

RESEARCH ARTICLE

High-Impact Workforce Research: In Brief

Human Capital Research & Sensing
Deloitte Consulting LLP

Overview

Legacy talent management notions (e.g., focusing attention on a narrow definition of talent, viewing workers as a cost, planning for workforce needs in waterfall fashion from business plan to pipeline) are incongruent with today's rapid pace of change in technology, business models, workforce needs, customer needs, and more. A more holistic, forward-looking approach can drive better outcomes and value creation.

Our High-Impact Workforce research¹ reveals organizations should expand the aperture beyond simply addressing immediate talent supply gaps to pursuing maturity in what we call “workforce architecture”—systemically and simultaneously synchronizing the work, workforce, and workplace to generate greater value for a broader set of stakeholders (starting with the workforce). This article summarizes select findings from our research and discusses the factors that distinguish high and low levels of maturity.

In This Article

- ✓ Selected findings from our High-Impact Workforce research
- ✓ The four levels of workforce architecture maturity
- ✓ The potential impact of workforce architecture on business and workforce outcomes





What Leaders Need to Know

Our High-Impact Workforce research seeks to identify and describe the evolution of talent management. It finds shifting from notions of “talent management” (assuming static work and workplace) to “workforce architecture” is critical and essential.² Talent management³—as conceived about a decade ago—is at its core an approach to connect HR processes (e.g., learning, leadership development, succession planning) in order to build a healthy talent supply chain so the organization has the right people at the right place and the right time. However, our research shows this approach is no longer sufficient. The path forward can’t be focused around only HR or the workforce. Changing workforce needs and alternative workforce options open the door for new talent models. Additionally, the workplace is becoming increasingly global, digitally enabled, and flexible.

Organizations often address the work, workforce, and workplace periodically, sporadically, and in isolation, without much consideration for the system they compose. Our research shows high-performing organizations address these as interrelated elements, not in silos or as a sequence. As these elements require integration, so do the functions that manage them. Synchronization can’t be accomplished by one function alone. Instead, it takes a symphonic approach—one that is enabled by analytics and technology—with leadership and collaboration from the business, strategic planning, sales and marketing, customer success, IT, finance and procurement, facilities, and HR. Only when organizations address these challenges systemically with shared accountability and full ownership of results can they achieve exponential outcomes for the organization and the humans that power it.

Workforce Architecture

The organization should architect a workforce that can continuously regenerate and reinvent and should develop workforce strategies focused on amplifying human capabilities to learn, innovate, and solve problems. As a result, we've defined the term "workforce architecture" as *the set of interconnected strategies, processes, and perspectives by which an organization continuously synchronizes the workforce, the nature of work, the skills and capabilities needed to accomplish that work, and where that work can be accomplished in order to create value and lead—not just respond to—marketplace disruption*.⁴

Select Findings from Our Research

With survey responses from nearly 500 organizations⁵, our study⁶ finds:

- **Mature organizations cocreate the work, workforce, and workplace with people and for people.** Instead of focusing on technologies as the key driver for work design, high-performing organizations build the future along with their people, thereby making work *work* for them. To pursue this worker-centric view of work and the workplace, high performers use human-centered design approaches (e.g., design thinking) to identify new possibilities of creating value.
- **High-performing organizations invest in meaningful contributions from across the workforce ecosystem.** To find the right people, organizations should broaden their perspective to look outside company walls, calling on the ecosystem of traditional and alternative workers to create meaningful impact. High-performing organizations are three times more likely than their low-performing peers to use the alternative workforce in a strategic way.
- **Mature organizations empower workers to adapt and grow for an ever-changing future.** Upgrading workers' skills may be a tactical necessity for the short term; however, the future is too unpredictable and change is too rapid to make reskilling by itself a sustainable workforce strategy. To enable the workforce to continuously adapt and grow, high-performing organizations give workers agency—the perceived ability to influence their future in terms of development, growth, and career—and support them to develop in the flow of work.

