‘Organizational Complexity Index’

To provide a rigorous and quantifiable foundation for the diagnostic framework, this article introduces the ‘Organizational Complexity Index’ (OCI) as a composite measure that combines firm size with structural depth:

$$OCI = \log(N) \times L$$

Where N is the total number of employees and L is the number of hierarchical levels from the CEO to the front-line worker. The logarithmic transformation of N mitigates the effect of the raw number of employees, so that the difference between 5 and 50 employees carries proportionally greater weight than the difference between 500 and 5,000, in line with the nonlinear relationship between firm size and organizational complexity documented in the “contingency theory” literature (Donaldson, 2001). The number of hierarchical levels L introduces structural depth as an independent variable, reflecting the idea that two firms with the same number of employees may have radically different delegation capabilities depending on their hierarchical architecture.

TABLE 2
Organizational Complexity Index (OCI) Category Definitions

OCI Score	Category	Employees (N)	Typical organizational profile
< 2.0	Micro SME	< 10	1–2 organizational layers; founder-led; minimal delegation infrastructure
2.0 – 4.0	Small SME	10 – 49	2–3 layers; emerging middle management; partial delegation possible
4.1 – 10.0	Medium SME	50 – 249	3–4 layers; defined management structure; significant delegation capacity
> 10	Near-Corporate	250+	4–5 layers; specialist functions; full delegation infrastructure in place

As mention before, the OCI categories in Table 2 have been calibrated according to the European Commission's (2003) SME classification thresholds (micro: < 10; small: 10–49; medium: 50–249 employees), while also incorporating the dimension of hierarchical levels to capture structural gradations not reflected in classifications based solely on the number of employees. For instance, the founding CEO of a 30-person company operating with a flat two-tier structure has an $OCI = \log(30) \times 2 \approx 2.95$, which places the company in the simple and Small SME band. If a middle management level is added to the same company ($L = 3$), the OCI increases to ≈ 4.43 , placing it in the more complex Medium SME band, reflecting the actual increase in design and coordination demands that accompanies structural elaboration.

The TDD Balance Matrix

The 'Think/Design/Do' or just TDD Balance Matrix integrates the OCI with the size of the Senior Leadership Team (SLT), defined as the number of people sharing senior leadership responsibilities at executive level or equivalent, to generate a specific recommendation for each cell regarding the maximum proportion of senior management time that should be devoted to activities in the execution or 'Do' layer. The remaining time should be distributed between the 'Think' and 'Design' layers in an approximate ratio of 55:45, with the proportion allocated to 'Design' increasing as the OCI rises in order to provide control and proper management to the organisation following Ocasio's (1997) ABV theory. Each cell displays both a maximum percentage and a risk label indicating the governance urgency of that configuration.

TABLE 3

TDD Balance Matrix: Maximum Recommended 'Do' Allocation for Senior Leadership and its Associated Risk Level

OCI Category / SLT Size	Solo (1)	Thin (2–3)	Structured (4–6)	Full (7+)
Micro SME (OCI < 2.0)	≤ 65% Do Critical*	≤ 40% Do Target	(not applicable) ¹	(not applicable) ¹
Small SME (2.0 – 4.0)	≤ 40% Do High	≤ 35% Do Moderate	≤ 25% Do Target	≤ 20% Do Target
Medium SME (4.1 – 10.0)	≤ 30% Do Moderate	≤ 25% Do Target	≤ 20% Do Target	≤ 15% Do Target
Near-Corporate (> 10.0)	≤ 20% Do Target	≤ 15% Do Target	≤ 10% Do Target	≤ 10% Do Target

* **Risk labels:** **Critical:** 'Do' layer dominance structurally difficult to avoid; treat ceiling as minimum discipline. **High:** Active delegation effort required. **Moderate:** Structural capacity exists; ceiling is a firm governance target. **Target:** Ceiling should be treated as a strict upper bound; exceedance signals 'Design' layer failure. ¹**Not applicable:** Configuration is structurally implausible for this organizational profile and is excluded from the framework.

