



Deloitte 2023 Global Human Capital Trends Report: New Fundamentals for a Boundaryless World



April 6, 2023
Shared Services and Outsourcing Executive Forum



The boundaries that were once assumed to be the natural order of things are falling away...

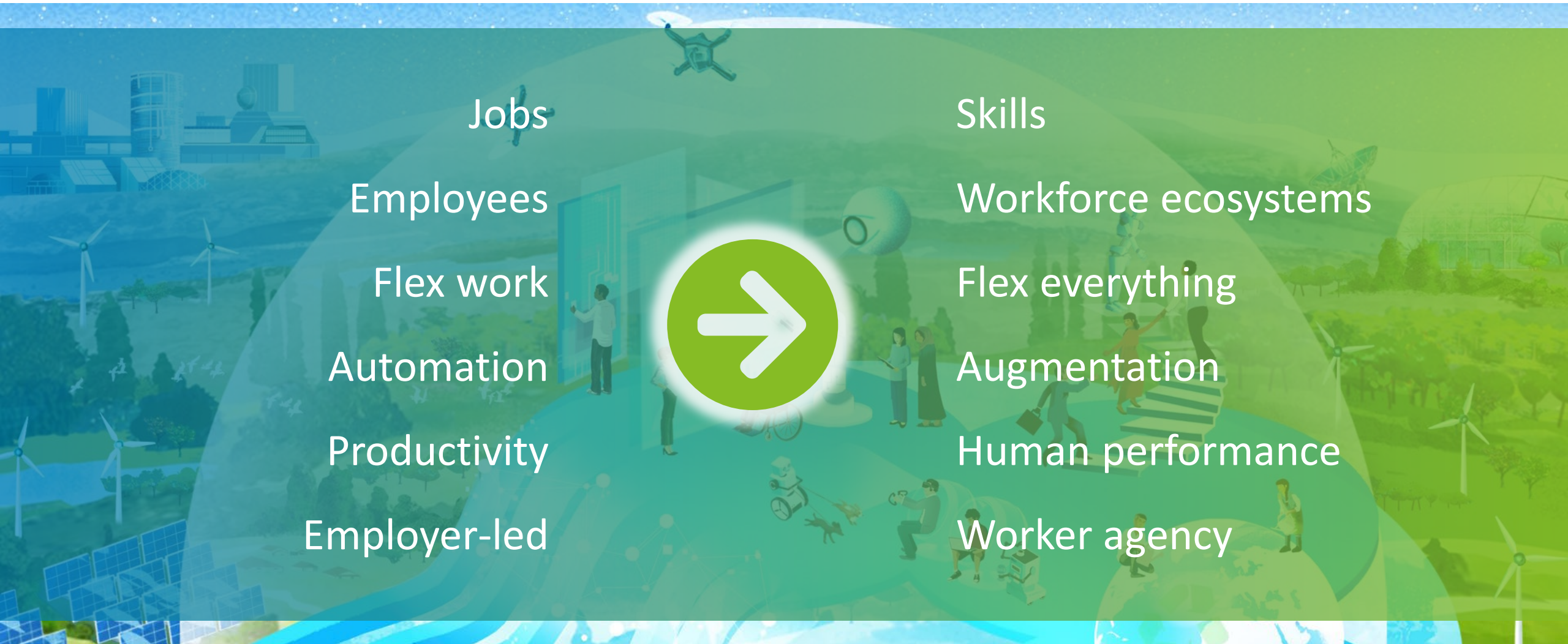


The implication for organizations is that they are traversing a new landscape as they lose those traditional boundaries that kept things packaged and orderly, and gain permission to experiment, pilot, and innovate to define new fundamentals.

New fundamentals for a boundaryless world

Key shifts have transformed the world of work and have created a boundaryless world.

For those who get it right, the boundaryless world becomes one of infinite possibility instead of chaos and confusion.



History of the Human Capital Trends

Since Deloitte first published the Human Capital Trends in 2011, the perspectives have functioned as predictors of the behavior we expect to see in organizations today.

