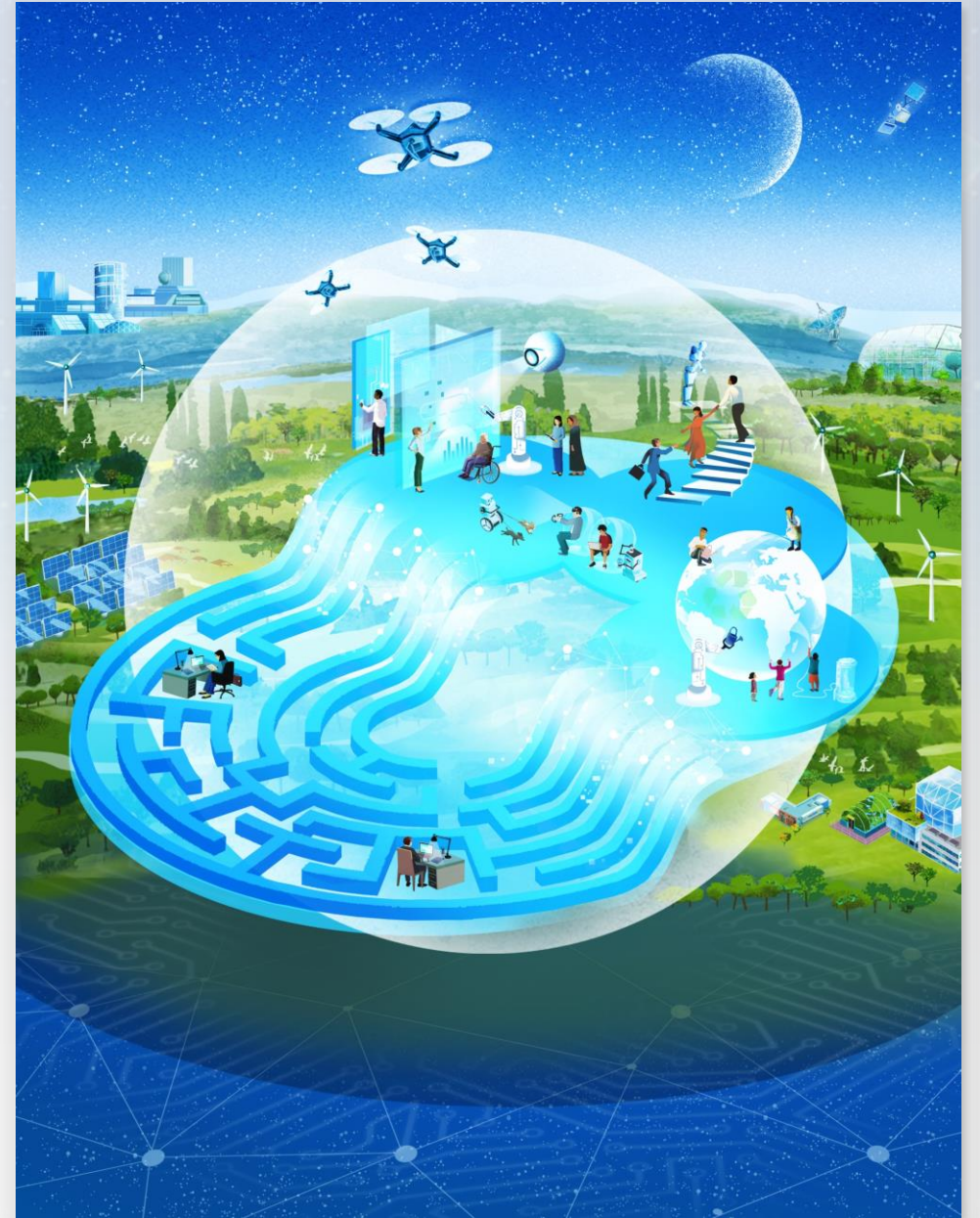




Deloitte 2023 Global Human Capital Trends: New fundamentals for a boundaryless world



Contents

Research context

Human capital management challenges in Ukraine and worldwide

Human capital trends

- Framing the challenge: Think like a researcher
- Charting a new path: Cocreate the relationship
- Designing for impact: Prioritize human outcomes
- Leading in a boundaryless world

Key conclusions

- Trends, which are most relevant for Ukrainian market
- Organizations' readiness for change



Research context

Global human capital management challenges in 2023



Talent shortage

71% of business leaders agree that their organizations experience a significant **talent shortage** ^[1]



Mental health issues

38% millennials and **46%** of zoomers in the world constantly feel **anxiety or stress** ^[2]



Great resignation

53% companies observe an **increase** in voluntary **staff turnover** ^[3]



Decrease in welfare of workers

Every **third** representative of youth in the world does not feel **financially secure** ^[2]

CHALLENGES BECOME MORE SIGNIFICANT AND LARGE-SCALE

1. [Deloitte CEO survey, autumn 2022](#) 2. [Deloitte 2022 Global Gen-Z and Millennial Survey](#) 3. [McKinsey&Co – «Great attrition» or «Great attraction»](#)

The full-scale war in Ukraine has exacerbated existing challenges, as well as created new ones



Unemployment growth

At least **5 million** people have **lost their jobs** since the beginning of the full-scale invasion^[1]



Substantial decrease in wellbeing

78% of Ukrainians report a **decrease in income**^[2], and Ukrainian youth – **41%** of zoomers and **32%** of millennials – constantly **feel anxiety or stress**^[3]



The outflow of the workforce

More than **14.5 million** people have **left the country** since the beginning of the full-scale invasion^[4]



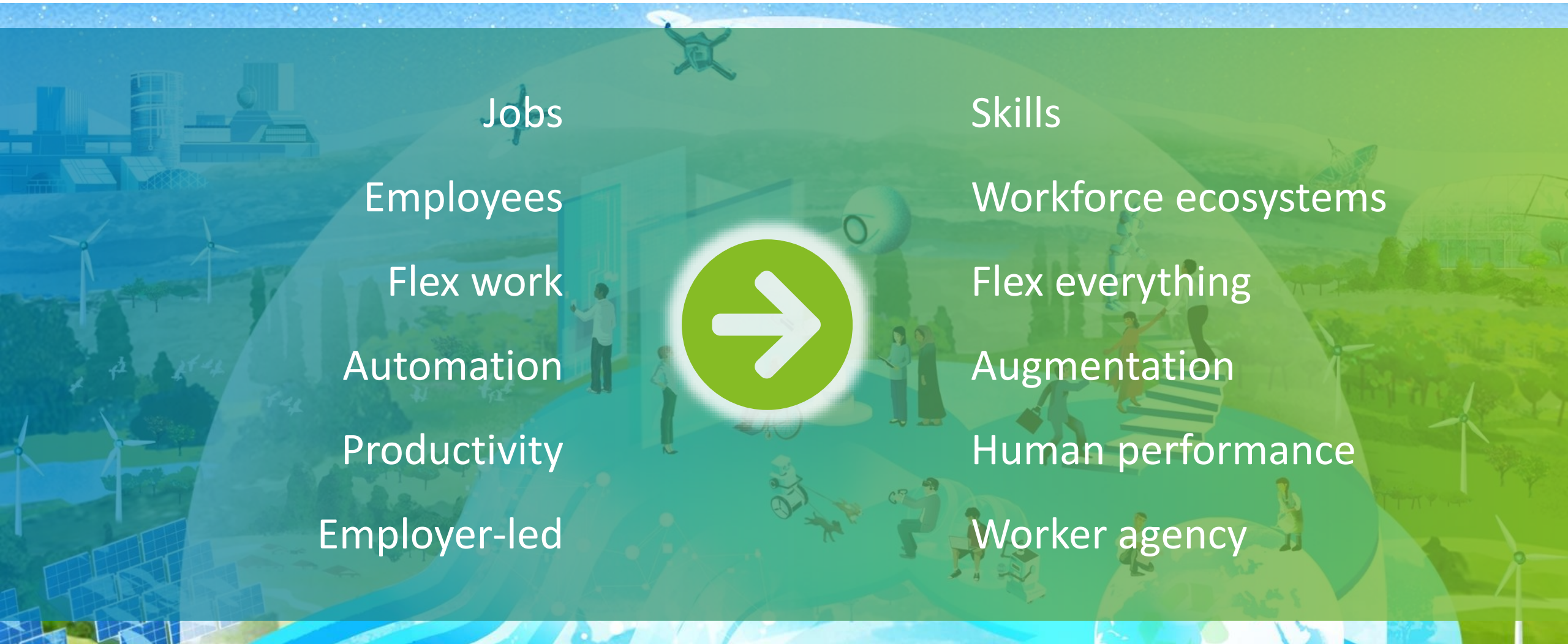
Increasing regional imbalances

4,7 million internally displaced persons are registered in Ukraine^[4]