It should be noted that the values in the matrix have been derived theoretically and weighed by own experience as executive and advisor for 10+ SMEs, however there is room for further empirical calibration, therefore they represent the framework's current best tuning of appropriate limits, based both on the literature on management control and experience, still should be regarded as benchmarks to be continuously calibrated empirically.

Organizational profile interpretations: The following profiles provide interpretive guidance for each OCI band, elaborating on the diagnostic logic underlying the matrix values and the recommended interventions for leaders in each configuration.

Profile 1: Micro Organisation (OCI < 2.0; fewer than 10 employees; 1–2 organizational layers). In this configuration, the absence of any meaningful delegation infrastructure makes operational involvement by the

senior leader structurally unavoidable. Given the headcount constraint, there are only two realistic configurations for the management team, either a single leader or a small team of two to three people. Structured or full management teams are ruled out as implausible, as they would imply that the majority of the workforce would hold a management position, which contradicts the defining characteristics of a micro-enterprise. A single leader should aim to assign a maximum of 65% of tasks, recognizing that this limit is already high relative to the strategic demands of business management and should be treated as a temporary condition that will decrease as the organization grows. When there is a small leadership team of 2 to 3 people, the limit drops to 40%, as the partial distribution of tasks begins to create space for strategic attention. In both cases, the priority intervention is organizational growth itself as the most effective way for a microenterprise leader to reduce the dominance of the execution layer is to build the structural

conditions through people, processes, and organizational levels, which enables delegation.

Profile 2: Small SME (OCI 2.0–4.0; 10 to 50 employees; 2–3 organizational layers). At this scale, emerging middle management creates the first genuine structural opportunity for delegation, and the senior leader should begin treating ‘Do’ layer reduction as an active governance priority rather than an aspiration. A solo leader should cap ‘Do’ involvement at 40%, recognizing that the presence of at least one intermediate layer now provides a buffer for operational escalation. Thin teams (2–3) should target 35%, structured teams (4–6) should target 25%, and full leadership teams should be operating at no more than 20% ‘Do’ allocation. Leaders in this band who remain above 40% regardless of team size are exhibiting the identity capture and urgency dominance patterns described before and should treat this as a diagnostic signal requiring deliberate intervention.

Profile 3: Medium SME (OCI 4.1–10.0; 50 to 250 employees; 3–4 organizational layers). This is the band in which the structural conditions for strategic leadership are most clearly present, and in which the gap between structural potential and actual behaviour is frequently most acute. With 3 or 4 organizational layers, the firm possesses the architecture to absorb operational demands well below the executive level; any sustained ‘Do’ layer involvement by senior leadership at this scale reflects a Design-layer failure, not an organizational necessity. Solo leaders should cap ‘Do’ allocation at 30%; thin teams at 25%; structured teams at 20%; and full teams at 15%. A CEO of a 150-person firm with a complete senior leadership team who is spending 40% of their time on operational tasks is misallocated by a factor of

approximately 2.5 relative to these benchmarks, with direct consequences for the firm's strategic adaptive capacity and long-term performance.

Profile 4: Near-Corporate SME (OCI > 10.0; more than 250 employees; 4–5 organizational layers). At this level of organisational complexity, operational involvement by the most senior leader should be regarded as a governance failure in all but exceptional crisis circumstances. The structural delegation infrastructure is sufficient to absorb virtually all routine operational demand. Solo leaders (a configuration that should itself be rare at this scale) should nonetheless cap ‘Do’ involvement at 20%, primarily to account for the residual coordination and crisis-response demands that even well-designed organizations generate. Thin teams should target 15%; while structured teams and full leadership teams should aspire to 10% or below, reserving executive attention almost entirely for the ‘Think’ and ‘Design’ layers where organizational value at this scale is genuinely created.

These profiles assume that the ‘Design’ layer has been adequately built. In organizations where the ‘Design’ layer is underdeveloped (a frequent finding in SMEs that have grown rapidly without sufficient investment in organizational architecture (Fèvre, 2025, p. 155)) the ‘Do’ ceiling should be treated as aspirational rather than immediately achievable, and ‘Design’ layer investment should be the first intervention priority before ‘Do’ layer reduction is attempted.

