



# Activating the future of workplace

The workplace evolves to be an input to the work itself

Coauthored by Martin Kamen, Tara Mahoutchian, and Nate Paynter.

*The ideal workplace is not just a physical site dictated by tradition, right, or necessity—but wherever 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 ASSUMPTION OF workplace as simply a physical location has been under pressure for some time now, with virtualization of work trending well before the disruption brought on by the COVID-19 pandemic. However, that dramatic disruption forced organizations to more quickly rethink how to connect and engage workers in virtual and hybrid work environments and to embrace the possibilities of a boundaryless workplace. Unfortunately, it appears old habits are hard to break, as we've seen some pullback due to outdated definitions of what work is and perceptions about worker productivity or

organizational culture as many companies push to get workers back into the office.

Moving forward, leaders should focus on the fundamental issue, which is the design and practice of the work itself, as the work will dictate the mix of physical and digital workplace required to meet business outcomes. Unfortunately, only 15% of respondents to the Deloitte 2023 Global Human Capital Trends survey cited the way work is designed as one of the most important attributes in creating the future workplace.

The shift toward a boundaryless workplace is driven by two main factors: worker agency and technological advancement. Worker sentiment has shifted and workers are advocating for workplace models that best support their needs and well-being. Many workers now consider the ability to work remotely as an inalienable right. According to a recent study,<sup>1</sup> two-thirds of workers globally (64%) say they have already considered (or would consider) looking for a new job if their employer wanted them back in the office full time.

Technology is also advancing rapidly as an essential component of workplace design. This goes beyond collaboration tools and now includes a vast array of work-related technologies, with the most prominent example arguably being the metaverse and unlimited reality.

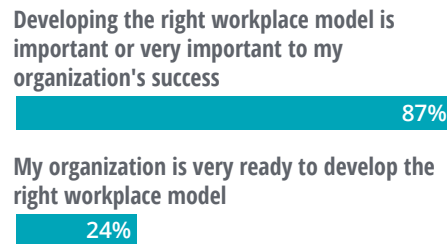
As organizations reimagine the workplace in a postpandemic world, the result is not a single location or one-size-fits-all solution, but a variety of capabilities and spaces that support different ways of getting work done. This reimagination is not just limited to knowledge workers, but also extends to frontline workers. A recent survey by Forbes and Microsoft<sup>2</sup> showed that organizations leading the way on digitally empowering frontline workers (e.g., call center representatives, field service personnel) are three times more likely to deliver annual growth in excess of 20% (compared to their less forward-thinking counterparts).

## The readiness gap

According to the Deloitte 2023 Global Human Capital Trends survey, the vast majority of business leaders (87%) believe that developing the right workplace model is important or very important to their organization’s success. Yet only 24% feel their organization is very ready to address this trend (figure 1).

FIGURE 1

### The readiness gap for the future of workplace



Source: Deloitte 2023 Global Human Capital Trends survey.

The good news is that only 6% of our surveyed organizations are satisfied with the status quo and say they have not changed—and will not change—their workplace strategy. Meanwhile, 78% are trying to create a future workplace where workers can thrive by redesigning their existing business processes or reimagining the work itself.

#### SIGNALS: THIS TREND APPLIES TO YOU IF...

- Knowledge-sharing and the effective use of intellectual property are noticeably declining
- Ongoing challenges in collaboration are adversely affecting work delivery and resulting in a noticeable uptick in meetings
- Engagement and productivity are declining due to old models of work being ported into the hybrid workplace
- Your organization is struggling to attract top talent due to outdated or ineffective workplace strategies

## The new fundamentals

### **Let the work drive the workplace decisions.**

Before organizations can effectively answer any questions about *where* people should work—physical, digital, or hybrid—you must understand the work that needs to get done. To that end, the first question to ask when thinking about workplace is “What does the work require?” There is no perfect workplace model or universal solution that every organization should adopt. If the work does not require a physical space to deliver optimal results, don’t force it just because of past precedent or current management anxieties. Instead, organizations need to look at the work they are trying to accomplish and cultivate a deep understanding of the unique needs and priorities associated with those goals. Only then can organizations effectively determine where, when, and how work should be done.

### **Deliberately design the experience in service of outcomes and value.**

As organizations design workplace models in support of the work, they should start by focusing on the ultimate outcomes they seek to drive (culture, innovation, societal impact) and then determine where that value is best created. According to the leaders who responded to the Deloitte 2023 Global Human Capital Trends survey, the biggest benefit they’ve seen from their future-workplace approach is increased worker engagement and well-being, while culture is the biggest barrier.

**Empower the individual, the team, and the ecosystem.** Especially in light of rising worker agency, outcomes important to the workers in an organization’s ecosystem should be given equal consideration as those of the organization. That goes for workplace models as well. Organizations should do their best to align (or at least balance) their needs and desires with the needs and desires of their entire workforce. Organizations have the

opportunity now to experiment boldly with their workplace model, balancing work outcomes with worker preferences, to unlock the new value they seek to create.