THE RATE OF CHANGE HAS BECOME EXTREMELY HIGH

1. According to the [Ministry of Economy](#) – November 2022 2. [Gradus – Consumer Trends 2023](#) 3. [Deloitte 2022 Global Gen-Z and Millennial Survey](#) 4. According to the [Human Rights Commissioner of the Verkhovna Rada](#) – December 2022

New fundamentals for a boundaryless world



How we got our insights for this report

>10,000

professionals across
global business and HR
organizations

179

from Ukraine

1,563

Board and C-Suite level
around the world
and

34

from Ukraine

105

countries

23

industry

Deloitte 2023 Global Human Capital Trends



FRAMING THE CHALLENGE



CHARTING A NEW PATH



DESIGNING FOR IMPACT



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

Organization of work with a focus on employee skills, not job descriptions

RESPONDENTS BELIEVE THAT THEIR ORGANIZATIONS...

87% vs 75%

know what skills their workforce possesses

67% vs 66%

are effective at matching the right talent for the work they need done

49% vs 62%

can effectively anticipate the skills they will need over the next two years

AND STATE THAT THEIR JOB DESCRIPTIONS...

49% vs 34%

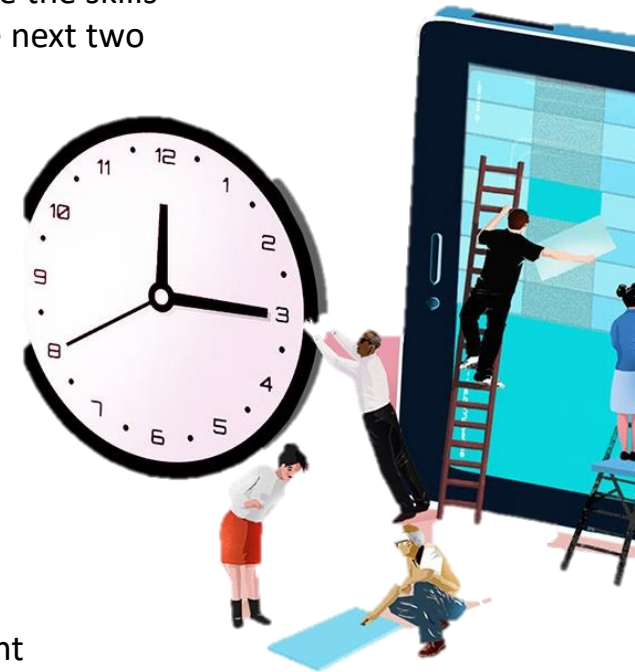
are ineffective in their job at specifying the work to be performed

49% vs 44%

not dynamic enough to quickly evolve as their work evolves

KEY BUSINESS OUTCOMES FROM IMPLEMENTATION OF THE APPROACH (RESPONDENTS' OPINION):

- | | | |
|---|---|--|
| <input checked="" type="checkbox"/> Increased financial performance | <input checked="" type="checkbox"/> Elevated leadership effectiveness | <input checked="" type="checkbox"/> Maintained worker engagement |
| <input checked="" type="checkbox"/> Increased financial performance | <input checked="" type="checkbox"/> Increased retention | <input checked="" type="checkbox"/> Enhanced ability to anticipate future disruptions and be agile |











● Ukraine
● Global

Navigating the end of jobs

Actions of organizations to implement changes

INITIATIVES OF ORGANIZATIONS TO IMPLEMENT SKILL-BASED MANAGEMENT	UKRAINE	GLOBAL
Using skills over jobs to match workers with work	63%	43%
Structuring worker roles and responsibilities around problems to solve rather than sets of repeatable tasks	57%	36%
Redesigning organization structure to more effectively organize the workers they have for the work they need done	45%	39%
Investing in upskilling and / or reskilling workers to develop the talent they need	35%	43%
Investing in systems or platforms to match internal workers with opportunities outside their core job descriptions	8%	19%

KEY BARRIERS TO IMPLEMENTATION OF CHANGES (RESPONDENTS' OPINION):

 Rate of change	 Leadership commitment and capabilities	 External policies and regulation	 Ukraine  Global
 Culture	 Ways of working	 Rate of change	

Navigating the end of jobs

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 makes work better for people and makes people better at work



PRIORITY

THE MAIN AREAS OF APPLICATION OF TECHNOLOGY TODAY

1 vs 1

Organization of interaction (communication) between team members

2 vs 2

Increasing the individual operational efficiency of employees

3 vs 5

Anticipating needs, encouraging the development of employees and teams

4 vs 3

Networking of teams inside and outside the organization

5 vs 6

Creating opportunities to apply unique human competencies (creativity, empathy, etc.)

KEY BUSINESS OUTCOMES FROM IMPLEMENTATION OF THE APPROACH (RESPONDENTS' OPINION):



Maintained worker engagement



Increased financial performance



Increased innovation



Increased financial performance



Maintained worker engagement



Increased worker engagement and well-being of workforce



Ukraine



Global

Powering human impact with technology

Plans of organizations to implement changes

PRIORITY	THE MAIN AREAS OF APPLICATION OF TECHNOLOGY IN THE NEXT 2-4 YEARS	
▲ 1 VS 3	Networking of teams inside and outside the organization	
2 VS 4 ▼	Increasing the individual operational efficiency of employees	
▼ 3 VS 9 ▼	Organization of interaction (communication) between team members	
▲ 4 VS 8 ▼	Generating ideas (for example, from product development, design, etc.)	
5 VS 2 ▲	Creating opportunities for the application of unique human competencies	▲ increasing priority
▼ 8 VS 1 ▲	Anticipating needs, encouraging the development of employees and teams	▼ decreasing priority

KEY BARRIERS TO IMPLEMENTATION OF CHANGES (RESPONDENTS' OPINION):

▲ Rate of change	▲ Infrastructure and technology	▲ Leadership commitment and capabilities	
▲ Infrastructure and technology	▲ Culture	▲ Ways of working	● Ukraine
			● Global

Powering human impact with technology

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 ideal workplace is where the work is done best

THE MOST IMPORTANT ATTRIBUTES OF WORKPLACE OF THE FUTURE

	UKRAINE	GLOBAL
Corporate culture	44%	37%
Leadership	38%	37%
The way work is organized	34%	15%
Teams	34%	17%
The place where the work is done	34%	36%

KEY BUSINESS OUTCOMES FROM IMPLEMENTATION OF THE APPROACH (RESPONDENTS' OPINION):

- | | | |
|---|---|--|
|  Increased worker engagement and well-being of workforce |  Increased retention |  Maintained worker engagement |
|  Increased worker engagement and well-being of workforce |  Increased retention |  Maintained worker engagement |

 Ukraine
 Global

Activating the future of workplace

Actions of organizations to implement changes

INITIATIVES TO CREATE THE WORKPLACE OF THE FUTURE

42% vs 29%

implementing new approaches in accordance with the needs of internal and external stakeholders

22% vs 35%

creating or reformatting leadership development programs

37% vs 35%

redesign of current work processes



KEY BARRIERS TO IMPLEMENTATION OF CHANGES (RESPONDENTS' OPINION):

⚠ Rate of change

⚠ Leadership commitment and capabilities

⚠ The work itself (the way the work is designed)