Evolving Human Capital Trends

The Future of Work

**Employee Experience
→ Human Experience**

**Diversity and Inclusion as
Organizational Success
Drivers**

Concepts Introduced

- **2013: Open Talent Economy: Workplace of the Future**
- **2015: Simplification of Work: Machines as Talent**
- **2014: The Overwhelmed Employee**
- **2017: The Employee Experience**
- **2011: Diversity and Inclusion: Driving Business Performance**
- **2017: Diversity and Inclusion: The Reality Gap**

New Fundamentals in a Boundaryless World

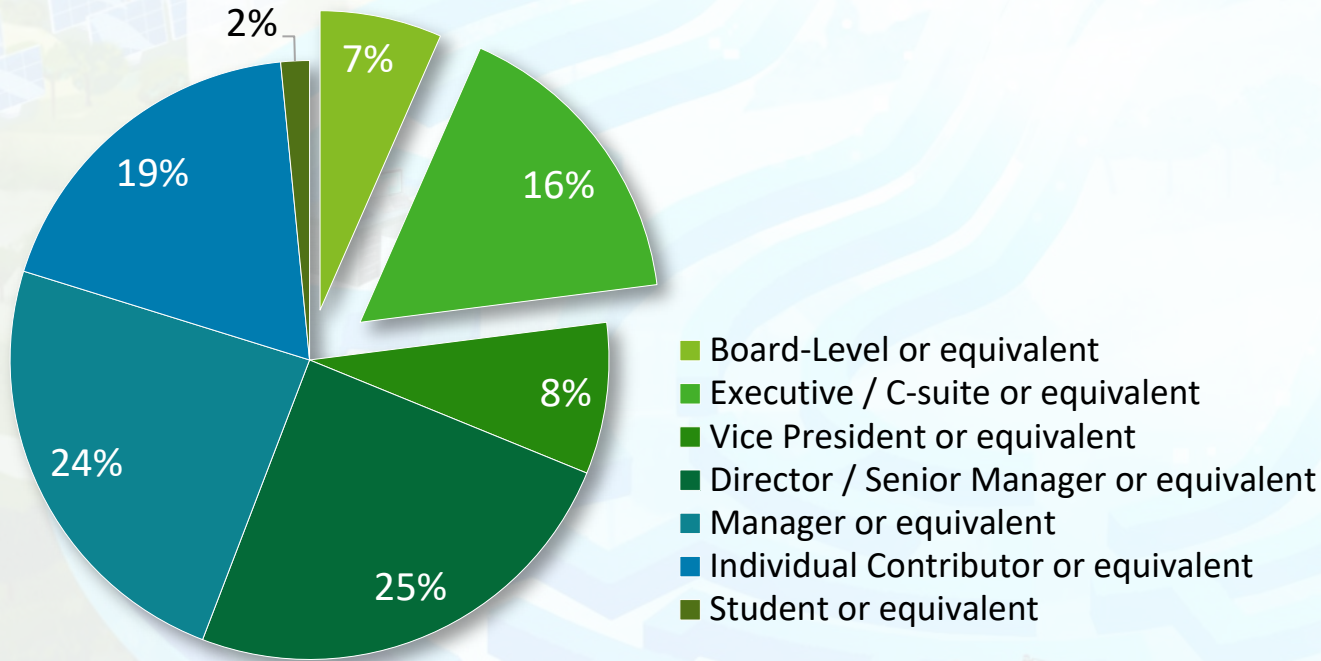
**Framing the Challenge:
Think like a Researcher**

**Charting a New Path:
Co-create with the
Workforce**

**Designing for Impact:
Prioritize Human
Outcomes**

How we got our insights for this report

This year's Trends Report surpassed the 2020 response rates by receiving responses from approximately 10,000 professionals across global business and HR organizations in 105 countries.



23% of respondents sit at the Board and C-Suite level

These survey statistics were supported by data from other publications and several interviews with senior leaders across industries.

2023 Global Human Capital Trends Report

New fundamentals for a boundaryless world



FRAMING THE CHALLENGE
THINK LIKE A RESEARCHER



CHARTING A NEW PATH
COCREATE THE RELATIONSHIP



DESIGNING FOR IMPACT
PRIORITIZE HUMAN OUTCOMES

2023 Global Human Capital Trends Report

New fundamentals for a boundaryless world



**THINK LIKE A
RESEARCHER**



**COCREATE THE
RELATIONSHIP**



**PRIORITIZE HUMAN
OUTCOMES**



**Navigating the
end of jobs**



**Negotiating
worker data**



**Taking bold action for
equitable outcomes**



**Powering human impact
with technology**



**Harnessing worker
agency**



**Advancing the human
element of sustainability**



**Activating the future
of workplace**




**Unlocking the
workforce ecosystem**



**Elevating the focus
on human risk**

LEADING IN A BOUNDARYLESS WORLD



**Framing the challenge:
Think like a researcher**

Navigating the end of jobs

Skills replace jobs as the focal point for matching workers with work

Since the dawn of the industrial age, the *job* has been the defining structure for organizing and managing every aspect of work. That approach made sense when business changes occurred slowly, and workers were just pieces in the industrial machine.

