2025
DELOITTE HUMAN CAPITAL TRENDS
INSIGHTS FROM THE WORKDAY PERSPECTIVE

TURNING TENSIONS INTO TRIUMPHS:

HELPING LEADERS TRANSFORM UNCERTAINTY INTO OPPORTUNITY

What happens when the world is moving and changing so fast that the decision to not make a decision actually puts the organization at a disadvantage? When outdated thinking and indecision turn into missed opportunities and lost momentum? Organizational leaders everywhere are facing fundamental tensions that can keep them stuck in a wait-and-see cycle.
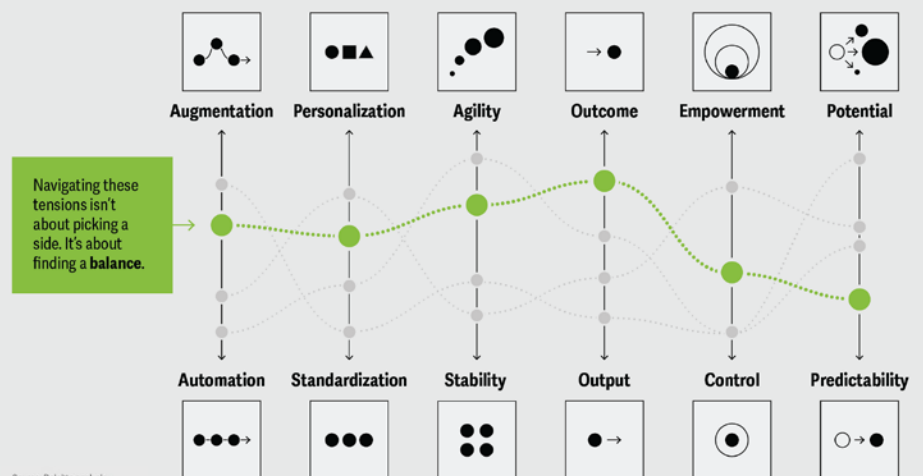
To find balance in the perpetual tug-of-war between short-term needs and long-term goals, leaders are seeking workforce management systems that can help them drive the business and human outcomes needed to move their organizations forward. This means offering capabilities and leading practices that support them in balancing agility and worker stability; reclaiming organizational capacity; creating a human value proposition for the age of AI; closing the experience gap; revamping the value proposition for work and workforce tech; motivating for a unit of one; reinventing performance management; and transforming the role of managers. As the leading cloud-based AI platform for orchestrating people, money, and agents, Workday meets these requirements—and more.

Deloitte and Workday are poised to give leaders the confidence and capabilities to make faster, better decisions in redefining the world of work. The 2025 Deloitte Global Human Capital Trends Report – **Turning tensions into triumphs: Helping leaders transform uncertainty into opportunity,** offers readers practical guidelines and potential next steps for navigating their way to better outcomes. Explore this document to discover what sets Workday apart as the trusted AI platform for elevating the potential of your people, boosting productivity, and unifying your human and agent workforce.

Figure 1

Navigating the tensions

Navigating these tensions isn't about picking a side. It's about finding a **balance.**

Augmentation — Automation
Personalization — Standardization
Agility — Stability
Outcome — Output
Empowerment — Control
Potential — Predictability

Source: Deloitte analysis.

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Balancing tensions in the workforce

STAGILITY:
CREATING STABILITY FOR WORKERS FOR ORGANIZATIONS TO MOVE AT SPEED

A disconnect between executives and workers is emerging, with leaders preparing for more agile ways of working and workers favoring stability. The challenge is that the ability for organizations to evolve and adopt new models of work depends largely on the ability of the workforce to do the same. How can leaders find the right balance between the stability that workers crave and the agility that organizations need to create stagility?

Traditional anchors, such as static job descriptions, defined teams, and linear, internal career pathways, are being challenged. As these anchors become upended, organizations and workers must find new sources of stability to reinforce the connection between worker and organization, putting both in a position to adapt and thrive. These new anchors will come in the form of reimagined organization structures, greater intentionality in the design and resourcing of work, a better understanding of workers as individuals, and stronger networks within and beyond the four walls of the organization.

> Workday HCM elevates human potential by delivering personalized experiences that foster a thriving workplace.