⚠ Culture

⚠ Ways of working

⚠ Leadership commitment and capabilities

● Ukraine
● Global

Activating the future of workplace

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





Charting a new path: Cocreate the relationship

Negotiating worker data

Using employee data on mutually beneficial terms for organization and people

THE MOST VALUABLE EMPLOYEE DATA FOR ORGANIZATIONS	TODAY			NEXT 2-4 YEARS		
	UKRAINE		GLOBAL	UKRAINE		GLOBAL
Productivity	1	VS	1	1	VS	1
Professional relationships & interactions	2	VS	5	3	VS	2
Behavior & personality	3	VS	3	5	VS	3
Skills	4	VS	2	2	VS	4
Personal values & priorities	5	VS	7	4	VS	5

KEY BUSINESS OUTCOMES FROM IMPLEMENTATION OF THE APPROACH (RESPONDENTS' OPINION):

- ☒ Increased retention

☒ Increased worker engagement and well-being of workforce
- ☒ Maintained worker engagement

☒ Increased retention
- ☒ Increased financial performance

☒ Maintained worker engagement
- Ukraine

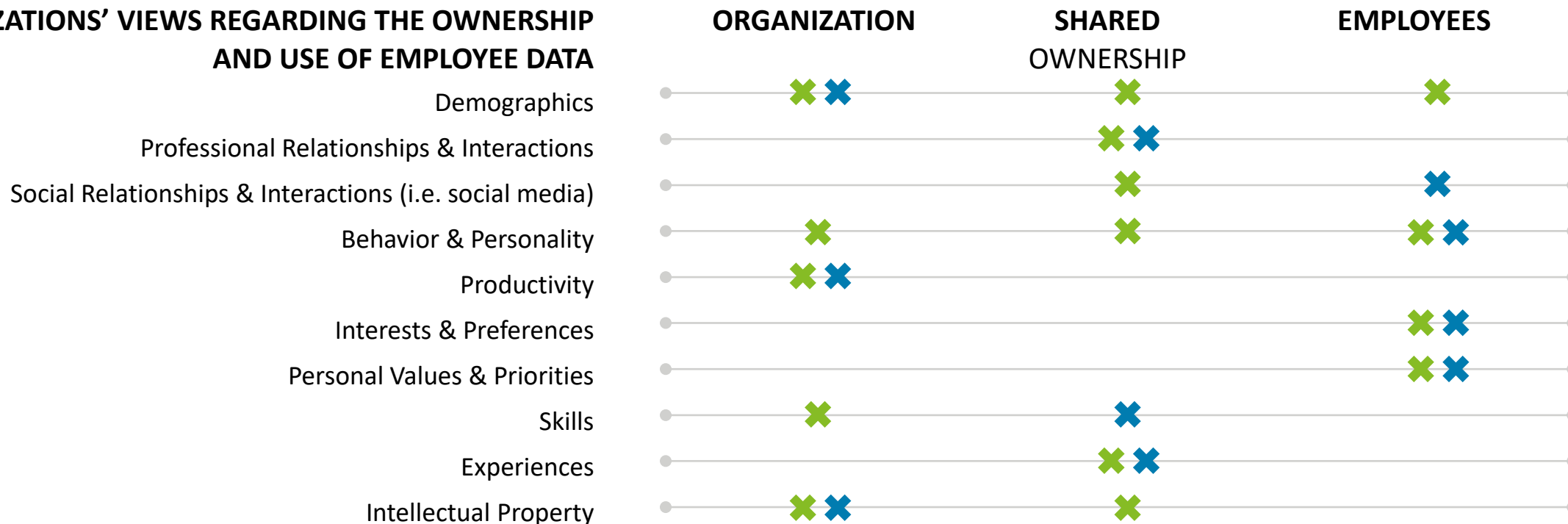
●

 Global

Negotiating worker data

Plans of organizations to implement changes

ORGANIZATIONS' VIEWS REGARDING THE OWNERSHIP AND USE OF EMPLOYEE DATA



KEY BARRIERS TO IMPLEMENTATION OF CHANGES (RESPONDENTS' OPINION):



Negotiating worker data

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

Building relations with employees by balancing their interests with organization's



ASPECTS REGARDING WHICH EMPLOYEES' INFLUENCE IS THE MOST SIGNIFICANT

	UKRAINE	GLOBAL
Development opportunities	49%	32%
Compensation	44%	39%
Workplace / Remote work	40%	33%
Type of work / Field of activity	35%	16%
Work schedule	31%	31%

Harnessing worker agency

Actions of organizations to implement changes

HOW ORGANIZATIONS RESPOND TO THE RISING WORKER INFLUENCE

47% vs 39%

redesigning existing work
processes

41% vs 28%

implementation of new approaches
according to the needs of internal and
external stakeholders

22% vs 30%

creating or refining leadership and
programs



● Ukraine
● Global

Harnessing worker agency

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 will unlock greater access to required skills

TOP DRIVERS TO USE OR OPTIMIZE THE WORKFORCE ECOSYSTEM

55% vs 36% **Agility:** more flexible options to quickly staff up and down as needed

40% vs 27% **Geography:** access to workers beyond primary geographic locations

39% vs 46% **Skills:** access to skills required to meet current business needs

TYPES OF WORKERS (IN ADDITION TO FULL/PART-TIME) THAT ORGANIZATIONS CURRENTLY USE THE MOST

Freelancers & contractors 45%
46%

Consultants 39%
57%

Outsourced / managed service teams 38%
40%

Gig workers 34%
25%

Crowdsourced workers 8%
5%

KEY BUSINESS OUTCOMES FROM IMPLEMENTATION OF THE APPROACH (RESPONDENTS' OPINION):

Increased financial performance

Stronger leadership pipeline and increased access to talent

Increased retention

Increased innovation

Increased financial performance

Increased retention

Ukraine
Global

Unlocking the workforce ecosystem

Actions of organizations to implement changes

MAJOR INITIATIVES TO OPTIMIZE THE WORKFORCE ECOSYSTEM

	UKRAINE	GLOBAL
Extending management practices to the workforce ecosystem	60%	38%
Revising operating models to account for the extended workforce	39%	37%
Cultivating relationships with new vendors to access the extended workforce	25%	32%
Reframing the employee experience strategy as a workforce experience strategy to be inclusive of the extended workforce	23%	37%
Implementing platforms that enable hiring managers to connect with the extended workforces	18%	28%

RESPONSIBLE FOR MANAGING THE WORKFORCE ECOSYSTEM



56% vs 49%

Senior Leadership



47% vs 54%

HR

KEY BARRIERS TO IMPLEMENTATION OF CHANGES (RESPONDENTS' OPINION):



Rate of change



Leadership commitment and capabilities



External policies and regulation



Culture



Ways of working



Rate of change



Ukraine



Global

Unlocking the workforce ecosystem

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

Shifting focus of Diversity, equity, and inclusion (DEI) conversation from actions to outcomes

HOW ORGANIZATIONS MEASURE PROGRESS REGARDING DEI COMMITMENTS

35% vs 37%

HR outcomes (e.g., recruiting process / timelines, compensation, etc.)

35% vs 33%

workforce outcomes (e.g., leadership, pipeline, retention, teaming, etc.)

