



Leading in a boundaryless world

Reshaping the way 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? To thrive, leaders must evolve in tandem with their organizations and adopt a new set of fundamentals to mobilize workers and teams against new outcomes.

Dear leaders,

Your organization is facing a pivotal reframing moment, and you are too, as business and societal shifts are changing the trajectory of organizations' human agendas to thrive in an age of discontinuity.

We are leaving behind a simpler, more compartmentalized world and moving into a boundaryless one. As such, both the definition of a leader and the work of leading have changed.

FIVE DISCONTINUITIES AHEAD¹

- Radical science and technology: The next wave of exponential progress
- Shift to stakeholder capitalism: The inevitable internalization of "externalities"
- Globalization reinvented and active governments return
- Decline of "the theory of the firm" and rise of "the theory of the ecosystem": A new strategic unit of analysis
- Rise of networked power: Power default is switching from hierarchies to networks

Leadership is no longer contingent on position, hierarchy, or number of direct reports. Leaders today can be anyone who mobilizes workers to get work done, and that remains true whether those individuals have or don't have formal reporting relationships and whether those individuals sit inside or outside the organization.

As a leader, the proven ways in which you have operated your organization are in question—as are the tried-and-true management techniques on which you have come to rely. In fact, Deloitte 2023 Global Human Capital Trends survey respondents consistently ranked leadership among the top five barriers for seven of the nine trends we explored. The opportunity presented by this moment to lead in new ways is enormous.

ELEVATED EXPECTATIONS FOR THE C-SUITE

Today's expanded definition of leadership means that individuals at all levels are mobilizing against the new opportunities that the boundaryless world presents. The key consideration for C-suite executives is how to harness this energy in ways that advance shared organizational goals without stifling innovation and agility at the team level.

Doing so will require a more symphonic C-suite than ever before,² operating in harmony to inspire their organizations against new measures of success and holding leaders at all levels accountable to that shared vision. Only C-suites that work as a team will be able to achieve the level of vulnerability required to thrive in the boundaryless world. That includes vulnerability to be willing to experiment, test, and fail, and vulnerability to operate with a greater level of transparency and empathy than ever before.

In May 2020, amidst the COVID-19 pandemic that was putting immense pressure on the organization, AdventHealth CEO Terry Shaw took key members of his executive team to an offsite location to discuss the future of their organization. At the advice of his executive coach, the leaders focused on two areas: 1) what the pandemic taught them about their organization and what they as leaders would carry forward, and 2) how the organization needed to change and adapt to come out of the pandemic ready for the next set of disruptions the marketplace could bring.

"The pandemic wasn't over, but we spent two weeks designing a lot of things for our future that are now either already installed or being installed."

— Terry Shaw, president and CEO, AdventHealth

"It changed the trajectory of our organization and impacted the focus that we had in ensuring that we future-proof our company beyond dealing with the pandemic of that moment."

— Olesea Azevedo, chief people officer, AdventHealth

The fundamentals around *where* you show up and how *you* show up, or the mindset you adopt to drive work forward, have changed. In a world where leaders exist at all levels, you must become an orchestrator. This entails cocreating value with your workers and teams, rallying people around an idea, and building influence. Those who are successful will do this to the benefit of the organization, the workforce, and society at large.

“At all levels, we need to lead in ways that help the whole boat go faster. To do this, we focus relentlessly on transparency. For our enterprise leaders, this means that their job is not to make decisions for people, but to ask really good questions and empower their teams to make the decisions themselves. There is also transparency and accountability for outcomes versus outputs including celebrating successes openly and asking, ‘What can we learn from that?’ when things don’t go well. This leads to better outcomes in the future.”

— Neil Walker-Neveas, chief talent officer,
M&T Bank

Your influence has never been more needed. Your role has never been harder.

The leadership gap

The Deloitte 2023 Global Human Capital Trends survey respondents told us that leadership is more important than ever and increasingly difficult to find. Ninety-four percent 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. Yet only 23% believe their organization’s leaders currently have the capabilities necessary to manage in a disrupted, boundaryless world (figure 1).

The lack of readiness may be due to a misunderstanding of the implications of and opportunities within the new world we’re entering. For example, fewer than 15% of respondents believe their organizations have leaders who are very ready to inclusively lead an expanding workforce—or to consider broader societal and environmental risks when making decisions. Only 16% believe their leaders are very ready to use technology to improve outcomes and team performance, and only 18% believe their leaders are very ready to develop the right workplace model for their organization.