Achieving Stagility: Insights from the Workday Perspective

To create stagility, organizations need a Human Capital Management (HCM) suite that is every bit as agile as it is capable. Workday HCM provides the tools to achieve this balance. Powered by Illuminate™, Workday's next-gen AI platform, Workday HCM elevates human potential by delivering personalized experiences that foster a thriving workplace. It is a smart, flexible, extensible suite of HR solutions designed to make connections—across business and functional silos, among workers, and between workers and the organization. Workday HCM eliminates silos and streamlines operations, empowering employees to focus on impactful work and embrace AI with confidence. It features a core HR database, skills intelligence foundation, configuration tooling, process automation, workforce management, recruiting, talent, learning, benefits, and a host of intelligent tools to help organizations and people to confidently move at speed.

Workday empowers people to be more productive and innovative—allowing teams to focus on strategic initiatives that drive business growth without

WHEN WORK GETS IN THE WAY OF WORK:
RECLAIMING ORGANIZATIONAL CAPACITY

To realize both business and human outcomes, organizations will likely need to address meeting overload, outdated processes, and the myriad of nonessential work that drains focus and keeps people from achieving the outcomes that matter most. They will also need to be mindful of unintended consequences, where new tools meant to increase productivity and efficiency add new layers of complexity instead: more notifications to check, more dashboards to update, and more digital busywork.

"Work getting in the way of work" comes with real costs for organizations: reduced performance; damage to employee morale and well-being; and erosion of organizational capacity, culture, and innovation. And as we move further into the era of generative artificial intelligence, getting stuck in the nonessential work may also inhibit our ability to fully unleash its potential benefits, since advancements inevitably slow down when they reach humans who don't have the capacity or bandwidth to learn, implement, or master the tools. Breaking this cycle often hinges upon implementing a new corporate mindset about how the organization defines and values slack—unscheduled, unassigned time that workers have autonomy over how

to use—and a new mechanism to evaluate the best path to reducing or streamlining the tasks and processes that create unnecessary work.

Reclaiming Organizational Capacity: Insights from the Workday Perspective
Workday takes a platform approach to developing AI so that innovations can be leveraged across its suite of applications, including HCM, financial management, supply chain, and analytics. By providing a clean, unified data core across all workers and workstreams, Workday can maximize the number of use cases throughout the enterprise where AI can genuinely augment human performance—freeing employees from mundane tasks, and elevating their uniquely human skillsets. By putting tangible business value, responsible innovation, and user-centric design at the forefront, Workday empowers people to be more productive and innovative—allowing teams to focus on strategic initiatives that drive business growth without "work getting in the way of work." Workday's platform approach additionally distinguishes it as a leader in responsible AI development since there are tight controls on the models, and the data used to train them is often the customer's own, increasing their confidence in embracing AI.

CLOSING THE EXPERIENCE GAP

The experience gap—the gulf between what employers demand and what workers bring—presents a thorny and ever-present riddle: Workers can't get jobs without having the required experience. But they can't acquire the necessary experience without foothold jobs or equivalent opportunities. While this gap has always been a challenge, the ability to gain experience is being complicated by new developments such as AI taking on certain tasks, the erosion of the apprenticeship model with remote work, and the growing complexity of work, which increasingly demands more—and more varied—types of experience.

Closing the experience gap is possible, but it will require changes on both the supply and demand sides of the talent market. Hiring organizations, job seekers, and educational institutions all need to reflect on the capabilities organizations truly seek when they impose experience requirements so they can determine how to meet those underlying needs—including new approaches they might take.

Bridging the Gulf between Desired and Available Competencies: Insights from the Workday Perspective
Powered by the next-generation of Workday AI, Workday Skills Cloud puts skills at the center of an organization's people strategy, helping to build a resilient workforce that is well-equipped to proactively embrace the evolving work environment. Skills Cloud integrates with Workday products and other data sources to provide contextual insights and recommendations for your workforce, based on skills, not job titles, to more easily adapt your talent strategy to meet evolving needs. With it, you can quickly grasp the capabilities that already exist across your entire workforce and take action to close the experience gap—whether through upskilling, reskilling, redeploying, or hiring new talent.

AI IS REVOLUTIONIZING WORK
YOU NEED A HUMAN VALUE PROPOSITION FOR THE AGE OF AI.

People are at the heart of AI's potential. Technology's value does not come from replacing human labor; it's working more closely than ever with humans, amplifying their ability to discover and capture opportunities for innovation and growth. As AI becomes increasingly intertwined with workers, it's changing their experience—often through silent, unintended impacts on the work they do and the ways they do it.