33% vs 23%

compliance

LEVEL AT WHAT ORGANIZATIONS MEASURE PROGRESS IN THE AREA OF DEI

30% vs 31%

at the organizational level

25% vs 27%

at the executive level

38% vs 24%

do not evaluate their progress



KEY BUSINESS OUTCOMES FROM IMPLEMENTATION OF THE APPROACH (RESPONDENTS' OPINION):

Increased brand reputation

Maintained worker engagement

Increased retention

Maintained worker engagement

Increased brand reputation

Increased worker engagement and well-being of workforce

Ukraine
Global

Taking bold action for equitable outcomes

Actions of organizations to implement changes



IN THE LAST TWO YEARS, LARGE MULTINATIONAL ORGANIZATIONS

made more than **1,000**
public DEI commitments

pledged more than **\$210 billion**
to DEI initiatives

BUT

only **6% vs 20%**
strongly agree that an inclusive environment for
employees has been created in their organizations

KEY BARRIERS TO IMPLEMENTATION OF CHANGES (RESPONDENTS' OPINION):

⚠ Culture

⚠ Rate of change

⚠ Leadership commitment and capabilities

⚠ Culture

⚠ Leadership commitment and
capabilities

⚠ Ways of working

● Ukraine

● Global

Taking bold action for equitable 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

TOP AREAS OF ESG FOCUS FOR ORGANIZATIONS IN UKRAINE

74%

Reporting

67%

Diversity, equity, inclusion

67%

Corporate purpose



KEY BUSINESS OUTCOMES FROM IMPLEMENTATION OF THE APPROACH (RESPONDENTS' OPINION):



Increased brand reputation



Increased worker engagement and well-being of workforce



Maintained worker engagement



Increased brand reputation



Increased worker engagement and well-being of workforce



Maintained worker engagement

Ukraine

Global

Advancing the human element of sustainability

Actions of organizations to implement changes

TOP AREAS OF ESG FOCUS FOR ORGANIZATIONS GLOBALLY

85% Diversity, equity, inclusion

83% Trust

82% Corporate purpose



KEY BARRIERS TO IMPLEMENTATION OF CHANGES (RESPONDENTS' OPINION):

⚠ Rate of change

⚠ External policies and regulation

⚠ Culture

⚠ Culture

⚠ Lack of funding / resources

⚠ External policies and regulation

● Ukraine

● Global

Advancing the human element of sustainability

New fundamentals

Embed sustainability into purpose, strategy, and culture

Plan strategically for sustainable skills needs

Make work better for humans

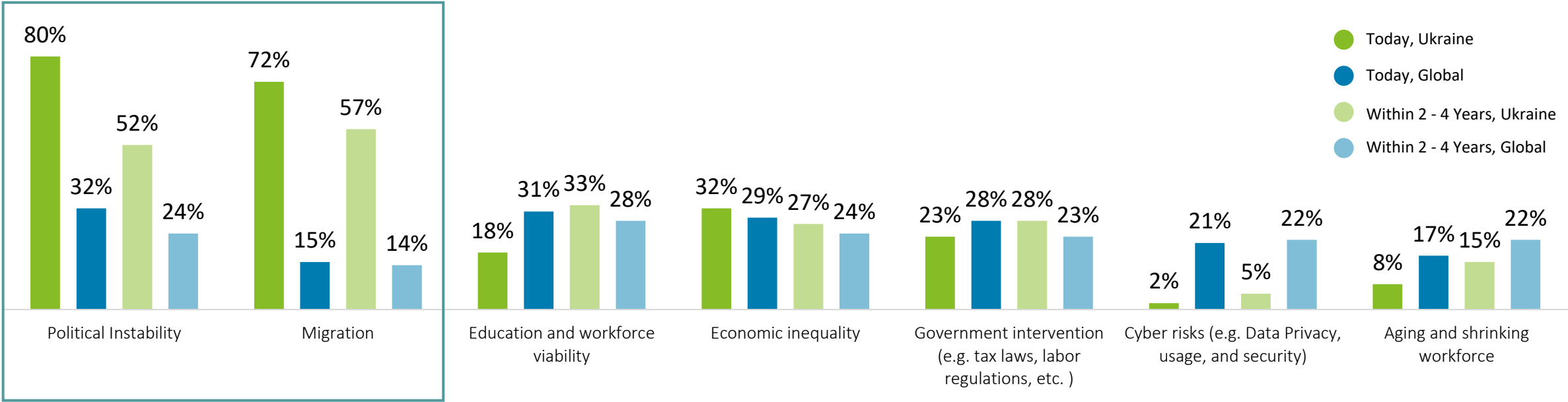
Design for human sustainability



Elevating the focus on human risk

Understanding the impact of external factors on human capital

HUMAN RISKS THAT HAVE THE GREATEST IMPACT ON THE WORKFORCE



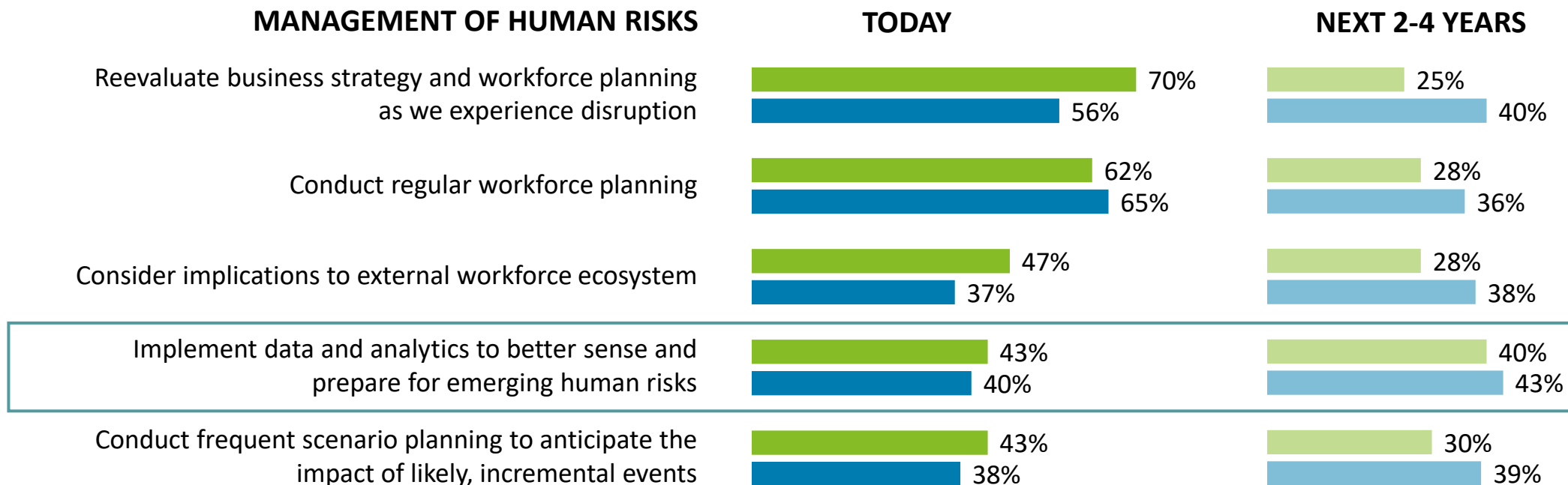
KEY BUSINESS OUTCOMES FROM IMPLEMENTATION OF THE APPROACH (RESPONDENTS' OPINION):

- Ukraine: Maintained worker engagement
- Global: Maintained worker engagement
- Ukraine: Stronger leadership pipeline and increased access to talent
- Global: Increased financial performance
- Ukraine: Increased retention
- Global: Enhanced ability to anticipate future disruptions and be agile

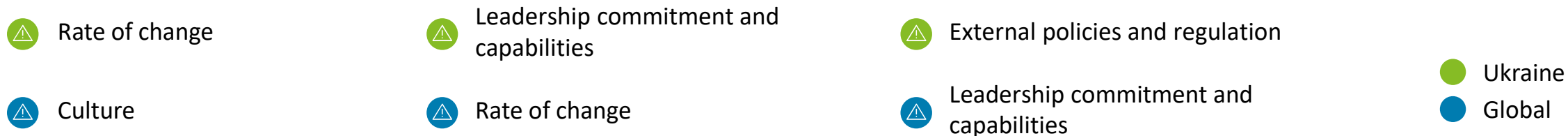
Elevating the focus on human risk

Actions of organizations to implement changes

THE MAIN APPROACHES OF ORGANIZATIONS TO THE MANAGEMENT OF HUMAN RISKS



KEY BARRIERS TO IMPLEMENTATION OF CHANGES (RESPONDENTS' OPINION):