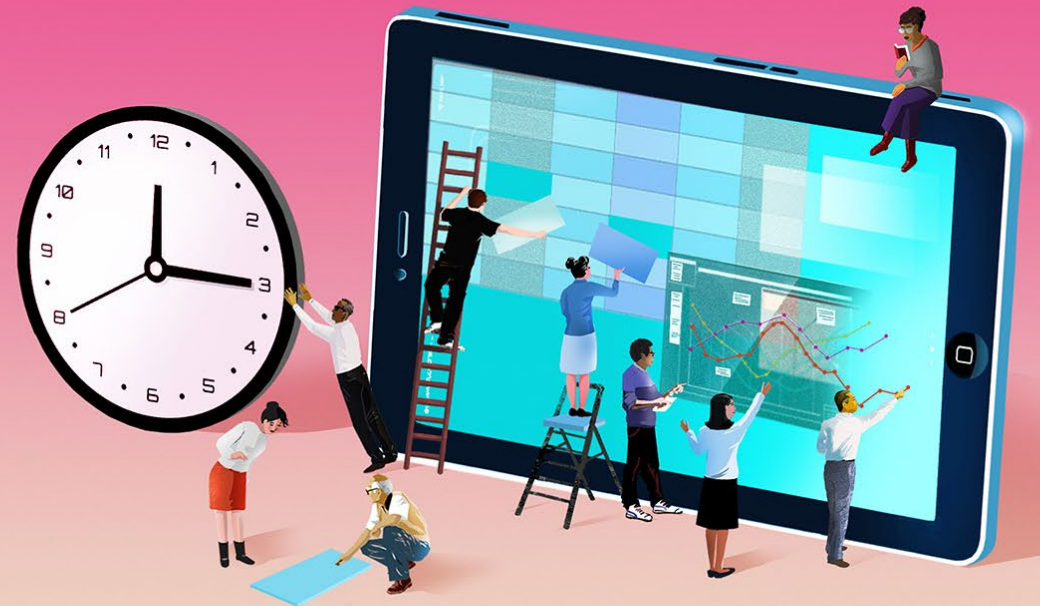
The solution?

A *skills-based approach* to managing work and workers, delivering business agility and worker autonomy by enabling work to be performed beyond formal job boundaries.

The readiness gap

93% of our respondents said moving away from a focus on jobs is important or very important to their organization's success