An organization's employee value proposition (EVP)—sometimes called a workforce or human value proposition—crystallizes the reasons people come to an organization and stay with it. An updated EVP for the world of human and machine collaboration can account for AI-driven changes in the work experience and support a healthy, mutually beneficial relationship between organizations and their workers. To move toward a new EVP that accounts for how AI is transforming work and the worker-organization relationship, organizations can study workers' use of AI and its silent impacts; share the plan for AI with workers;

and forge a relationship between the HR and tech functions.

Developing a Human Value Proposition: Insights from the Workday Perspective
Workday's next-gen AI platform elevates humans at every stage of their career journeys. It fosters a personalized workplace where people feel valued and empowered to thrive and where top performers want to work and stay. For instance, Career Hub is a one-stop shop for workers to nurture their careers. It delivers tailored, deeply personalized, AI-informed work experiences that meet the unique needs of every person. They can solicit anytime feedback, converse with mentors and connections, update their profiles using recommended skills, see new career opportunities, map out their career journeys, and more. Workday Talent Marketplace further taps the power of machine learning to empower humans. It connects employees to opportunities based on the skills they have or want to learn, allowing them to take an active role in their career development.

NEW TECH.
NEW WORK.
YOUR OLD VALUE CASE ISN'T ENOUGH.

Technology is not what it used to be. The shift from automating work to be more efficient to augmenting people's capabilities to unlock their performance has broad implications for work, and it complicates organizations' decisions about which tech to purchase, what they can expect to get out of their investments, and how to recognize and measure value.

To make effective tech investments in today's world where people and smart machines increasingly work together, leaders will need to navigate difficult tensions in building their value cases. These tensions include how to balance focusing

on the immediate and predictable return of automation versus the potential larger value from augmentation use cases. In addition, they will need to decide whether to focus on harder-to-quantify outcomes (e.g., innovation, capabilities) in the value case versus more traditional outputs (e.g., efficiency)—not to mention having to organize and orchestrate new technologies in a world where traditional boundaries between them are falling away.

Building a New Value Case: Insights from the Workday Perspective
In a radically changing tech and work environment, organizations need a new way to calculate value based on factors such as automation, augmentation, innovation, and more—or perhaps all of the above. Workday's AI platform automates and streamlines workflows and empowers your team to work smarter not harder, resulting in improved productivity, fewer errors (i.e., lowering risk), and accelerated

insights to action. For example, Workday's AI Recruiting agent builds on the capabilities available in HiredScore today to tick off multiple value-delivery boxes. Shared Workday and HiredScore customers are already seeing a 54% increase in recruiter capacity thanks to AI, and Recruiting Agent takes that a step further to proactively source passive candidates, automate outreach, and recommend top talent for open roles—significantly reducing time to fill roles, improving hiring quality, and optimizing workforce planning. Recruiting Agent automates tasks like creating job descriptions, sourcing candidates, and scheduling interviews, and provides AI-powered insights into candidate profiles to augment hiring managers' decision-making. As agents like this become more prevalent, Workday's new Agent System of Record provides a centralized system for managing and orchestrating them, further adding value by reducing the burden on humans.

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Balancing tensions in organization and culture

WHAT MOVES YOUR PEOPLE?
TAPPING INTO MOTIVATION AT THE UNIT OF ONE.

To truly connect with workers in ways that move them most toward positive outcomes, organizations should tap into what inspires the individual worker as a unique human being. A good first step is embracing a multimodal approach to collecting and understanding workers' varied motivations. Self-reported worker data—through traditional approaches such as surveys, focus groups, or prompts to enter information into a workforce portal—

while useful, has limitations. With intelligent technologies, organizations can go beyond self-reporting to observe and infer individual worker motivations passively, in real-time and at scale. However, collecting data from workers should be performed responsibly to build trust.

Whether the organization uses AI, analytics, or simple human judgment, insights into what makes a person tick can help drive the hyper-personalization of a wide variety of workforce strategies and outcomes. Furthermore, motivating at the unit of one doesn't necessarily require big budgets, massive change, or large technology investments. Organizations can get started now by simply asking managers to better understand their workers' unique motivations and tailor their feedback, development plans, or other practices

accordingly. No matter the strategy used, organizations that let the data speak can gain a better understanding of what drives each individual to act the way they do, giving them the power to unlock human performance.

> Workday solutions enable organizations to analyze confidential feedback from employees in real-time and turn the insights gleaned into dialogue and action.