Elevating the focus on human risk

New fundamentals



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

Create organizational agility through expanded insights

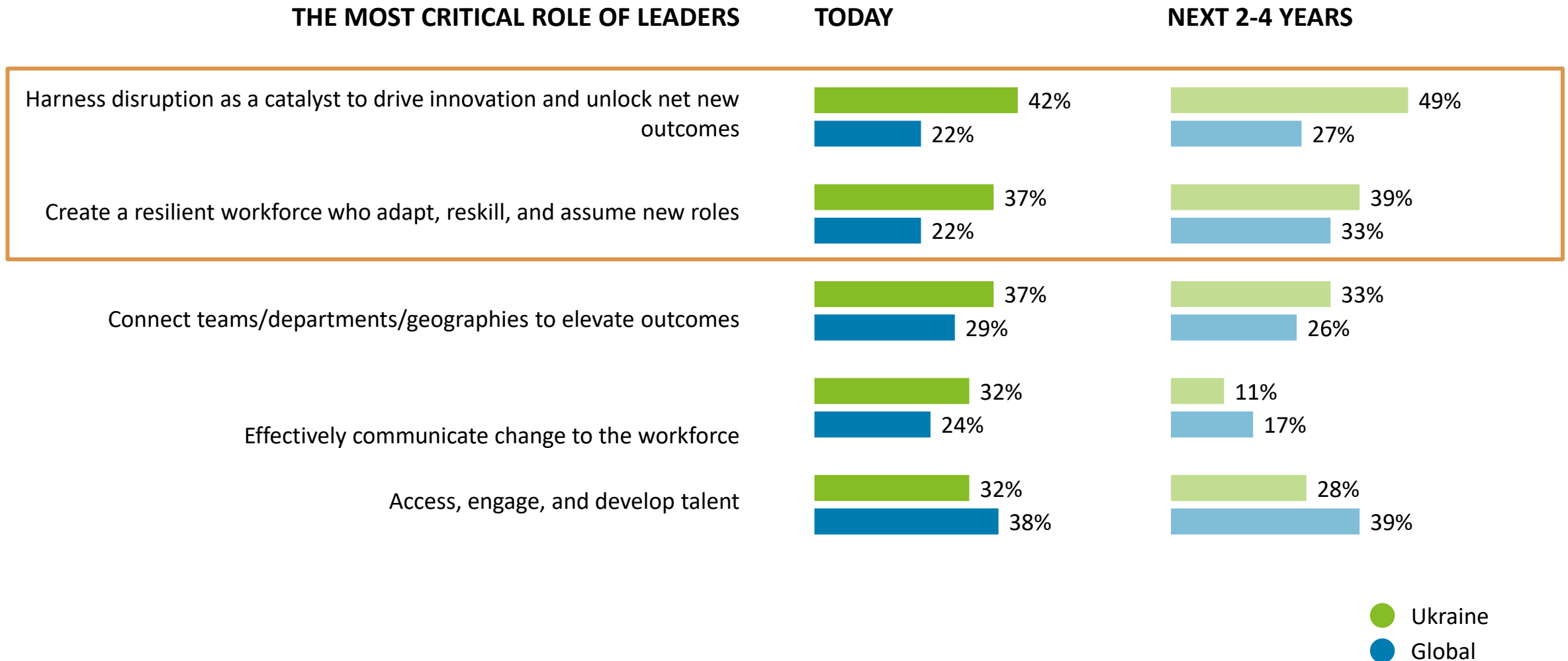
Instill responsibility at the board-level so it cascades through the organization

Leading in a Boundaryless World



Leading in a boundaryless world

Reshaping the way that we lead and influence others



Leading in a boundaryless world

Actions of organizations to implement changes

THE GREATEST BARRIERS TO LEADERS' ABILITY TO SUPPORT THE ACHIEVEMENT OF THE ORGANIZATIONS' MOST CRITICAL OUTCOMES

Too many changes at once, not able to identify where to start (pace of change)

UKRAINE

72%

GLOBAL

48%

Lack of clarity around roles and accountability for outcomes

46%

33%

Lack the required capabilities

40%

39%

Leaders themselves are resistant to change

23%

35%

Lack of preparation to tackle new areas

21%

33%

Leading in a boundaryless world

New fundamentals

Focus on
experimenting and
finding new ways of
achieving business
results

Cocreate your
relationship with
teams

Demonstrate true
care about your
people and
prioritize human
outcomes





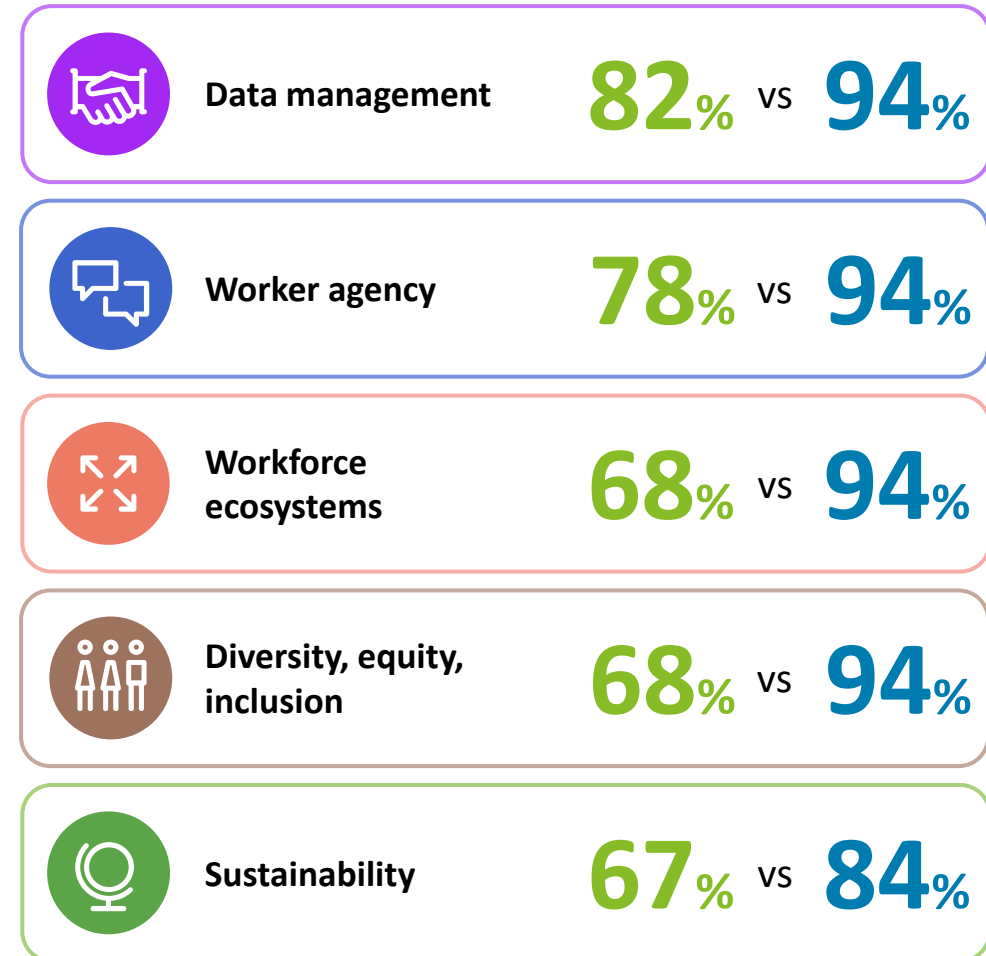
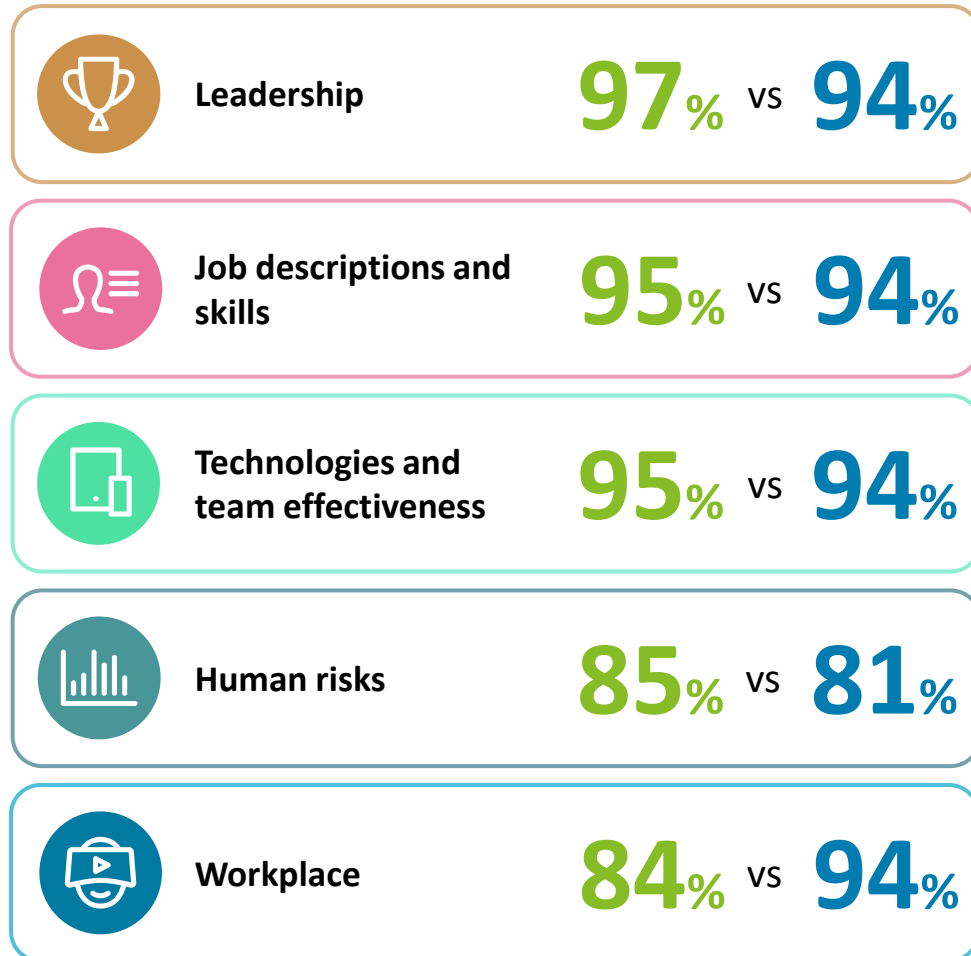
**Are we ready for a
boundaryless world?**