Generative AI as a Structural Enabler of Attention Reallocation

This framework places particular emphasis on GenAI as a factor that enables a shift in focus. The recent

literature on the effects of GenAI on productivity (Brynjolfsson et al., 2025; Noy & Zhang, 2023; Dell'Acqua et al., 2026), consistently identifies the greatest benefits in language-intensive, template-based information synthesis tasks; precisely the category that constitutes the bulk of administrative operational work in SMEs. Drafting emails, preparing reports, summarizing meetings, creating regulatory presentations, routine communications with clients, and internal documentation represent a significant and quantifiable time burden for SME executives that GenAI tools can now automate or substantially accelerate.

Therefore, this framework proposes the adoption of GenAI as a leadership strategy rather than a technology investment decision. The relevant question is not ‘what can AI do?’ but ‘which of my current execution-layer tasks can AI perform adequately, and what would I do with the time saved?’ This reframing links the decision to adopt the technology directly to the effectiveness of the executive’s role, which is a connection that is clearly absent from the current discourse on GenAI adoption, which tends to focus on productivity metrics rather than the quality of leadership. In the taxonomy presented in Table 1, most of administrative tasks in the ‘Do’ layer are clearly identified as candidates for automation via GenAI.

DISCUSSION

Theoretical Contributions

This paper makes four contributions to the management literature. First, it extends the “Attention-Based View” of the firm (Ocasio, 1997) to the specific structural conditions of SME leadership, providing

a more granular account of how attention distortion occurs and what mechanisms sustain it. Second, it operationalizes the ‘Think/Design/Do’ triad as a diagnostic and prescriptive framework that bridges strategic management theory and leadership practice in a form accessible to and usable by SME executives. Third, it introduces the “Organizational Complexity Index” as a theoretically grounded composite measure that improves on headcount-only firm classifications for the purpose of leadership time allocation analysis. Fourth, it integrates GenAI into an attention-economy framework for leadership, connecting emerging technology adoption research to the classical literature on managerial roles and cognitive constraints.

Practical Implications

The practical implications are clear as SME leaders who consistently under-invest in the ‘Think’ level will create reactive rather than adaptive organisations, thus competent from an operational standpoint, but adrift from a strategic one. The framework offers a structured diagnostic process that does not require external consultancy or organisational restructuring as a prerequisite as the time audit and comparison with the TDD Balance Matrix can be carried out individually, providing an immediate and practical benchmark for reallocating attention.

For advisors, board members and investors in SMEs, the framework provides a new perspective for assessing leadership quality since it is not simply a question of ‘does the CEO have a strategy?’, but rather ‘does the CEO’s actual time allocation support sustained strategic thinking?’. In practice, these two questions yield very different answers. The OCI-based matrix also allows this assessment to be compared

against a theoretically grounded benchmark, rather than relying solely on qualitative judgement.

Limitations and Future Research

The framework developed here is conceptual and practice-based. Its main limitation is the limited empirical validation using a more representative sample of SME leaders. Future research should test extensively the key propositions through structured time-use diary studies combined with measures of organisational performance, an approach that would allow for the quantification of both typical patterns of misallocation and the consequences of reallocation on performance. Further additional model designs would be particularly valuable for establishing causal direction such as the validation of the reallocation of attention as a factor that improves organisational performance, or evaluating the higher-performing organisations that created the structural conditions that facilitated leaders to invest more in the 'Thinking' layer.

As mentioned above, the OCI and the cell values of the TDD Balance Matrix could be further require extensive empirical calibration. A multi-sector study of SME executives using the time-use diary methodology (Mintzberg, 1973; Tengblad, 2006), would provide the data needed to validate or revise both the index parameters and the matrix benchmarks. Furthermore, the role of the sector, the composition of the founding team and the stage of the organisation's life cycle as potential distortion patterns could justify supplementary research.

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