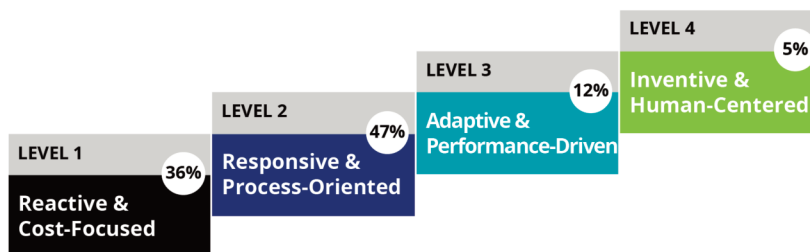
Workforce Architecture Maturity

Our Workforce Architecture Maturity Model (see Figure 1) describes how synchronization of the work, workforce, and workplace occurs at each of the four levels of maturity. While organizations at the lowest level of maturity merely react to changes in the environment, treating the workforce as a cost factor to be minimized, those organizations that start responding by optimizing processes and integrating talent practices can begin to move upward. When organizations adapt to disruptions in an agile manner, improved performance is enabled.

These four levels of maturity are defined and driven by five factors:

- **Creator’s Mindset.** Encouraging the workforce to adopt a creator’s mindset—leveraging a sense of belonging to increase agility and readiness for change.
- **Systemic People Growth.** Connecting talent processes and curating talent-related experiences so the ongoing growth and development of the workforce becomes a platform for future organizational resilience and reinvention.
- **Human-Centered Work and Workplace.** Installing human-centered work and a human-centered workplace—designing the work and the workplace for people to do their best work.
- **Value Creation through People + Machines.** Creating value through harmonizing the work, workforce, and workplace with data and technology.
- **Ecosystem as Workforce.** Utilizing the full ecosystem as the workforce, and recognizing the organization is only as healthy as its wider ecosystem.

Figure 1: Workforce Architecture Maturity Model*



* Note: The white circles to the right of each maturity level indicate the percentage of surveyed organizations at that level.

Source: Deloitte Consulting LLP, 2020.

What does mature workforce architecture look like? Our research reveals the most effective approach to people is inventive and human-centered—tapping into essentially human capabilities to help them and the organization not just respond to change but create in real time.

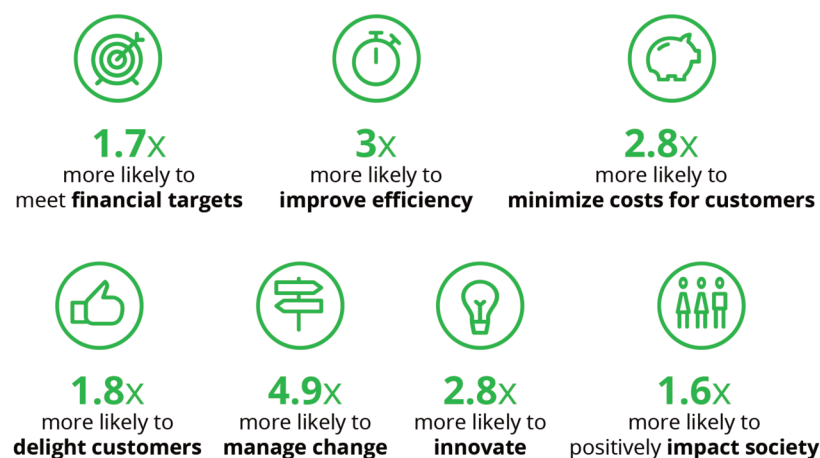
Characteristics of a Highly Mature Workforce Architecture

Organizations at the highest level of workforce architecture maturity—Level 4—have moved from managing talent to evolving the work, workforce, and workplace. These organizations operate as “social enterprises,”⁷ measuring success beyond typical metrics (e.g., financial performance, business growth) to also include value provided to workers, customers, and society. Disruptions are opportunities to construct a new future. Workers don’t await specific directions on what that future should look like; they’re empowered to reinvent their work, workplace, skills, and capabilities.

Work is fundamentally reimagined, leading to “superjobs”⁸ and “superteams.”⁹ The full workforce—including alternative workers—is treated as an ecosystem for achieving social enterprise goals, tapping into its humanity as the key to success. Leaders actively model risk-taking and inspire with a compelling vision. In addition, workers feel a sense of belonging through comfort, connection, and contribution, inspiring a creator’s mindset.