FIGURE 1

The readiness gap for leading in a disrupted world

Leadership capabilities and effectiveness in a disrupted world are important or very important to my organization’s success

94%

Leaders in my organization are very ready to lead effectively in a disrupted world

23%

Source: Deloitte 2023 Global Human Capital Trends survey.

Reimagining leadership

The growing leadership gap is likely not due to a lack of skills or competence. Instead, it’s more apt to be the result of looking at work and workers through yesterday’s lens—based on yesterday’s definitions and boundaries. In a boundaryless world, leadership is less about formal authority and hierarchy and more about insight, personal accountability, connection to values, and action. This means you’ll need to activate your teams and your workplace in different ways, requiring you to challenge your assumptions about what the organization is, who is in it, and how it works.

But where to begin? Nearly half of the 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 occurring. On that count, the new fundamentals you'll need to adopt as a leader are similar to the changes your organization will need to make.

The new fundamentals

Framing the challenge: Think like a researcher. In the past, you were a successful leader because of your ability to come up with the right answer or solution—execution then being a matter of making sure your workers did their jobs in operationalizing that solution. In a boundaryless world, your success will be less dependent on defining the solution and more dependent on creating an environment and mobilizing workers to experiment and adapt, quickly absorbing and learning from new information. As such, a new measure of success as a leader will be a shift from managing *jobs and activities* to orchestrating *outcomes*.

Respondents from the Deloitte 2023 Global Human Capital Trends survey agree this mental shift toward outcomes over outputs is needed. Thirty-three percent of respondents cited lack of accountability for outcomes as a barrier to leaders' ability to drive value for the organization. Managing and driving toward outcomes will require constant experimentation and learning—and strong capabilities for finding and using data to inform decisions. There must also be greater comfort with making mistakes and challenging legacy orthodoxies. Survey respondents anticipate that in the next 2–4 years, leaders' ability to challenge the status quo and drive new ways of working will be one of the most important roles they play in the organization. To be an effective leader in a boundaryless world, you will likely need to move faster than your organization. Start by

focusing your attention and teams on outcomes and creating space for experimentation (and learning from mistakes).

Charting a new path: Cocreate the relationship. It used to be that a handful of executives were the primary drivers of much of your organization's success, enabled by the workers inside the four walls of the organization. Your power and agency directly correlated with your job level. But in a boundaryless workforce ecosystem, where workers have greater agency than ever before, problem solving is a team sport—and the best solutions are cocreated. Yet 34% of survey respondents say their organization's leaders are not at all ready to lead in a world where solutions are cocreated. This cocreation-readiness gap is larger than the gaps that exist in the other new fundamentals.

Leaders may view cocreation as a challenge to their hierarchical authority—and perhaps even a personal failure in not being able to solve problems entirely on their own. These are conclusions drawn based on old boundaries. Cocreation must be viewed as an opportunity for leaders to tap into the full knowledge and experience of workers in your organization's ecosystem, resulting in better solutions. On a personal level, it helps expand your network of influence across the organization.

With cocreation, how you build relationships—and who you build them with—matters more than ever. To achieve the expected results, you'll need to intentionally invest in building relationships with all types of workers in your organization, including those outside, inside, upwards, and down. You'll also need to actively cultivate a more intimate knowledge of the workers with whom you build those relationships. This might include their expertise, potential, dreams, and needs. In an expanded ecosystem, influence is not granted, it's earned by giving others agency, ownership, information access, and a path to achieving their own personal aspirations.

Designing for impact: Prioritize human

outcomes. In business, an organization's financial and operational metrics such as revenue generated, costs reduced, and market share captured have been the traditional measures of a leader's success. But in a boundaryless world, outcomes broader to the organization are joining that list. Every choice that you and your organization make has consequences. No individual or organization can escape the impact of each other's actions and decisions. For example, as an organization, you could choose to ignore political conflict, but this decision in and of itself is a choice—one that could potentially cause customers and workers to disengage or lose trust.