Deloitte 2023 Global Human Capital Trends

How important are these trends for organizations?

● Ukraine
● Global

IMPORTANCE

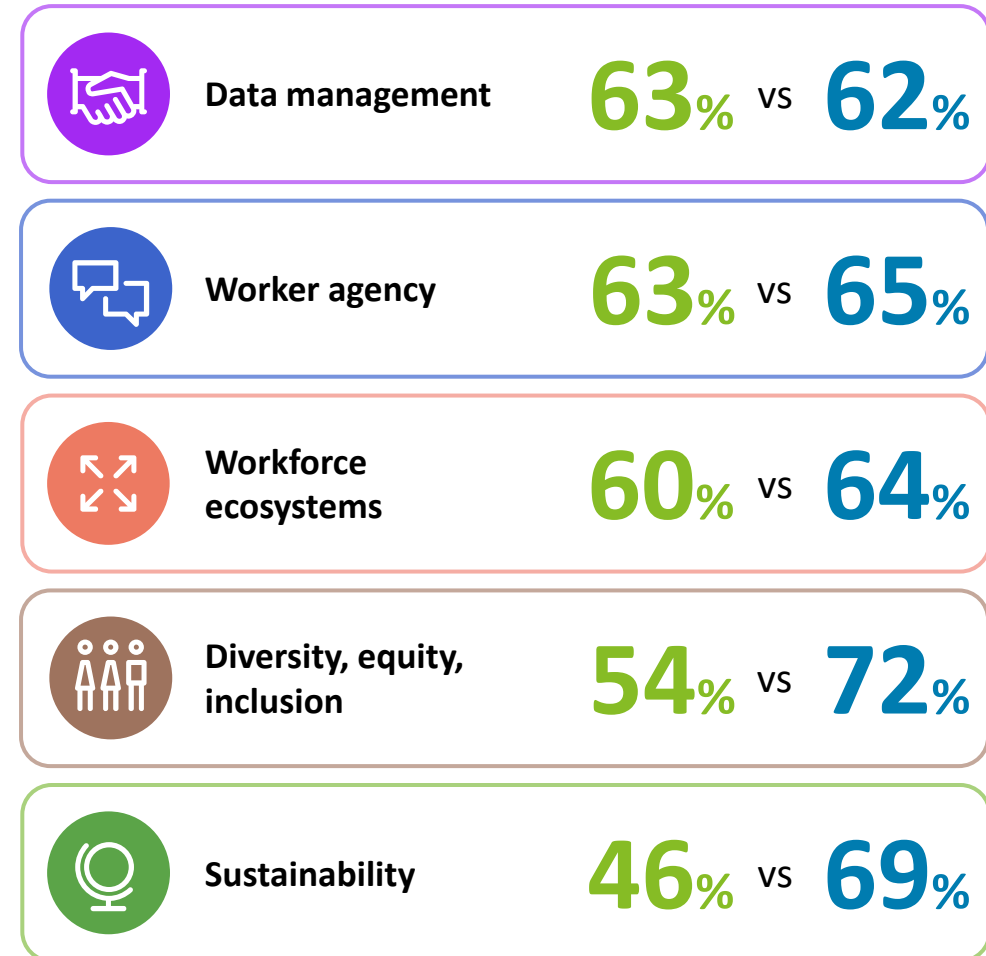
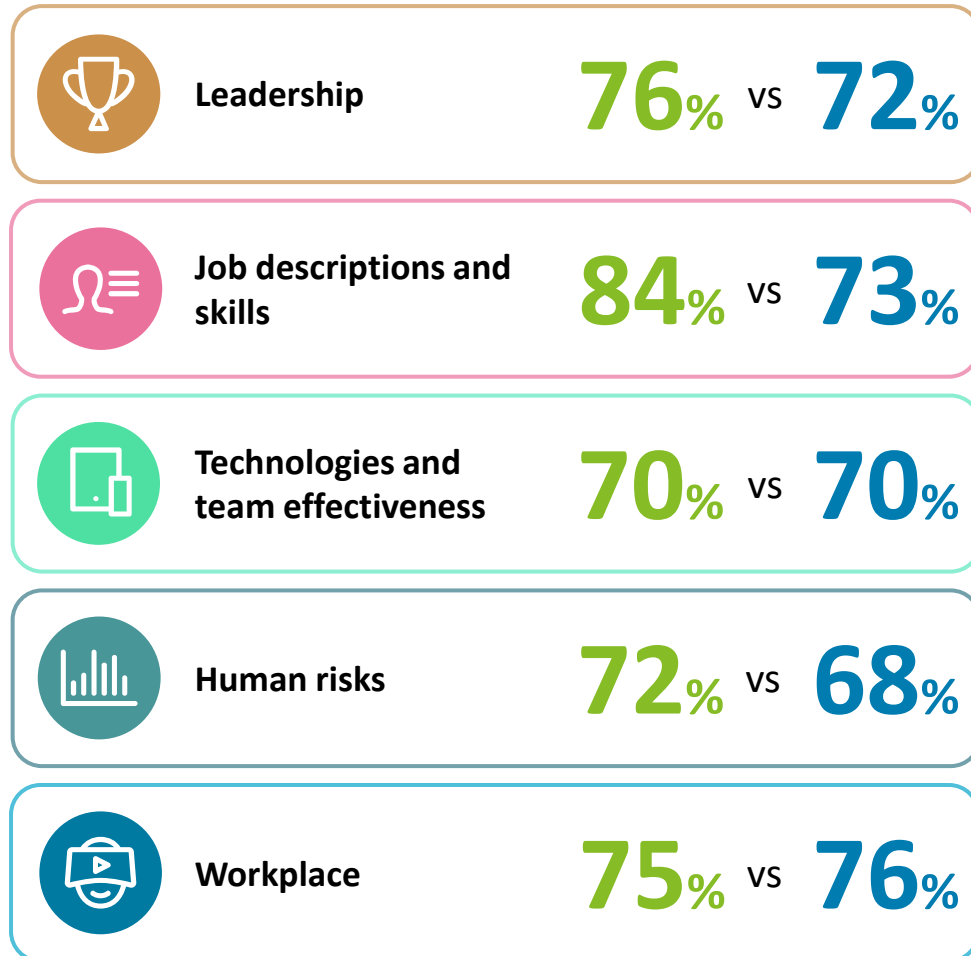


Deloitte 2023 Global Human Capital Trends

How ready are organizations for these trends?