20% believe their organization is very ready to tackle the challenge



Navigating the end of jobs

Skills replace jobs as the focal point for matching workers with work

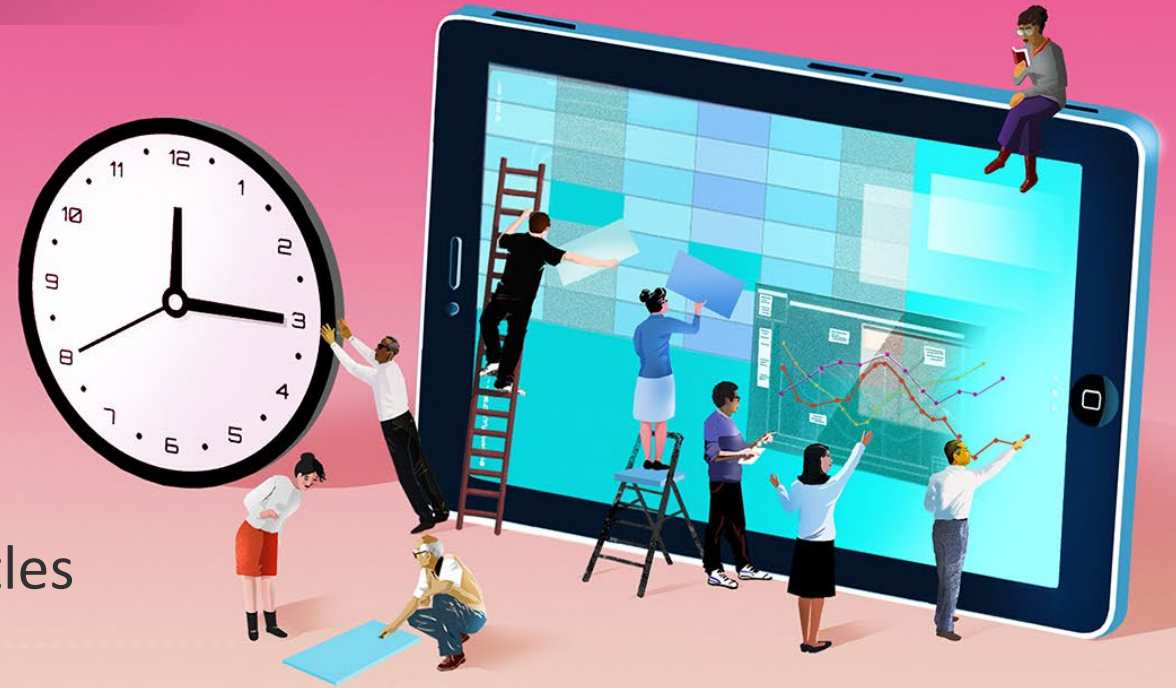
NEW FUNDAMENTALS

Define work based on the skills required

Collect and analyze data about worker skills

View workers based on their skills, not job titles

Make decisions about workers based on skills



Powering human impact with technology

Technology contributes to making work better for humans and making humans better at work™

New workplace technologies are emerging that help them improve their own personal and teaming capabilities...



**...helping humans become better humans
and teams become better teams.**

This is more than just wearables. It's technology supporting humans in countless ways to foster new behaviors...



**...helping workers become better
versions of themselves.**

The readiness gap

93%

of surveyed business leaders believe that using technology to improve work outcomes and team performance is very important or important to their organization's success

22%

believe their organizations are very ready to use technology to improve work outcomes and team performance



Powering human impact with technology

Technology contributes to making work better for humans and making humans better at work™

NEW FUNDAMENTALS

Enable
technology to
work on the
worker (and the
team)

Use
interventions
and nudges to
make humans
better

Scale insights for
greater impact



Activating the future of workplace

The workplace evolves to be an input to the work itself

The ideal workplace is not just a physical site dictated by tradition, right, or necessity—but wherever the work is best done.

Organizations need to challenge traditional boundaries and design physical, digital, or hybrid environments that fit varying work needs, while respecting worker preferences and meta objectives such as culture, community, and teamwork.

Workers can then determine when, where, and how to best accomplish the work within broad guidelines aimed at enabling, not constraining, these decisions.

The readiness gap

87%

believe that developing the right workplace model is important or very important to their organization's success

24%

feel their organization is very ready to address this trend



Activating the future of workplace

The workplace evolves to be an input to the work itself

NEW FUNDAMENTALS

Let the work drive the workplace decisions

Deliberately design the experience in service of outcomes and value

Empower the individual, the team, and the ecosystem



Negotiating worker data

Organizations and workers vie for control of worker data when they should focus on mutual benefits

As organizations continue to expand the worker data they collect —data about behavior, communications, social connections, and even keystrokes and mouse clicks—a negotiation is emerging over who controls that data and how it gets used.

The key to success is finding ways to use worker data, which benefits organizations and workers alike, - even as regulations continues to evolve.

The readiness gap

61% of organizations described their data ownership as either shared or worker-owned – a significant departure from the traditional model of total organizational control

83% believe that leveraging worker data to create benefits for both the organization and its workers (while building trust and confidence in how worker data is used) is important or very important to their organizations' success

19% believe they are very ready to do so



Negotiating worker data

Organizations and workers vie for control of worker data when they should focus on mutual benefits

NEW FUNDAMENTALS

Build trust and
seek mutual
benefits

Embrace
workers' desire
to control their
data

Use expanded
worker data to
create more,
and mutual,
value



Harnessing worker agency

Organizations drive value and strengthen their relationship with workers by embracing rising worker influence

Workers today have more choices and influence than ever before—and are increasingly willing to use that newfound influence to shape the actions and agendas of their organization.

Business leaders need to harness worker passion and energy to create mutual benefits for everyone—not just for their workers and organization, but for the world as a whole.

The readiness gap

84% of the business leaders we surveyed say worker agency is important or very important to their organizations' success

17% feel they are very ready to address the issue, the second lowest readiness score among all the trends surveyed



A third of Gen Z and Millennials would leave their job even without another job lined up

2 in 5 Gen Zs and Millennials have rejected a job or assignment because it did not align with their values

Harnessing worker agency

Organizations drive value and strengthen their relationship with workers by embracing rising worker influence

NEW FUNDAMENTALS

Embrace the moving target

.....

Shared journey, shared outcomes

.....

Focus on specific decisions that support your
worker-organization relationship aspirations

.....

Commit to making it real



Unlocking the workforce ecosystem

Removing traditional employment distinctions unlocks access to a true workforce ecosystem—and with it, critical skills and worker potential

To unlock the full benefits of the entire workforce, you need to think of your workforce as an all-inclusive, boundaryless ecosystem, where different types of workers have different needs and make valuable contributions in different ways.