To thrive in this boundaryless world where everything is connected, leaders must put humans at the center of everything they do—designing for meaningful outcomes that benefit both the organization and the humans it touches. This starts with having genuine care for the people that you lead and replicating that in your actions inside and outside of work. This goes beyond empathy: You must demonstrate genuine care and concern for the people you lead in their work and their lives to build meaningful connections and outcomes.

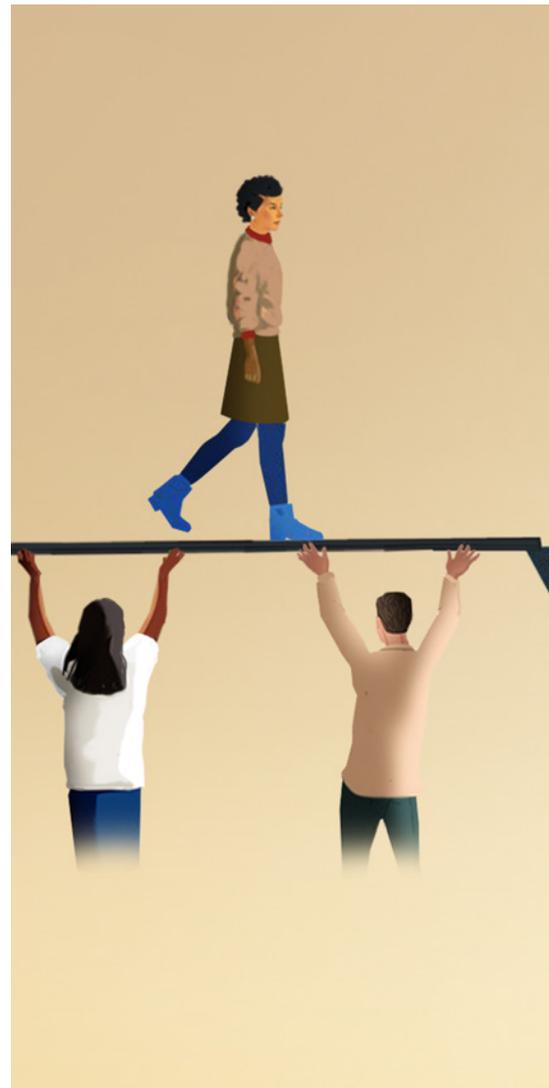
This mindset shift will likely be very challenging since few leaders are currently held accountable for driving human-centered solutions to human-centered challenges. For example, more than 40% of survey respondents said their business function currently has no role in measuring sustainability outcomes. As such, success—at least for the time being—might mean holding yourself to higher standards than your organization itself currently does.

The good news is that playing a positive role in society doesn't need to be at the cost of financial outcomes. Businesses that make a genuine commitment to socially responsible action outperform the market.³

The choice in front of you

Leader, this is your opportunity. You can take advantage of this lack of boundaries to reframe your role in creating the future of your organization, assuming personal accountability for charting a more human course forward.

Or you can choose the alternative: Accept the chaos that may come as boundaries fall away and do what is minimally necessary to survive with the hope that you will weather the storm. However, you will have to do so without the tether of the numerous and dated bedrock assumptions about work and workers.



Although the potential for disruption is real, so is the opportunity for an extraordinary reimagination of what the work, workforce, and workplace can be. Should you choose this bold path and commit yourself and your organization to driving toward a new future, we recommend that you:

- Use experimentation to inform better solutions, foster learning, and accelerate value.
- Cultivate deep and intimate relationships with the workers across your broader ecosystem through cocreation.
- Widen the aperture of your decision-making to understand its full impacts with the human agenda in mind.

Agility will be one of the defining characteristics of the decade to come. Embrace the possibilities the boundaryless world can create for you as a leader, for your organization, and for society at large as we build a more equitable and human future.

Deloitte's 2023 Global Human Capital Trends survey polled 10,000 business and HR leaders across every industry, with 105 countries participating. The survey data is complemented by interviews with executives from some of today's leading organizations. These insights gathered shaped the trends in this report.

Endnotes

1. Eamonn Kelly and Jason Girzadas, *Leading through an age of discontinuity*, Deloitte, accessed December 9, 2022.
2. Gaurav Lahiri and Jeff Schwartz, *The symphonic C-suite: Teams leading teams*, Deloitte Insights, March 28, 2018.
3. David Cruickshank, *2030 Purpose: Good business and a better future*, Deloitte, accessed December 9, 2022.

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