Tapping into Motivation at the Unit of One: Insights from the Workday Perspective
Intelligent Workday solutions, such as Workday Peakon Employee Voice, enable organizations to continuously collect and With these solutions, leaders have the opportunity to listen to and understand every employee's voice, helping motivate each person to unlock peak performance by fostering a highly engaged and fulfilled workforce. By presenting employee insights when they're relevant, leaders can nurture well-being at every stage of the lifecycle, from personalized employee onboarding to training and development.

> Workday facilitates internal collaboration between a manager and employee by way of anytime feedback and check-ins.

REINVENTING PERFORMANCE MANAGEMENT PROCESSES WON'T UNLOCK HUMAN PERFORMANCE.

HERE'S WHAT WILL.

For years, headlines have made clear how much workers and their leaders dislike performance management, largely because they think it is ineffective. Nonetheless, performance management is an unavoidable reality. Organizations need some way to make defensible talent decisions like allocating rewards, promoting people, and providing developmental feedback to improve workforce performance. However, given lack of trust in the process and persistent negative perceptions, the answer may lie not in reinventing performance management but instead in engineering human performance—taking an evidence-based and holistic approach to elevating human and business outcomes together. Despite years of reinvention and retooling, performance management processes still fall short when they're relied on as the sole means to unlock human performance.

That's because one singular process isn't big enough to encompass the many factors that drive both human and business outcomes. Rather, organizations need to expand beyond the performance management process if they want to meet the very goals that they hoped performance management would deliver. Engineering human performance includes a robust performance management process, but it goes beyond process to incorporate organizational culture and design, manager and people connections, technology and data, workforce practices, talent management, and workplace design.

Elevating Human Potential and Business Outcomes Together: Insights from the Workday Perspective
Workday not only supports a robust performance management process, but also helps leaders elevate human potential

by focusing on growth, development, and well-being. For instance, Workday facilitates internal collaboration between a manager and employee by way of anytime feedback and check-ins. While performance and talent reviews can be scheduled at any cadence, feedback and check-ins promote natural, informal conversations that can be used to discuss talent and career goals, no matter how small or large. In addition, Deloitte and Workday have partnered to deliver Pay Equity Insights, a platform that empowers leaders to take immediate actions like recommending salary adjustments or role changes. It also seamlessly integrates pay equity insights into compensation workflows to help retain key performers and foster a culture of fairness and trust.

IS THERE STILL VALUE IN THE ROLE OF MANAGERS?

Some organizations are either eliminating the role of manager completely or greatly reducing the number of middle manager roles. This shift toward "bossless" organizations is likely being driven by a renewed focus on efficiency, agility, and worker empowerment with "zero distance" to the customer. Economic pressures also have organizations looking to reduce costs, and AI and other technologies are poised to take on many administrative tasks. However, for most organizations, eliminating managers altogether isn't the solution. But neither is simply retaining or elevating the role of the manager as it has existed for over a century. Instead, organizations should seek a third path: reinvention of the role entirely. Because in an age in which work is increasingly complex and volatile, people-powered, and more AI-augmented, the traditional role of the manager may no longer be fit-for-purpose.

AI, along with new support structures, is a key enabler to this reinvention. Not only can AI automate much of the administrative work that takes the time of managers today, but it can also become a powerful ally in assisting them with focusing on and leading what matters most to organizational results: developing, coaching, motivating, and nurturing people; redesigning work, reallocating resources, and optimizing human and machine interactions to drive human performance in the age of AI; and enabling agility, strategic problem-solving, and innovation.

Redefining the Role of Manager: Insights from the Workday Perspective
Built on the world's largest and cleanest HR and finance dataset, Workday IlluminateTM is the next generation of Workday AI. It is transformative because it understands not only the data but also the context— the "why" or "how" behind every HR and financial process. Through Illuminate, Workday offers and orchestrates AI agents that empower leaders to unlock the best in their people. Agentic AI not only automates tasks; it redefines work by performing roles. That frees managers to focus on leading with empathy, intuition and uniquely human qualities that no machine can replicate—from spending more time with customers, constituents, or patients; to developing, coaching, motivating, and nurturing people; to building critical peer, team, and stakeholder relationships. In addition, Workday Talent makes it easy for busy managers to provide guidance and to support their employees' career aspirations and well-being. For instance, Manager Insights Hub helps managers view their team's status in terms of goals, reviews, check-ins, feedback, development items, and more.

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