



Introduction

New fundamentals for a boundaryless world

FOR THE PAST century, we have been governed by a mechanistic view of work. We have assumed that work is fixed and repeatable, readily organized into discrete tasks, and grouped into well-defined jobs. Transformation efforts focused on cost and productivity—how to deliver the same outcomes through faster, more efficient methods. But in recent years, those models have been challenged as organizations and workers grapple with a greater degree of discontinuity and disruption than ever before.

“At the beginning of the COVID-19 pandemic, everybody thought it would be over in six months if we could just hang in there. But what became very true, very quickly, was that this is not a short haul, it’s a long haul—and that we were going to have to fundamentally rethink what work means, where work is done, and how we lead work in a different environment.”

— Terry Shaw, President and CEO, AdventHealth

The boundaries that were once assumed to be the natural order of things—that work can be organized into clearly defined processes; jobs can be categorized and contained wholly within the organization; work occurs within the four walls of the workplace; and organizations can center their decision-making around shareholders and the bottom line—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. Similarly, for workers, the rules of engagement with organizations are shifting, opening doors for greater and more meaningful collaboration and cocreation with the organization.

“Many of the boundaries that used to provide the structure of work have been dismantled. Now the boundaries that remain are much more focused on human dynamics, and how people interact with and engage with work.”

— Chris Ernst, Chief Learning Officer, Workday

Human instinct is to feel overwhelmed or hesitant as boundaries fall away; 10,000 respondents in this year’s Deloitte Global Human Capital Trends survey said their greatest barrier to achieving organizational outcomes is being overwhelmed by too many changes at once. However, the dissolution of boundaries creates new opportunities for organizations and workers who are prepared to show up in fundamentally different ways. This means no longer simply reacting to stimulus in the marketplace by deploying new strategies against the categories and boundaries of the past. Instead, organizations and workers should challenge prior assumptions and adopt a new set of fundamentals built for a dynamic, boundaryless world rather than the stable, compartmentalized one we are leaving behind.

These new fundamentals require organizations and workers to frame the challenge differently, *thinking like a researcher* in how they approach their business and workforce strategies, treating every new roadblock as an exciting experiment from which they can learn, adapt, and improve. They call on organizations and workers to chart a different path, *cocreating their relationship* in pursuit of new and evolving purpose, innovation, and reimagination. And they require organizations and workers to design for impact, *prioritizing human outcomes* and approaching strategies from a human lens—for humans and by humans.

Framing the challenge: Think like a researcher

To lead in this boundaryless world, organizations and workers should activate their curiosity, looking at each decision as an experiment that will expedite impact and generate new insights. Differentiation and winning will come not from always believing you must have the right answer at the start, but by being able to challenge orthodoxies, operate with humility and empathy, and learn from new information so you can refine as quickly as possible. Our 2023 Global Human Capital Trends survey data shows that 59% of respondents expect to focus on reimagination in the next 2–4 years, which represents a 2x increase from prepandemic levels (as reported in our 2021 report)¹.

“We gave our teams permission to try new things, fail fast, learn from it, and move on. We have a number of new ventures and strategies as a result.”

— Olesea Azevedo, Chief People Officer,
AdventHealth

Three of the trends in this report exemplify the need for organizations and workers to *think like a researcher*.