For example, consider where and how people interact. Studies show that collaboration is the No. 1 purpose for a physical office—a finding that applies regardless of geography, industry, role, or generation.<sup>3</sup> As such, when creating a workplace model—whether physical, digital, or hybrid—you need to intentionally design it to support and foster connectivity and collaboration.



## Current experiments: What leading organizations are exploring

- **Unilever** is focusing on what people produce (outcomes), not where or when they work.<sup>4</sup> It has introduced a set of global principles on how to make the best use of office spaces—giving people flexibility and choice, while spending at least 40% of their time in the office to collaborate and connect. To that end, it is designing working options that can help people balance work and home life without completely losing the value of face-to-face contact.
- **BMW** is bringing the metaverse to a traditionally physical environment: the factory. Using NVIDIA's Omniverse, a 3D collaborative metaverse platform, the company has created a perfect simulation of a future factory (i.e., digital twin).<sup>5</sup> The future factory was designed entirely in the digital realm and simulated from beginning to end to train and remotely connect workers in a virtual 3D environment. In this digital factory, BMW's global teams can collaborate in real time to design and reconfigure its factories, revolutionizing their planning process and eliminating the need for travel. Workers can travel virtually into an assembly simulation with a motion-capture suit and record task movements, while the line design is adjusted in real time to optimize line operations, worker ergonomics, and safety.
- **FamilyMart**, a convenience store chain in Japan, is experimenting with remote-controlled robots to stock shelves, enabling employees to work from anywhere using virtual reality (VR) goggles and controllers.<sup>6</sup> A key fringe benefit of this solution is the ability to employ disabled people who lack the physical mobility to stock shelves without the assistance of robots.
- **AdventHealth** added virtual nurses to its care teams, which enhanced its workforce experience for nurses across the digital and physical workplace and enabled better teamwork and patient outcomes.<sup>7</sup> Units can now have a virtual nurse team member on the screen, working with a team that's in person. As a result, virtual nurses not only offload work from the in-person nurse, but provide care virtually with good outcomes and a good patient experience.
- **M&T Bank** is focusing on putting purpose at the center of its post-pandemic workplace strategy.<sup>8</sup> In the pandemic, all of its nonessential workers were virtual. As things opened up, it promoted hybrid work—not because work couldn't be done virtually—but because it believed that the workplace created community and connections—in the company and with its diverse customers and communities in its footprint.

A number of these innovative experiments revolve around the *metaverse*, which is changing how organizations think about the digital workplace and providing new digital tools to foster collaboration and create an immersive workplace experience from anywhere in the world. Benefits of the metaverse include the ability to work remotely day or night from any location, and to stay anonymous and focus on work. Gartner predicts that 25% of people will spend at least one hour a day in the metaverse by 2026.<sup>9</sup> Also, three out of five tech workers say they would be interested in using the kinds of VR headsets associated with the metaverse for training and professional development.<sup>10</sup>

## The path forward

FIGURE 2

### Survive. Thrive. Drive.

Survive	Thrive	Drive
<p><i>Remain viable in the marketplace</i></p> <ul style="list-style-type: none"> <li>• Deconstruct work to its lowest level and define work outcomes to determine where work would best be performed</li> <li>• Consider <i>how</i> workers interact, not just <i>where</i></li> <li>• Inventory your current workplace, including digital and physical sites and how and why each is used</li> </ul>	<p><i>Differentiate to gain competitive advantage</i></p> <ul style="list-style-type: none"> <li>• Design your workplace experience with work at the center</li> <li>• Give a voice to workers and teams about how to foster more connectivity, collaboration, and innovation through workplace design</li> <li>• Pilot new workplace approaches and gather worker feedback</li> <li>• Design your workplace ecosystem to allow for a seamless transition between physical, digital, and hybrid workplaces</li> </ul>	<p><i>Lead the market by radically innovating and transforming</i></p> <ul style="list-style-type: none"> <li>• Take an agile approach to improving the workplace experience, including continuous assessment of breakthrough technologies</li> <li>• Lead the intersection of ESG and human risk with workplace design</li> <li>• Cultivate openness among leaders to workplace experimentation and change</li> </ul>

Source: Deloitte analysis.

## Looking ahead

The workplace is essential—but in the relationship between work and workplace, the work has to lead. The workplace should become an input into the work itself, focused on the outcomes or value aligned with business strategy. Beyond the immediate value from the work, a strategic approach to workplace can also create “downstream” ESG benefits. For example, reducing an organization’s amount of physical office space can reduce its carbon footprint; giving workers more agency to choose which days to work remotely could support DEI outcomes by providing flexibility for caregivers.

Through workplace design, organizations have an opportunity to improve their brand, attract talent,

and elevate work outcomes. And it all starts with one key question: “How can we design the workplace to best support the work itself?” Organizations that put work at the center of their workplace design efforts will have the best chance of achieving superior results. As with other trends in this year’s report, the needs of the work and worker preferences will continue to change, requiring organizations to continue experimenting, listening, and evolving.

*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

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