● Ukraine
● Global

READINESS



Key conclusions

01

The speed and scale of change are forcing organizations to **rethink traditional work models**. Flexibility and openness to experiments are important criteria for success

02

Organizations should **build relationships** with the workforce ecosystem based on the principles of co-creation and balancing of interests

03

The influence of organizations on society plays an increasingly important role. This requires **more proactive actions to achieve DEI outcomes**

04

Organizations need to **widen their understanding of human risks** and implement approaches to anticipate their impact on people

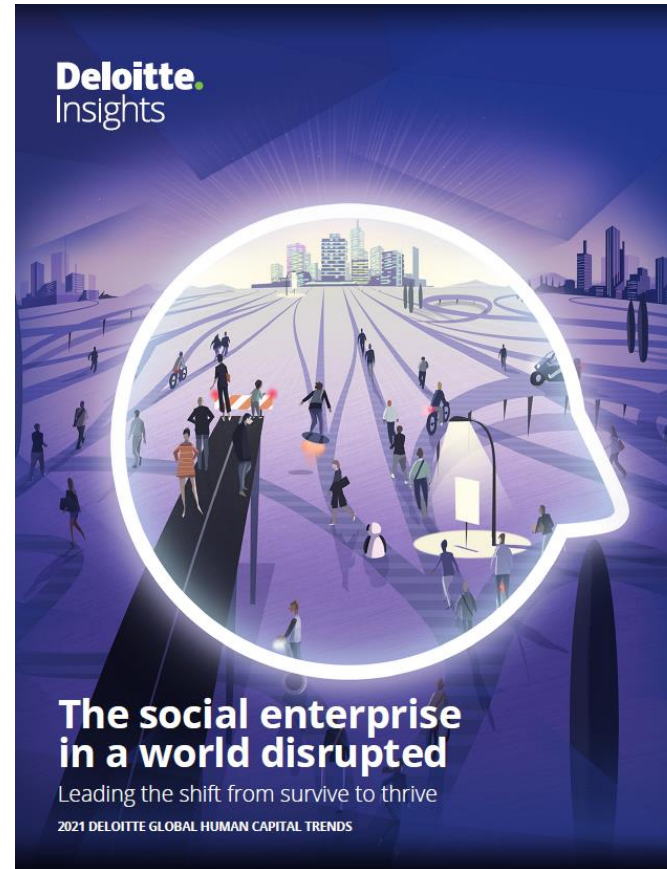
05

The role of leaders is changing and focuses on finding new solutions and creating sustainable teams ready for new challenges

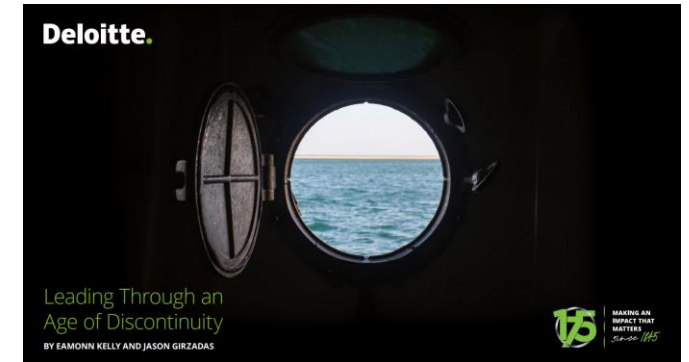
Relevant researches



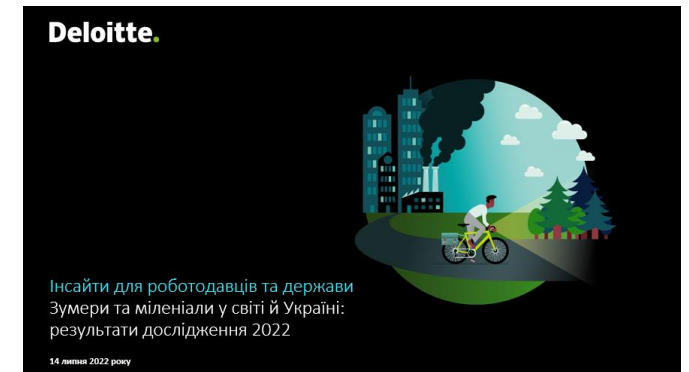
[*Deloitte Insights: The skills-based organization*](#)



[*Deloitte 2021 Human Capital Trends*](#)



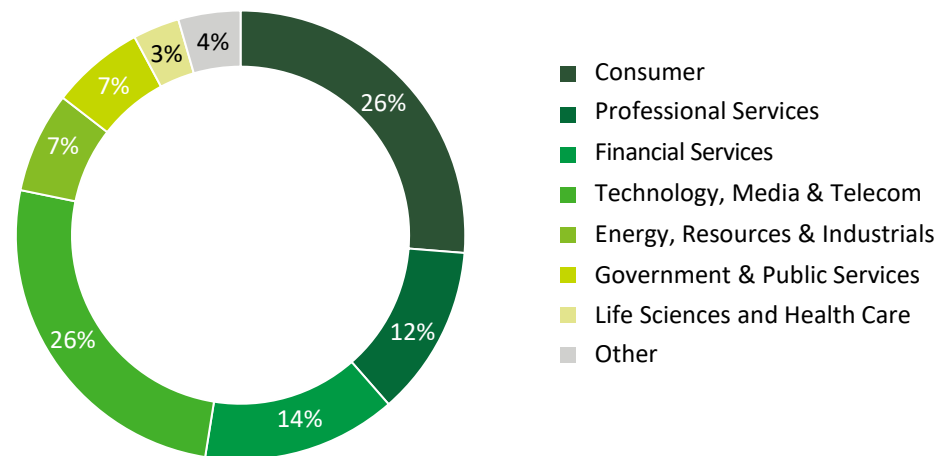
[*Deloitte Leading Through an Age of Discontinuity*](#)



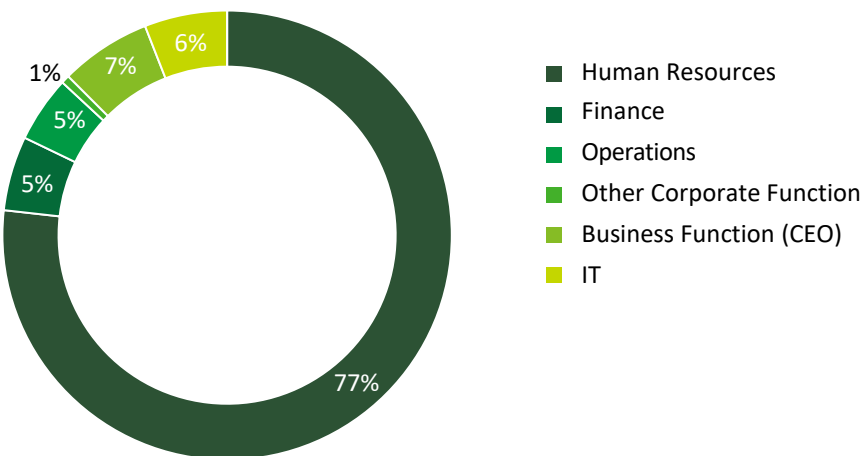
[*Deloitte 2023 Gen-Z Millennial Survey*](#)