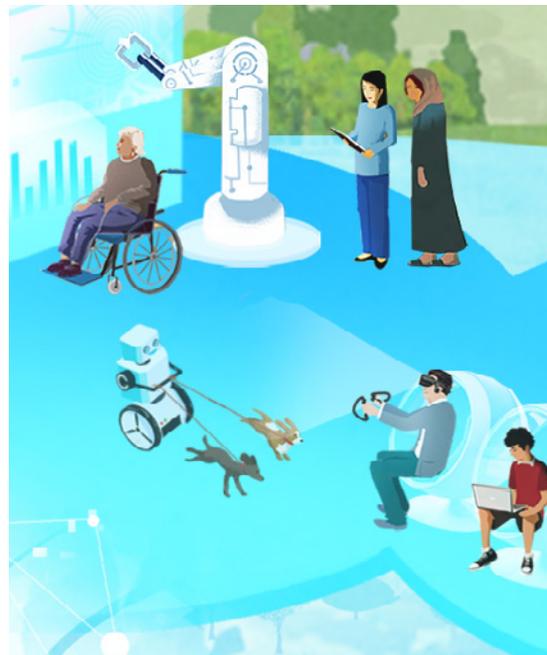
- **Navigating the end of jobs.** The boundaries that delineated job from job, grouping tasks and categorizing workers into narrow roles and responsibilities, are now limiting organizational outcomes, such as innovation and agility. Many are experimenting with using skills, not jobs, as the baseline for how workforce decisions are made. When unboxed from jobs, workers have the opportunity to better utilize their capabilities, experiences, and interests in ways that advance organizational and worker outcomes.
- **Powering human impact with technology.** The boundary between humans and technology as separate forces continues to disappear as new technologies are entering the workplace that not only automate and augment the work done by humans, but actually enhance human and team performance. Forward-leaning organizations are exploring how to use technology in ways that encourage humans both to be their best selves and to do better work.
- **Activating the future of workplace.** Digital and virtual technology advances and the emerging role of the metaverse are redefining the concept of the workplace as a physical space. Now, greater interconnectedness and the blurring boundary between home and on-site work give organizations a unique opportunity to experiment with not “where,” but “how” work should be done. Location and modality become secondary to the needs of the work and the workers.

Charting a new path: Cocreate the relationship

To be successful, organizations and workers will need to learn to navigate this new world together, cocreating new rules, new boundaries, and a new relationship. That means ownership models and value must shift. Organizations should abandon former illusions of complete control and recognize the role they play in living, evolving ecosystems, as workers assume greater influence and accountability for organizational and societal outcomes, leading hand-in-hand with the organization.

“We are shifting our HR function. Now, we’re asking ourselves: How do we cocreate? We want to bring users and workers into our decision-making—putting humans at the center of our design.”

— Global HR leader, financial services organization



In the Deloitte 2023 Global Human Capital Trends survey, organizations with higher worker involvement in designing and implementing organizational change were more likely to experience positive outcomes. Specifically, those that said they cocreate with their workers stated they were 1.8x more likely to have a highly engaged workforce, 2x more likely to be innovative, and 1.6x more likely than their peers to anticipate and respond to change effectively.

Three chapters of this report exemplify where organizations and workers must *cocreate their relationship*.

- **Negotiating worker data.** The boundary between the organization and the worker’s ownership rights—the binary categories of worker-owned data or organization-owned data—is becoming irrelevant. And beyond ownership alone, conversations about what is workforce data, the transparency of that data, and the mutual benefits of data-driven insights are on the rise as data is becoming a new “currency.”
- **Harnessing worker agency.** Traditional work, workforce, and workplace models that assume organizations have sole decision-making authority are fading as workers demand more meaningful work, flexible workplace models, and more personalized career paths.

Whereas worker agency might have previously been seen as a threat, leading organizations are finding ways to leverage worker motivation and cocreation to drive mutual and elevated benefits.

- **Unlocking the workforce ecosystem.** The value of fostering diverse workforce ecosystems is enormous, but many organizations are still stuck in old patterns of talent access and management because they’re not giving workers of all types (gig, freelancers, contractors, employees, etc.) any say in where, how, and for whom they work. Organizations that adapt their strategies and practices to fit the real-world talent pool, which is far more complex and increasingly comprised of nontraditional workers, will gain access to skills and experiences to accelerate growth, innovation, and agility.

These new ownership models require a large shift from how many work today, so it’s no surprise that organizations were least ready to address trends that require cocreation with workers. According to our survey, only 19% of organizations said they’re very ready for data ownership, 17% for worker agency, and 16% for workforce ecosystems. This readiness gap will be critical to overcome for organizations to capitalize on the innovation and improved individual, business, and societal results these trends could drive.