The readiness gap

84%

of business leaders recognize the importance of inclusively leading an expanding workforce, including those inside and outside the organization

55%

of workers say they already have, or are likely to, switch employment models throughout their careers

16%

believe they are very ready to do so, representing the lowest readiness score

Unlocking the workforce ecosystem

Removing traditional employment distinctions unlocks access to a true workforce ecosystem—and with it, critical skills and worker potential

NEW FUNDAMENTALS

Adopt a workforce ecosystem mindset



Take a skills-based approach



Create an open workforce platform



Pivot from directing to orchestrating





Designing for impact: Prioritize human outcomes

Taking bold action for equitable outcomes

The DEI conversation shifts from activities to outcomes

Diversity, equity, and inclusion (DEI) are often treated as a single monolithic objective, rather than separate but mutually reinforcing sets of actions—with diversity and inclusion being necessary prerequisites to achieve equitable outcomes.

The readiness gap

86%

of the business leaders surveyed say embedding DEI into everyday ways of working and teaming while measuring outcomes is important or very important to their organizations' success



25%

feel they are very ready to address the issue



In the last two years, large multinational organizations have...

1,000+
public DEI commitments

+

\$210 billion
to DEI initiatives

Taking bold action for equitable outcomes

The DEI conversation shifts from activities to outcomes

NEW FUNDAMENTALS



Re-orient to outcomes, not activities

Focus on the system not the individual

Produce disaggregated actionable insights,
not aggregated descriptive data

Center DEI as intrinsic to, versus separate
from, the business

Advancing the human element of sustainability

Human sustainability rises to the fore of organizations' sustainability strategies

Enterprises' initial efforts to address sustainability issues have been largely driven by public relations or brand defense—with less regard for meaningful outcomes. More recent efforts, such as reducing emissions in operations or manufacturing, are producing real but incremental improvement at the fringes of the business.

The readiness gap

64%

workers said they would be more attracted to and remain at an organization that creates value not just for shareholders, but for workers as human beings and society in general

21%

believe that their organizations are very ready to address such issues

84%

of respondents acknowledge that understanding the impact of sustainability on their organization is important to their organizations' success



Advancing the human element of sustainability

Human sustainability rises to the fore of organizations' sustainability strategies

NEW FUNDAMENTALS

Embed sustainability into purpose, strategy, and culture

Plan strategically for sustainable skills needs

Make work better for humans

Design for human sustainability



Elevating the focus on human risk

Opening the aperture and changing the lens on risks to focus on the human element

As C-suites and boards of directors grapple with contingencies for a growing list of disruptive external risks—including environmental, social, technological, political, and economic issues—they should consider expanding their focus beyond the operational and financial effects of those risks, to include the human implications.

Only **40%** of organizations have a clear definition of workforce risk and **less than 10%** of executives say they are satisfied with how their organization monitors risk

The readiness gap

81%

of respondents acknowledge the importance of anticipating and considering broader societal and environmental risks like political instability and social injustice when making workforce decisions



19%

believe their organizations are very ready to address those risks when making workforce decisions



Elevating the focus on human risk

Opening the aperture and changing the lens on risks to focus on the human element

NEW FUNDAMENTALS



Consider a more expansive set of risks and create a framework for monitoring them

Create organizational agility through expanded insights

Instill responsibility at the board-level so it cascades through the organization



Leading in a
boundaryless
world

Leading in a boundaryless world

Reshaping the way that you lead and influence others

How do you lead in a boundaryless world in which work is no longer defined by jobs, the workplace isn't a specific place, many of the most important workers aren't traditional employees, and leadership isn't determined by the organization chart?



The readiness gap

50%

of survey respondents say their organization's leaders are struggling to identify what to prioritize because they are overwhelmed by the number and frequency of disruptive shifts

94%

of respondents believe leadership capabilities and effectiveness are important or very important to their organization's success, representing the highest importance score across all trends

23%

believe their organization's leaders currently have the capabilities necessary to manage in a disrupted, boundaryless world

Leading in a boundaryless world

Reshaping the way that you lead and influence others

NEW FUNDAMENTALS

Framing the
challenge: Think
like a researcher

Charting a new
path: Cocreate
the relationship

Designing for
impact: Prioritize
human outcomes





Although the potential for disruption is real, so is the opportunity for an extraordinary reimagination of what the work, workforce, and workplace can be.

Are you ready to embrace the possibilities?

To learn more, read Deloitte's 2023 Global Human Capital Trends report online at: www.deloitte.com/hctrends





Thank You!

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