Research participants in Ukraine

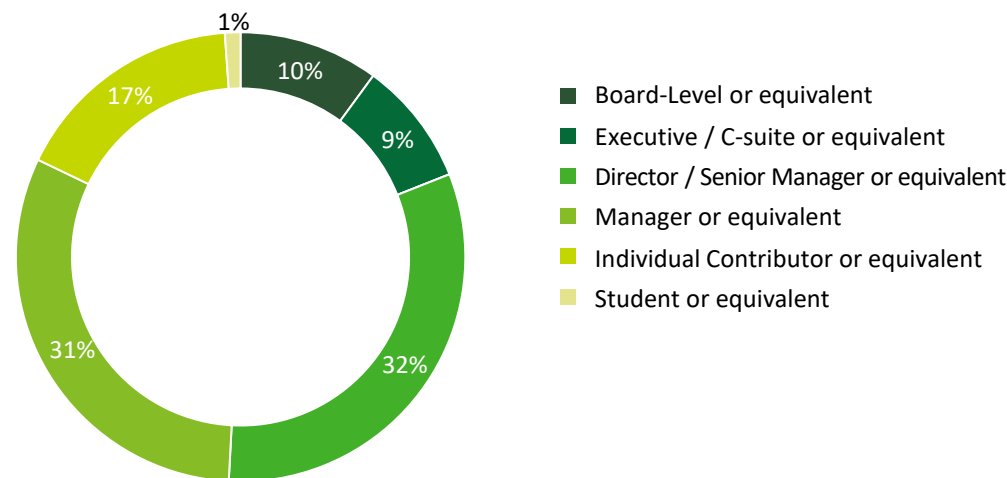
Industry



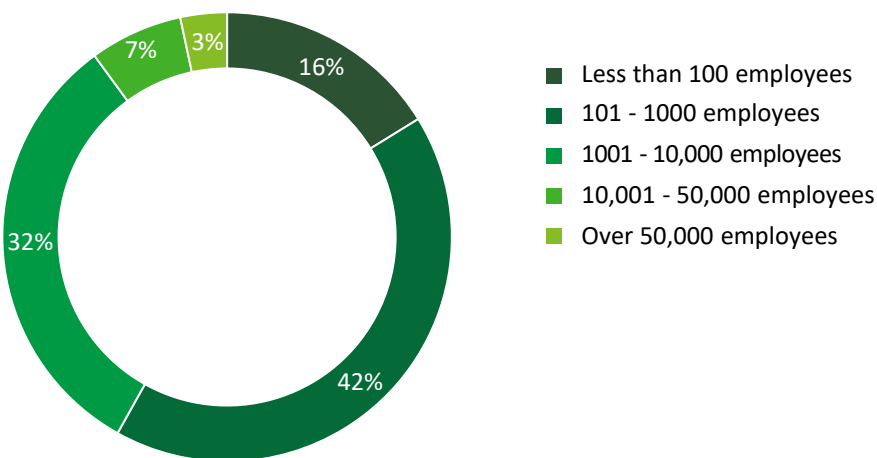
Job function



Job level

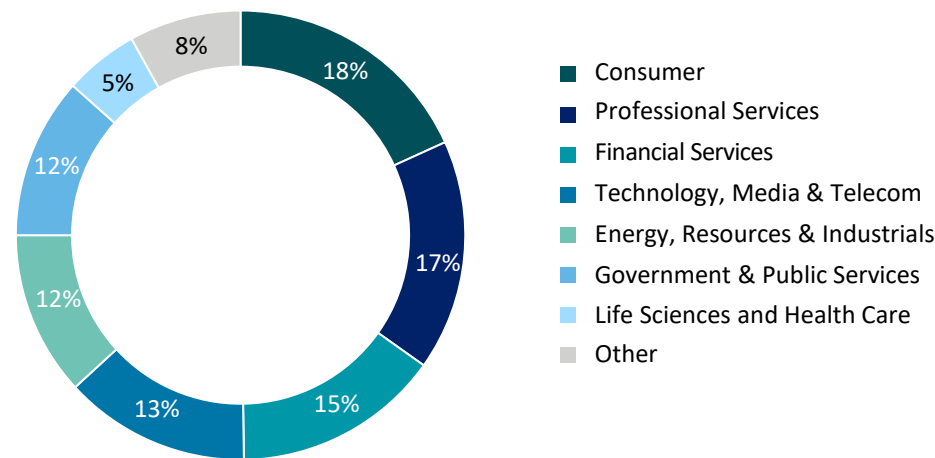


Organization size

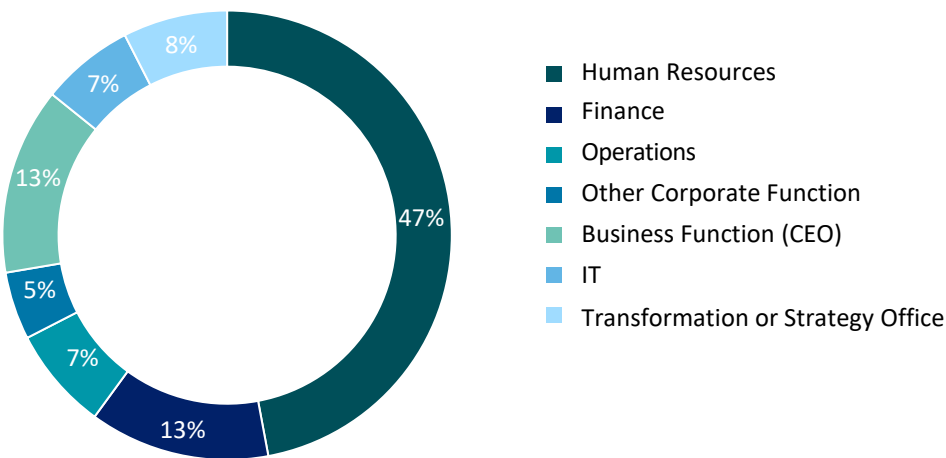


Global research participants

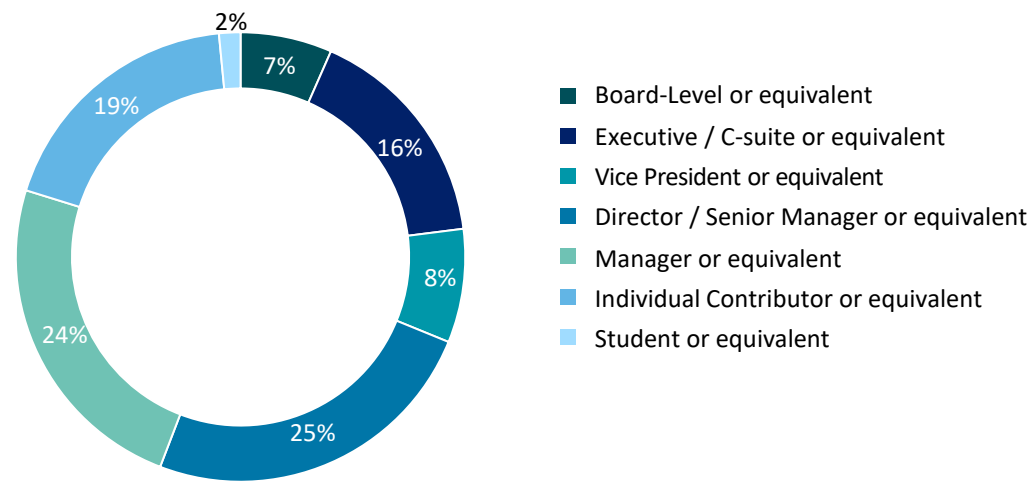
Industry



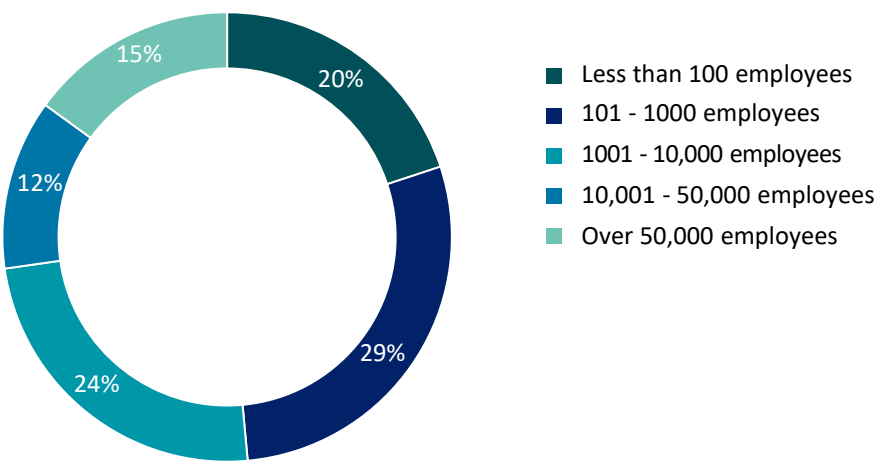
Job function



Job level



Organization size



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