While reaching this stage of maturity is certainly not easy, organizations that do so can realize a variety of benefits that translate into increased business and workforce outcomes.

In regard to business outcomes, high-performing surveyed organizations are . . .



. . . than are low-performing surveyed organizations.

Deloitte Consulting LLP, 2020.

In regard to workforce outcomes, high-performing surveyed organizations are . . .



. . . than are low-performing surveyed organizations.

Deloitte Consulting LLP, 2020.

Looking Ahead

Many organizations have not adjusted their workforce structures or strategies to meet shifting pressures from the market, enterprise, and workforce. As a result, productivity has lagged, new capabilities aren't being leveraged, and talent plans remain unclear. Our High-Impact Workforce research reveals that to succeed in the new world of work, an organization should understand:

- HR process integration is no longer enough—the work, workforce, and workplace comprise a system that should be addressed in concert, not separately.
- Change is too rapid and the future too unpredictable to think in terms of static plans and fixed goals—technologies can augment people's capabilities to improve productivity and wellbeing in real time.
- Workers aren't parts that can be put into place—empowering workers to innovate, invent, and grow is critical to not just adapt to change but cocreate the future.

Is your organization ready to embrace and capitalize on new ways of building value?

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Key Takeaways

- High-performing organizations evolve their workforce strategies to not just add alternative workers to the mix but empower the ecosystem to make meaningful contributions.
- Eighty-three percent of surveyed organizations are at Levels 1 or 2 maturity (the least mature levels of workforce architecture), while only 5 percent of surveyed organizations have achieved the highest level of maturity.
- Mature organizations go beyond a short-term focus on cost savings and instead seize opportunities for growth by meeting unknown customer needs and providing workers with opportunities for meaningful contributions.
- High-performing organizations build the future together with their people, thereby making work *work* for them.
- Higher levels of workforce architecture maturity positively correlate with better business and workforce outcomes.
- To effectively address opportunities of constant and accelerating change, organizations can inspire a sense of belonging where each worker has agency over their work, career, and workplace—and can create the future.

Endnotes

1. High-Impact Workforce research, Deloitte Consulting LLP, 2020.
2. [*Crossing the Chasm: From Talent Management to Workforce Transformation*](#), Deloitte Consulting LLP / Kathi Enderes, PhD, and Mike Kemp, 2019.
3. Deloitte's 2015 High-Impact Talent Management research defines talent management as *the organizational management system designed to attract, lead, develop, engage, enable, and retain talent*.
4. [*The Workforce Architecture Maturity Model*](#), Deloitte Consulting LLP / Kathi Enderes, PhD, Nehal Nangia, Mike Kemp, PhD, and David Mallon, 2020.
5. [*Methodology for High-Impact Workforce Research 2020*](#), Deloitte Consulting LLP / Kathi Enderes, PhD, Nehal Nangia, Mike Kemp, PhD, and David Mallon, 2020.
6. [*Seven Top Findings on Moving from Talent Management to Workforce Architecture*](#), Deloitte Consulting LLP / Kathi Enderes, PhD, Nehal Nangia, Mike Kemp, PhD, and David Mallon, 2020.
7. [*"Introduction to the Social Enterprise at Work: Paradox as a Path Forward" from 2020 Deloitte Global Human Capital Trends: The social enterprise at work—Paradox as a path forward*](#), Deloitte Insights / Erica Volini, Jeff Schwartz, Brad Denny, David Mallon, Yves Van Durme, Maren Hauptmann, Ramona Yan, and Shannon Poynton, 2020.
8. [*"From Jobs to Superjobs" from 2019 Deloitte Global Human Capital Trends*](#), Deloitte Insights / Erica Volini, Indranil Roy, Jeff Schwartz, Maren Hauptmann, Yves Van Durme, Brad Denny, and Josh Bersin, 2019.
9. [*"Superteams: Putting AI in the Group" from 2020 Deloitte Global Human Capital Trends: The social enterprise at work—Paradox as a path forward*](#), Deloitte Consulting LLP / Erica Volini, Jeff Schwartz, Brad Denny, David Mallon, Yves Van Durme, Maren Hauptmann, Ramona Yan, and Shannon Poynton, 2020.



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