Designing for impact: Prioritize human outcomes

The final fundamental for a boundaryless world relies on collective aspirations. Organizations should create impact not only for their business, their workers, or their shareholders, but for the broader society as well. Over half of organizations surveyed this year aspire to create greater connections with the society they work in, indicating that the social enterprise, as we defined in the *Deloitte 2018 Global Human Capital Trends report*, continues to be a pivotal force in the world of work.

It's no longer enough to build discrete programs that will create value around the edges of important topics like climate, equality, or human risk; they are fundamental to an organization's ability to thrive in this new world of work. In the *Deloitte 2023 Global Human Capital Trends* survey, more than 80% of organizations reported purpose; diversity, equity, and inclusion (DEI); sustainability; and trust as top focus areas.

Three chapters of this report exemplify how organizations and workers are *prioritizing human outcomes*.

- **Taking bold action for equitable outcomes.** The idea of diversity as a metric is dissolving in place of the notion that organizations need to be looking at DEI as outcomes instead. Those outcomes will focus on equity in how organizations access talent; enable talent through development programs, methods, and tools; and how they advance and promote talent at all levels of the organization. Organizations will be held accountable less for their activities and efforts and more for their ability to achieve equitable outcomes in support of larger societal goals.

- **Advancing the human element of sustainability.** The boundary of the organization as a fully autonomous entity, with interests that can be separated from the interests of society at large, is blurring. As such, organizations are facing mounting pressure to address sustainability issues from governments, global coalitions, their communities, and, not least, their current and future workforce. That workforce is demanding that organizations move past rhetoric about sustainability in favor of delivering observable outcomes. As a result, organizations must focus on the human elements, which have been largely absent in their strategies and actions to date, by “hardwiring” sustainability into the workforce and work itself.

- **Elevating the focus on human risk.** Organizations have traditionally thought of human risks through a narrow lens—the potential risks that workers pose to the business. In the new world, organizations should expand their view of human risk beyond compliance and reporting to consider how a broad set of risks are significantly affecting and are significantly being affected by humans. These risks, which can have a material effect on a company's long-term viability, must be fully understood by all executives, with ultimate accountability sitting with the board.

Leading in a boundaryless world

For those who get it right, the boundaryless world becomes one of infinite possibility instead of chaos and confusion. As old boundaries shift and disappear, organizations and workers can deploy these fundamentals to set new guidelines, create more autonomy, imagine new possibilities, and

achieve mutual value for the organization, the workforce, and society. But doing so requires them to employ new mindsets, letting go of the work, workforce, and workplace operating models of the past to embrace a more fluid and more human future, focused on speed, agility, experimentation, and innovation.

“An alternative definition of the word boundary is frontier. A frontier represents the location of the newest, most innovative, most value-creating opportunity in an entity or an organization. The fundamental challenge, and opportunity, is to reframe how we think of boundaries as not just things that create limits or restraints, but as the very source for new value creation, innovation, and creativity.”

— Chris Ernst, Chief Learning Officer,
Workday

New leadership capability is needed at all levels of the organization to mobilize workers and teams for achieving new outcomes. Yet only 23% of organizations in the Deloitte 2023 Global Human Capital Trends survey say their leaders have the capabilities to navigate a disrupted world. They point to concerns about leaders’ ability to manage the evolving workforce, with less than 15% of organizations saying their leaders are very ready to inclusively lead an expanding workforce or to

consider broader societal and environmental risks when making workforce decisions. They also express concerns about the design and execution of work itself: Only 16% say their leaders are very ready to use technology to improve work outcomes and team performance, and only 18% say their leaders are very ready to develop the right workplace model for their organization.

A new brand of leadership will be required—one that focuses on where you show up and how you show up, and the mindset you adopt to drive work forward. More specifically, you will need to:

- 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 impact with the human agenda in mind.

Those who partner with their workforce and experiment with what’s possible will be able to create sustainable models of work, making work better for humans and humans better at work.TM

Endnotes

1. Jeff Schwartz et al., *Deloitte 2021 Global Human Capital Trends—Introduction: The social enterprise in a world disrupted*, Deloitte Insights, December 9, 2020.

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